

BANK BRADESCO
Form 6-K
October 25, 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 October, 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 Form 40-F

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

Yes No

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Bradesco _____

Forward-Looking Statements

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

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

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

Few numbers of this Report were submitted to rounding adjustments.

Therefore, amounts indicated as total in certain charts may not correspond to the arithmetic sum of figures preceding them.

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Highlights

The main figures obtained by Bradesco in the first nine months of 2013 are presented below:

1. Adjusted Net Income⁽¹⁾ for the first nine months of 2013 stood at R\$9.003 billion (a 4.6% increase compared to the R\$8.605 billion recorded in the same period last year), corresponding to earnings per share of R\$2.84 in the last 12 months, and Return on Average Adjusted Shareholders' Equity⁽²⁾ of 18.4%.

2. Adjusted Net Income is composed of R\$6.264 billion from financial activities, representing 69.6% of the total, and R\$2.739 billion from insurance, pension plan and capitalization bond operations, which accounted for 30.4%.

3. On September 30, 2013, Bradesco's market capitalization stood at R\$136.131 billion⁽³⁾, up 20.4% over the same period in 2012. As of May 2013, Bradesco common shares compose the Ibovespa index.

4. Total Assets stood at R\$907.694 billion in September 2013, a 6.0% increase over the same period in 2012. Return on Total Average Assets was 1.3%.

5. The Expanded Loan Portfolio⁽⁴⁾ stood at R\$412.559 billion in September 2013, up 11.0% during the same period in 2012. Operations with individuals totaled R\$127.068 billion (up 10.9% on September 2012), while operations with companies totaled R\$285.491 billion (up 11.0% on September 2012).

6. Assets under Management stood at R\$1.256 trillion, a 7.2% increase from September 2012.

7. Shareholders' Equity stood at R\$67.033 billion in September 2013, up 1.5% on September 2012. Capital Adequacy Ratio stood at 16.4% in September 2013, 12.7% of which fell under Tier I Capital.

months of 2013, R\$1.554 billion of which was paid as monthly and interim interest and R\$1.591 billion was recorded in provision.

9. Interest Financial Margin stood at R\$31.700 billion, up 1.1% in comparison with the first nine months of 2012.

10. The Delinquency Ratio over 90 days dropped 0.5 p.p. in the last 12 months and stood at 3.6% on September 30, 2013 (4.1% on September 30, 2012).

11. The Efficiency Ratio⁽⁵⁾ in September 2013 remained stable (42.1%) when compared to September 2012, whereas the "adjusted to risk" ratio stood at 52.5%, for a 0.6 p.p. improvement (53.1% in September 2012).

12. Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income totaled R\$35.260 billion in the first nine months of 2013, up 13.4% over the same period in 2012. Technical Reserves stood at R\$133.554 billion, up 13.4% on September 2012.

13. Investments in infrastructure, information technology and telecommunications amounted to R\$3.498 billion in the first nine months of 2013, up 17.9% over the same period last year.

14. Taxes and contributions, including social security, paid or recorded in provision, amounted to R\$18.096 billion in the first nine months of 2013, of which R\$7.039 billion referred to taxes withheld and collected from third parties and R\$11.057 billion from Bradesco Organization activities, equivalent to 122.8% of Adjusted Net Income ⁽¹⁾.

15. Bradesco has an extensive customer service network in Brazil, with 4,697 Branches and 3,760 Service Branches - PAs. Customers can also use 1,421 PAEs – ATMs (Automatic Teller Machines) in companies, 45,614 Bradesco *Expresso* service points, 33,933 Bradesco *Dia & Noite* ATMs and 14,036 *Banco24Horas* ATMs.

8. Interest on Shareholders' Equity were paid and recorded in provision to shareholders in the amount of R\$3.145 billion for the first nine

(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.

— Report on Economic and Financial Analysis – September 2013

Highlights

16. Payroll, plus charges and benefits, totaled R\$8.143 billion. Social benefits provided to the 101,410 employees of the Bradesco Organization and their dependents amounted to R\$1.991 billion, while investments in training and development programs totaled R\$72.259 million.

17. Bradesco was once again included in the Dow Jones Sustainability Index, a select NYSE trading list that includes only those companies with the best sustainable development practices.

18. Bradesco BBI was among the lead managers in the raising of capital to the North-American automaker Ford, in a transaction which amounted to US\$1 billion. For the first time a Brazilian bank participated as lead manager of such operation for a North-American company in the United States. BBI was also authorized by Tokyo Stock Exchange to operate in the Japanese market as manager of a yen bond offering, which makes Bradesco the first Latin-American bank to operate in the Japanese debt market.

19. Bradesco, through its subsidiary Bradesco Saúde S.A., entered into an agreement that establishes the terms and conditions for a reorganization of its ownership interest held in Odontoprev, through which Bradesco Saúde will acquire 6.5% of the voting capital of Odontoprev. The operation is subject to approval from the Brazilian Central Bank. After the acquisition, Bradesco Saúde will hold approximately 50.01% of Odontoprev.

20. Major Awards and Acknowledgments in the period:

- Bradesco was considered the most profitable private bank in Latin America and the United States (*Economática*);

- Bradesco received the 2012 Publicly-held Company Award, promoted by Apimec. It acknowledges companies that have invested in long-term relationship and open dialogue with their investors;

- Bradesco was granted the 2013 Highlight of the Sector Award, in the Banks and Credits category, with the best case in value creation in 2012 (Abrasca);

- Bradesco stood out as the best Bank to Work for in Brazil (*Guia 2013 Você S/A – As Melhores Empresas para Você Trabalhar*);

- For the seventh consecutive time, Grupo Bradesco Seguros ranked first in the Brazilian insurance company category (2012 *Valor 1000* list of *Valor Econômico* newspaper); and

- BRAM – Bradesco Asset Management was considered the best fund manager (*“Guia Exame de Investimentos Pessoais 2013” – Exame* magazine).

21. 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 million 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

- Bradesco was considered Brazil's most valuable income brand, according to 2013 ranking (*Brand Finance*);
- Bradesco is the most valuable brand in Latin America (BrandAnalytics/ Millward Brown consulting firm, published in *Financial Times* newspaper);

Bradesco _____

Press Release**Main Information**

	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12
Income Statement for the Period - R\$ million						
Book Net Income	3,064	2,949	2,919	2,893	2,862	2,862
Adjusted Net Income	3,082	2,978	2,943	2,918	2,893	2,893
Total Financial Margin	10,729	10,587	10,706	11,109	10,955	10,955
Gross Loan Financial Margin	7,793	7,634	7,414	7,527	7,460	7,460
Net Loan Financial Margin	4,912	4,540	4,305	4,317	4,157	4,157
Allowance for Loan Losses (ALL) Expenses	(2,881)	(3,094)	(3,109)	(3,210)	(3,303)	(3,303)
Fee and Commission Income	4,977	4,983	4,599	4,675	4,438	4,438
Administrative and Personnel Expenses	(6,977)	(6,769)	(6,514)	(6,897)	(6,684)	(6,684)
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	11,069	13,238	10,953	13,216	10,104	10,104
Statement of Financial Position - R\$ million						
Total Assets	907,694	896,697	894,467	879,092	856,288	833,288
Securities	313,679	309,027	300,600	315,487	319,537	321,537
Loan Operations ⁽¹⁾	412,559	402,517	391,682	385,529	371,674	366,674
- Individuals	127,068	123,562	119,231	117,540	114,536	111,536
- Corporate	285,491	278,955	272,451	267,989	257,138	255,138
Allowance for Loan Losses (ALL)	(21,476)	(21,455)	(21,359)	(21,299)	(20,915)	(20,915)
Total Deposits	216,778	208,485	205,870	211,858	212,869	211,869
Technical Reserves	133,554	131,819	127,367	124,217	117,807	117,807
Shareholders' Equity	67,033	66,028	69,442	70,047	66,047	66,047
Assets under Management	1,256,220	1,233,546	1,243,170	1,225,228	1,172,008	1,172,008
Performance Indicators (%) on Adjusted Net Income (unless otherwise stated)						
Adjusted Net Income per Share - R\$ ⁽²⁾ ⁽³⁾	2.84	2.79	2.77	2.74	2.71	2.71
Book Value per Common and Preferred Share - R\$ ⁽³⁾	15.97	15.72	16.54	16.68	15.73	15.73
Annualized Return on Average Shareholders' Equity ⁽⁴⁾ ⁽⁵⁾	18.4	18.8	19.5	19.2	19.9	19.9
Annualized Return on Average Assets ⁽⁵⁾	1.3	1.3	1.3	1.4	1.4	1.4
Average Rate - Annualized (Adjusted Financial Margin / Total Average Assets - Purchase and Sale Commitments - Permanent Assets)	7.1	7.2	7.3	7.6	7.6	7.6
Fixed Assets Ratio - Total Consolidated	17.4	17.3	16.5	16.9	19.0	19.0
Combined Ratio - Insurance ⁽⁶⁾	86.9	85.5	86.0	86.6	86.5	86.5
Efficiency Ratio (ER) ⁽²⁾	42.1	41.8	41.5	41.5	42.1	42.1
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) ⁽²⁾	70.8	69.6	67.7	66.5	64.4	64.4
Market Capitalization - R\$ million ⁽⁷⁾	136,131	124,716	145,584	131,908	113,102	113,102
Loan Portfolio Quality % ⁽⁸⁾						
ALL / Loan Portfolio	6.9	7.0	7.2	7.3	7.4	7.4
Non-Performing Loans (> 60 days ⁽⁹⁾ / Loan Portfolio)	4.4	4.6	4.9	5.0	5.1	5.1
Delinquency Ratio (> 90 days ⁽⁹⁾ / Loan Portfolio)	3.6	3.7	4.0	4.1	4.1	4.1
Coverage Ratio (> 90 days ⁽⁹⁾)	190.3	188.6	179.4	178.2	179.0	179.0
Coverage Ratio (> 60 days ⁽⁹⁾)	156.8	153.5	146.0	147.3	144.8	144.8
Operating Limits %						

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Capital Adequacy Ratio - Total Consolidated	16.4	15.4	15.6	16.1	16.0
- Tier I	12.7	11.6	11.0	11.0	11.3
- Tier II	3.7	3.8	4.6	5.1	4.7
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Main Information

	Sept13	Jun13	Mar13	Dec12	Sept12	Jun12	Mar12	Dec11
Structural Information - Units								
Service Points	71,724	70,829	69,528	68,917	67,225	65,370	62,759	59,721
- Branches	4,697	4,692	4,687	4,686	4,665	4,650	4,636	4,634
- PAs ⁽¹⁰⁾	3,760	3,795	3,786	3,781	3,774	3,243	2,986	2,962
- PAEs ⁽¹⁰⁾	1,421	1,454	1,457	1,456	1,456	1,476	1,497	1,477
- External Bradesco ATMs ⁽¹¹⁾	3,298	3,498	3,712	3,809	3,954	3,992	3,974	3,913
- Banco24Horas Network ATMs ⁽¹¹⁾	11,229	11,154	10,966	10,818	10,464	10,459	10,583	10,753
- Bradesco Expresso (Correspondent Banks)	45,614	44,819	43,598	43,053	41,713	40,476	38,065	34,839
- Bradesco Promotora de Vendas	1,692	1,404	1,309	1,301	1,186	1,061	1,005	1,131
- Branches / Subsidiaries Abroad	13	13	13	13	13	13	13	12
ATMs	47,969	47,972	48,025	47,834	47,542	47,484	47,330	46,971
- Bradesco Network	33,933	34,322	34,719	34,859	35,128	35,226	35,007	34,516
- Banco24Horas Network	14,036	13,650	13,306	12,975	12,414	12,258	12,323	12,455
Employees	101,410	101,951	102,793	103,385	104,100	104,531	105,102	104,684
Outsourced Employees and Interns	12,699	12,647	13,070	12,939	13,013	12,661	12,659	11,699
Customers - in millions								
Active Checking Account Holders ⁽¹²⁾ ⁽¹³⁾	26.4	26.2	25.8	25.7	25.6	25.6	25.4	25.1
Savings Accounts ⁽¹⁴⁾	48.3	47.7	46.6	48.6	48.3	45.2	41.3	43.4
Insurance Group	45.3	44.2	42.9	43.1	42.4	41.9	40.8	40.3
- Policyholders	39.5	38.4	37.1	37.3	36.7	36.3	35.4	35.0
- Pension Plan Participants	2.4	2.4	2.3	2.3	2.3	2.2	2.2	2.2
- Capitalization Bond Customers	3.4	3.4	3.5	3.5	3.4	3.4	3.2	3.1
Bradesco Financiamentos ⁽¹²⁾	3.4	3.5	3.6	3.7	3.7	3.8	3.8	3.8

(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 for 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: 1,701 in September 2013; 1,804 in June 2013; 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 and 2,019 in December 2011;
- (12) Number of customers (Corporate/ Individual Taxpayer ID (CNPJ/CPF));
- (13) Refers to 1st and 2nd holders of checking accounts; and
- (14) Number of accounts.

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Ratings

Main Ratings

	Fitch Ratings				
	International Scale				Domestic Scale
Feasibility	Support	Domestic Currency		Foreign Currency	
		Long		Long Term	Short Term
a -	2	Term	Short Term		Term
		A -	F1	BBB +	F2
					Long
					Term
					Short Term
					AAA
					(bra) F1 + (bra)
	Moody's Investors Service				R&I Inc.
Financial Strength / Individual Credit Risk Profile	International Scale				Domestic Scale
	Foreign Currency Senior Debt	Domestic Currency Deposit		Foreign Currency Deposit	Domestic Currency
		Long		Long	Long
C - / baa1	Long Term	Term	Short Term	Term	Short Term
	Baa1	Baa1	P - 2	Baa2	P-2
				Aaa.br	1
					Long
					Short
					Term
					Term
					BR -
					BBB
	Standard & Poor's				Austin Rating
International Scale - Issuer's Credit Rating		Domestic Scale		Corporate Governance	Domestic Scale
Foreign Currency		Issuer's Credit Rating			Long Short
	Long	Long			Term
Long Term	Term	Long	Short Term	brAA+	brAAA
Short Term	Short Term	Term	brAAA		brA
BBB	A - 2	brAAA	brA - 1		-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			
	9M13	9M12	3Q13	2Q13
Book Net Income	8,932	8,488	3,064	2,949
Non-Recurring Events	71	117	18	29
- Earnings from Extended Securities Terms	-	(2,116)	-	-
- Additional Technical Reserve due to Real Interest Rate Reduction	-	2,116	-	-
- Civil Provisions	118	195	30	48
- Tax Effects	(47)	(78)	(12)	(19)
Adjusted Net Income	9,003	8,605	3,082	2,978
ROAE % (1)	18.3	19.6	19.1	18.9
ADJUSTED ROAE % (1)	18.4	19.9	19.2	19.1

(1) Annualized.

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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							
	Variation				Variation			
	9M13	9M12	9M13 x 9M12	3Q13	2Q13	3Q13 x 2Q13		
			Amount	%			Amount	%
Financial Margin	32,022	32,684	(662)	(2.0)	10,729	10,587	142	1.3
- Interest	31,700	31,343	357	1.1	10,622	10,569	53	0.5
- Non-interest	322	1,341	(1,019)	(76.0)	107	18	89	494.4
ALL	(9,084)	(9,804)	720	(7.3)	(2,881)	(3,094)	213	(6.9)
Gross Income from Financial Intermediation	22,938	22,880	58	0.3	7,848	7,493	355	4.7
Income from Insurance, Pension Plans and Capitalization Bonds (1)	3,283	2,859	424	14.8	1,100	1,028	72	7.0
Fee and Commission Income	14,559	12,837	1,722	13.4	4,977	4,983	(6)	(0.1)
Personnel Expenses	(9,596)	(9,044)	(552)	6.1	(3,346)	(3,191)	(155)	4.9

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Other Administrative Expenses	(10,664)	(10,407)	(257)	2.5	(3,631)	(3,578)	(53)	1.5
Tax Expenses	(3,127)	(3,041)	(86)	2.8	(987)	(1,017)	30	(2.9)
Equity in the Earnings (Losses) of Unconsolidated Companies	17	104	(87)	(83.7)	2	12	(10)	(83.3)
Other Operating Income/ (Expenses)	(3,511)	(3,085)	(426)	13.8	(1,194)	(1,147)	(47)	4.1
Operating Result	13,899	13,103	796	6.1	4,769	4,583	186	4.1
Non-Operating Result	(89)	(60)	(29)	48.3	(27)	(24)	(3)	12.5
Income Tax / Social Contribution	(4,729)	(4,384)	(345)	7.9	(1,638)	(1,553)	(85)	5.5
Non-controlling Interest	(78)	(54)	(24)	44.4	(22)	(28)	6	(21.4)
Adjusted Net Income	9,003	8,605	398	4.6	3,082	2,978	104	3.5

(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.

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Summarized Analysis of Adjusted Income

Adjusted Net Income and Profitability

In the third quarter of 2013, Bradesco posted adjusted net income of R\$3,082 million, up 3.5%, or R\$104 million over the previous quarter, mainly due to: (i) lower allowance for loan loss expenses, resulting from reduced delinquency levels; (ii) greater financial margin revenue; (iii) higher insurance, pension plan and capitalization bond operating income; and offset by: (iv) higher personnel expenses, which were chiefly a result of the collective bargaining agreement.

In the year-over-year comparison, adjusted net income increased by 4.6% or R\$398 million in the first nine months of 2013, for Return on Adjusted Average Shareholders' Equity (ROAE) of 18.4%.

Shareholders' Equity stood at R\$67,033 million in September 2013, up 1.5% over the same period of 2012. The Capital Adequacy Ratio stood at 16.4%, 12.7% of which fell under Tier I Capital.

Total Assets came to R\$907,694 million in September 2013, up 6.0% over September 2012, driven by the increase in operations and greater business volume. Return on Average Assets (ROAA) came to 1.3%.

Press Release

Summarized Analysis of Adjusted Income

Efficiency Ratio (ER)

The “adjusted to risk” ER, which reflects the impact of risk associated with loan operations⁽¹⁾, improved by 0.1 p.p., totaling 52.5% in the third quarter of 2013. This result was in line with Bradesco’s allowance for loan loss expenses, which were lower for the fifth consecutive quarter, due to the decrease in delinquency ratio.

ER in the last 12 months⁽²⁾ and quarterly ER increased by 0.3 p.p. and 0.8 p.p. in the third quarter of 2013 from the previous quarter, reaching 42.1% and 42.9%, respectively. The higher ER in the last 12 months was mainly due to (i) the reduction in non-interest financial margin, due to lower gains from the market arbitrage, and (ii) the impact of the 2012 and 2013 collective bargaining agreements, whereas the variation in quarterly ER is a result of the 2013 collective bargaining agreement.

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

(2) $ER = (\text{Personnel Expenses} - \text{Employee Profit Sharing} + \text{Administrative Expenses}) / (\text{Financial Margin} + \text{Fee and Commission Income} + \text{Income from Insurance} + \text{Equity in the Earnings (Losses) of Unconsolidated Companies} + \text{Other Operating Income} - \text{Other Operating Expenses})$. 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), Bradesco’s ER in the last 12 months up to September 30, 2013 is 44.8%.

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Summarized Analysis of Adjusted Income

Financial Margin

The R\$142 million increase quarter over quarter was mainly due to: (i) higher interest margin, totaling R\$53 million, due to better Loan and Funding margins; and (ii) higher non-interest margin, totaling R\$89 million, as a result of higher gains from the market arbitrage.

In the first nine months 2013, financial margin came to R\$32,022 million, a R\$662 million decrease from the same period in 2012, due to: (i) lower result from the non-interest margin, in the amount of R\$1,019 million, due to lower gains from the market arbitrage, and offset by: (ii) the R\$357 million increase in income from interest-earning operations due to an increase in business volume, led by Loan and Insurance.

Press Release**Summarized Analysis of Adjusted Income****Interest Financial Margin – Annualized Average Rates**

	R\$ million					
	9M13			9M12		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	22,841	307,983	10.0%	22,003	280,666	10.6%
Funding	3,332	333,559	1.3%	3,228	333,543	1.3%
Insurance	2,651	129,721	2.7%	2,271	110,526	2.7%
Securities/Other	2,876	307,431	1.2%	3,841	288,773	1.8%
Financial Margin	31,700	-	6.9%	31,343	-	7.4%
	3Q13			2Q13		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	7,793	316,413	10.2%	7,634	309,040	10.3%
Funding	1,271	343,296	1.5%	1,112	330,956	1.4%
Insurance	823	132,502	2.5%	895	130,868	2.8%
Securities/Other	735	312,586	0.9%	928	305,841	1.2%
Financial Margin	10,622	-	7.0%	10,569	-	7.2%

The annualized interest financial margin rate stood at 7.0% in the third quarter of 2013, a 0.2 p.p. decrease over the previous quarter, mainly due to Securities/Other and Insurance interest margins.

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Summarized Analysis of Adjusted Income

Expanded Loan Portfolio⁽¹⁾

In September 2013, Bradesco's expanded loan portfolio totaled R\$412.6 billion, a 2.5% increase over the previous quarter due to: (i) a 2.8% growth in Individuals; (ii) a 2.7% growth in SMEs; and (iii) a 2.0% growth in Corporations.

In the last 12 months, the expanded loan portfolio increased 11.0%, driven by: (i) the 12.0% growth in SMEs; (ii) the 10.9% growth in Individuals; and (iii) the 10.3% growth in Corporations.

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

(1) In addition to the loan portfolio, it includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, co-obligation in 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 (ALL)

For the fifth consecutive quarter, ALL expenses reduced to R\$2,881 million in the third quarter of 2013, down 6.9% from the previous quarter, even considering the 2.0% growth in the loan portfolio – as defined by Bacen in the quarter. This result was due to the reduction in delinquency level, thanks to the adaptation and consistency of loan granting policy and processes, quality of guarantees obtained, as well as the loan recovery process improvement.

In the year-over-year comparison, this expense reduced by 7.3%, even considering the 9.6% increase in loan operations – as defined by Bacen, resulting from the reduced delinquency level in the last 12 months.

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Summarized Analysis of Adjusted Income

Delinquency Ratio > 90 days⁽¹⁾

Total delinquency ratio, which is based on transactions due over 90 days, had a decrease in the quarter and in the last twelve months, thanks especially to the drop in delinquency ratio among individual customers.

(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 September 2013, these ratios stood at 156.8% and 190.3%, respectively, the highest ratios of the series.

The ALL, totaling R\$21.5 billion in September 2013, which remained flat when compared to the previous quarter, was made up of: (i) R\$17.5 billion required by Bacen; and (ii) R\$4.0 billion in excess provisions.

(1) As defined by Bacen

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Summarized Analysis of Adjusted Income**Income from Insurance, Pension Plans and Capitalization Bonds**

Net income for the third quarter of 2013 stood at R\$878 million (R\$931 million in the second quarter of 2013), for annualized Return on Adjusted Shareholders' Equity of 24.1%.

Year to date, Net Income came to R\$2.739 billion, up 4.4% from Net Income posted in the first nine months of 2012 (R\$2.623 billion), for a return on Adjusted Shareholders' Equity of 23.7%.

(1) Excluding additional provisions.

	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12
Net Income	878	931	930	964	837	881	930
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	11,069	13,238	10,953	13,216	10,104	11,570	9,400
Technical Reserves	133,554	131,819	127,367	124,217	117,807	111,789	106,900
Financial Assets	143,423	141,984	141,535	141,540	133,738	128,526	122,100
Claims Ratio	72.7	71.1	69.6	70.5	70.4	71.3	71.0
Combined Ratio	86.9	85.5	86.0	86.6	86.5	85.0	84.0
Policyholders / Participants and Customers (in thousands)	45,292	44,215	42,941	43,065	42,363	41,898	40,700
Employees	7,462	7,493	7,510	7,554	7,545	7,478	7,500
Market Share of Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income ⁽¹⁾	23.6	24.0	22.4	24.8	24.3	24.8	22.0

(1) The third quarter of 2013 includes the latest data released by Susep (August/13).

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

Summarized Analysis of Adjusted Income

Given the better performance of Life and Pension Plan products and the seasonality of the insurance segment in the second quarter of 2013, revenue in the third quarter of 2013 stood at R\$11.1 billion, lower than the previous quarter (R\$13.2 billion), but 9.6% higher in comparison with the third quarter of 2012 (R\$10.1 billion).

Net income for the third quarter of 2013 was 5.7% lower than the previous quarter, mainly due to: (i) the 16.4% decrease in revenue, as mentioned above; (ii) the 1.6 p.p. increase in claims ratio; and (iii) the reduction in financial income.

In comparison with the third quarter of 2012, net income was up 4.9% of 2012, as a result of: (i) the 9.6% growth in revenue; and (ii) slight improvement in the administrative efficiency ratio.

In first nine months of 2013, production was up 13.4% from the same period in 2012, led by Health, Capitalization Bond and Life and Pension Plan products, which increased 23.9%, 21.8% and 8.7%, respectively.

Net income for the first nine months of 2013 exceeded by 4.4% that of the previous year, due to: (i) a 13.4% increase in revenue; (ii) the improved financial and equity income; and (iii) the stability of administrative efficiency ratio.

Grupo Bradesco Seguros' capital levels are in compliance with the regulatory requirements and the global standards (Solvency II), with a leverage of 2.8 times its Shareholders' Equity in the period.

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Summarized Analysis of Adjusted Income

Fee and Commission Income

In the third quarter of 2013, fee and commission income came to R\$4,977 million, down R\$6 million over the previous quarter, mainly due to the excellent performance of underwriting / financial advisory revenues in the second quarter of 2013, which was partially offset by the positive results in the third quarter of 2013 of revenues from: (i) cards; (ii) checking accounts; and (iii) fund management.

In the year-over-year comparison, the increase of R\$1,722 million, or 13.4%, in the first nine months of 2013 was due to ongoing investments in customer service channels and technology, which mainly resulted in: (i) the excellent 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 758 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 8.4% in the period; (v) higher gains from capital market operations (underwriting / financial advisory); and (vi) higher income from loan operations, due to greater volume of contracted operations and sureties and guarantees in the period.

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Summarized Analysis of Adjusted Income

Personnel Expenses

In the third quarter of 2013, the R\$155 million increase from the previous quarter is a result of variations in:

- structural expenses – increase of R\$127 million, mainly due to raise in salary levels and adjustments to labor obligations, as per the collective bargaining agreement; and
- non-structural expenses – increase of R\$28 million, mainly due to greater employee and management profit sharing expenses.

In the year-over-year comparison, the R\$552 million increase in the first nine months of 2013 was mainly due to:

- the R\$410 million, or 5.6%, of structural expenses, resulting from greater expenses with salaries, social charges and benefits, due to raise in salary levels, as per the 2012 and 2013 collective bargaining agreements (adjustments of 7.5% and 8.0%, respectively); and

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.

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Summarized Analysis of Adjusted Income

Administrative Expenses

Despite the higher expenses with (i) the opening of 4,499 service points in the period, mainly Bradesco Expresso points, for a total of 71,724 service points on September 30, 2013, and (ii) the increase in business and service volume in the period, the administrative expenses increased only 2.5% between the first nine months of 2012 and 2013, as a result of the continued efforts to reduce costs, led by our Efficiency Committee. It is worth noting that IPCA and IGP-M inflation indexes reached 5.9% and 4.4% respectively, in the last 12 months.

In the third quarter of 2013, the increase in administrative expenses over the previous quarter was mainly due to the greater business and service volume in the quarter which, consequently, increased expenses with: (i) outsourced services; (ii) data processing; and (iii) transportation.

Other Operating Income and Expenses

Other operating expenses, net of other operating income, totaled R\$1,194 million in the third quarter of 2013, a R\$47 million increase over the previous quarter, mainly due to greater expenses with civil contingencies.

Year over year, other operating expenses, net of other operating income, increased by R\$426 million in the first nine months of 2013, mainly as a result of greater expenses with: (i) operating provisions, particularly those for civil contingencies; (ii) amortization of intangible assets; and (iii) sundry losses.

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Summarized Analysis of Adjusted Income

Income Tax and Social Contribution

Income tax and social contribution increased 5.5% in comparison with the previous quarter and 7.9% from the first nine months of 2012, mainly due to the increase in taxable result.

The effective rate came to 41.7% in the third quarter of 2013, remaining stable over the previous quarters

Unrealized Gains

Unrealized gains totaled R\$10,035 million in the third quarter of 2013, an R\$1,971 million decrease from the previous quarter. This was mainly due to: (i) the fixed-income securities subject to mark-to-market accounting; (ii) the lower unrealized gain of loan and leasing operations; and partially offset by the appreciation of: (iii) investments, mainly Cielo shares; and (iv) equity securities.

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Economic Scenario

In the third quarter of 2013, expectations that the U.S. would begin reducing its monetary stimuli had a substantial impact on the price of global financial assets. The consequent appreciation of the dollar and the increase in long-term interest rates led to a reallocation of international market portfolios, mainly affecting the emerging countries. Even though these expectations were frustrated in September, the signals coming from the Federal Reserve indicate that it has merely postponed the decision while it waits for clearer signs of a U.S. economic recovery. The current concerns with the world's leading economy are chiefly related to fiscal aspects against a background of political polarization in Congress.

The most recent news from China suggests a certain leveling off of growth at around 7.5%, dissipating worries of an abrupt slowdown. However, there is still a general belief that the growth pace will decline in the coming years, which is linked to a schedule of structural reforms, whose content will become clearer as of November after the Chinese Communist Party meeting.

Given the dollar's upward tendency, slower Chinese growth and the strong expansion in supply in certain segments, commodity prices are likely to fall in the coming months. This scenario, together with the resumption of discussions concerning a reduction in the U.S. monetary stimuli, albeit with no certain date as yet, poses a number of serious challenges for the emerging nations, so it is imperative that they adopt initiatives to strengthen their economic resilience.

Brazil's economy is better prepared than before to face the global economy's current transition phase and the resulting challenges to domestic economic policy management. This view is supported by improved macroeconomic fundamentals and the institutional advances recorded in the last few years.

The recovery of economic activity in recent months has been chiefly fueled by investments in production, which will tend to increase further as they reap the benefits of the ongoing public concessions program. This program, together with the major sporting events scheduled for the next three years, represents a unique opportunity for Brazil to improve its infrastructure, which is absolutely essential in order to enhance perception of the economy's growth potential.

Despite the risks to the scenario and the challenges faced by the Brazilian economy in the pursuit of higher sustainable growth in the near future, Bradesco is maintaining a positive outlook, with favorable prospects in its operational segments. The volume of credit is growing at rates that are both sustainable and risk-compatible, while delinquency has been showing signs of a decline. Thanks to the intense and ongoing upward social mobility of recent years, the scenario for the banking and insurance sectors remains highly favorable.

Main Economic Indicators

Main Indicators (%)	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11	3Q11
Interbank Deposit Certificate (CDI)	2.12	1.79	1.61	1.70	1.91	2.09	2.45	2.67	2.67
Ibovespa	10.29	(15.78)	(7.55)	3.00	8.87	(15.74)	13.67	8.47	(15.74)
USD – Commercial Rate	0.65	10.02	(1.45)	0.64	0.46	10.93	(2.86)	1.15	10.93
General Price Index - Market (IGP-M)	1.92	0.90	0.85	0.68	3.79	2.56	0.62	0.91	3.79
Extended Consumer Price Index (IPCA) – Brazilian Institute of Geography and Statistics (IBGE)	0.62	1.18	1.94	1.99	1.42	1.08	1.22	1.46	1.42
Federal Government Long-Term Interest Rate (TJLP)	1.24	1.24	1.24	1.36	1.36	1.48	1.48	1.48	1.36
Reference Interest Rate (TR)	0.03	-	-	-	0.03	0.07	0.19	0.22	0.03
Savings Account (Old Rule) ⁽¹⁾	1.54	1.51	1.51	1.51	1.53	1.58	1.70	1.73	1.53
Savings Account (New Rule) ⁽¹⁾	1.47	1.30	1.25	1.26	1.40	-	-	-	1.40
Business Days (number)	66	63	60	62	64	62	63	62	64
Indicators (Closing Rate)	Sept13	Jun13	Mar13	Dec12	Sept12	Jun12	Mar12	Dec11	Sept11
USD – Commercial Selling Rate - (R\$)	2.2300	2.2156	2.0138	2.0435	2.0306	2.0213	1.8221	1.8758	2.0306
Euro - (R\$)	3.0181	2.8827	2.5853	2.6954	2.6109	2.5606	2.4300	2.4342	2.6109
Country Risk (points)	236	237	189	142	166	208	177	223	166
Basic Selic Rate Copom (% p.a.)	9.00	8.00	7.25	7.25	7.50	8.50	9.75	11.00	7.50
BM&F Fixed Rate (% p.a.)	10.07	9.39	7.92	7.14	7.48	7.57	8.96	10.04	7.48

(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\$	2.25	2.35	2.45
Extended Consumer Price Index (IPCA)	5.90	5.80	5.60
General Price Index - Market (IGP-M)	5.60	5.00	5.00
Selic (year-end)	10.00	10.25	10.25
Gross Domestic Product (GDP)	2.40	2.10	3.00
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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⁾	11 to 15%
Individuals	11 to 15%
Companies	11 to 15%
Interest Financial Margin ⁽²⁾	1 to 3%
Fee and Commission Income	12 to 16%
Operating Expenses ⁽³⁾	2 to 6%
Insurance Premiums	12 to 15%

(1) Expanded Loan Portfolio;

(2) Changed from 4%— 8% to 1%—3%; 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**

Third Quarter of 2013

	Book Income Statement	Reclassifications						3Q13 Fiscal Hedge (7)
		(1)	(2)	(3)	(4)	(5)	(6)	
Financial Margin	11,733	(355)	16	(97)	(740)	30	-	14
ALL	(3,260)	-	-	-	511	(132)	-	
Gross Income from Financial Intermediation	8,473	(355)	16	(97)	(229)	(102)	-	14
Income from Insurance, Pension Plans and Capitalization Bonds ⁽⁹⁾	1,100	-	-	-	-	-	-	
Fee and Commission Income	4,908	-	-	-	-	-	68	
Personnel Expenses	(3,346)	-	-	-	-	-	-	
Other Administrative Expenses	(3,601)	-	-	-	-	-	(30)	
Tax Expenses	(964)	-	-	-	(8)	-	-	(1)
Equity in the Earnings (Losses) of Unconsolidated Companies	2	-	-	-	-	-	-	
Other Operating Income/Expenses	(1,882)	355	(16)	97	237	25	(38)	
Operating Result	4,691	-	-	-	-	(77)	-	12
Non-Operating Result	(104)	-	-	-	-	77	-	
Income Tax / Social Contribution and Non-controlling Interest	(1,523)	-	-	-	-	-	-	(12)
Net Income	3,064	-	-	-	-	-	-	

(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 "Allowance for Loan Loss (ALL) Expenses," 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 "Allowance for Loan Loss (ALL) Expenses" / "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 annuls 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.

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Book Income vs. Managerial Income vs. Adjusted Income Statement**Second Quarter of 2013**

	Book Income Statement	Reclassifications						2Q13 Fiscal Hedge (7)
		(1)	(2)	(3)	(4)	(5)	(6)	
Financial Margin	10,005	(353)	37	(42)	(876)	168	-	1,64
ALL	(3,608)	-	-	-	605	(91)	-	-
Gross Income from Financial Intermediation	6,397	(353)	37	(42)	(271)	77	-	1,64
Income from Insurance, Pension Plans and Capitalization Bonds ⁽⁹⁾	1,028	-	-	-	-	-	-	-
Fee and Commission Income	4,886	-	-	-	-	-	97	-
Personnel Expenses	(3,191)	-	-	-	-	-	-	-
Other Administrative Expenses	(3,530)	-	-	-	-	-	(48)	-
Tax Expenses	(829)	-	-	-	(9)	-	-	(17)
Equity in the Earnings (Losses) of Unconsolidated Companies	12	-	-	-	-	-	-	-
Other Operating Income/Expenses	(1,809)	353	(37)	42	280	24	(49)	-
Operating Result	2,966	-	-	-	-	101	-	1,46
Non-Operating Result	77	-	-	-	-	(101)	-	-
Income Tax / Social Contribution and Non-controlling Interest	(93)	-	-	-	-	-	-	(1,46)
Net Income	2,949	-	-	-	-	-	-	-

(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 "Allowance for Loan Loss (ALL) Expenses," 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 "Allowance for Loan Loss (ALL) Expenses" / "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 annuls 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.

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Book Income vs. Managerial Income vs. Adjusted Income Statement**First Nine Months of 2013**

	Book Income Statement	Reclassifications					9M
		(1)	(2)	(3)	(4)	(5)	
Financial Margin	33,666	(1,007)	69	(180)	(2,260)	198	
ALL	(10,343)	-	-	-	1,526	(267)	
Gross Income from Financial Intermediation	23,322	(1,007)	69	(180)	(734)	(69)	
Income from Insurance, Pension Plans and Capitalization Bonds ⁽⁹⁾	3,283	-	-	-	-	-	
Fee and Commission Income	14,303	-	-	-	-	-	256
Personnel Expenses	(9,596)	-	-	-	-	-	
Other Administrative Expenses	(10,499)	-	-	-	-	-	(165)
Tax Expenses	(2,933)	-	-	-	(28)	-	
Equity in the Earnings (Losses) of Unconsolidated Companies	17	-	-	-	-	-	
Other Operating Income/Expenses	(5,489)	1,007	(69)	180	762	73	(91)
Operating Result	12,410	-	-	-	-	4	
Non-Operating Result	(86)	-	-	-	-	(4)	
Income Tax / Social Contribution and Non-controlling Interest	(3,393)	-	-	-	-	-	
Net Income	8,932	-	-	-	-	-	

(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 "Allowance for Loan Loss (ALL) Expenses;" 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 "Allowance for Loan Loss (ALL) Expenses" / "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 annuls 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.

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Book Income vs. Managerial Income vs. Adjusted Income Statement**First Nine Months of 2012**

	Book Income Statement	Reclassifications					9M P F
		(1)	(2)	(3)	(4)	(5)	
Financial Margin	35,921	(747)	141	(30)	(1,748)	29	-
ALL	(10,501)	-	-	-	955	(258)	-
Gross Income from Financial Intermediation	25,420	(747)	141	(30)	(793)	(229)	-
Income from Insurance, Pension Plans and Capitalization Bonds ⁽⁹⁾	743	-	-	-	-	-	-
Fee and Commission Income	12,501	-	-	-	-	-	336
Personnel Expenses	(9,044)	-	-	-	-	-	-
Other Administrative Expenses	(10,060)	-	-	-	-	-	(347)
Tax Expenses	(2,957)	-	-	-	50	-	-
Equity in the Earnings (Losses) of Unconsolidated Companies	104	-	-	-	-	-	-
Other Operating Income/Expenses	(4,746)	747	(141)	30	743	78	11
Operating Result	11,961	-	-	-	-(151)	-	-
Non-Operating Result	(211)	-	-	-	-	151	-
Income Tax / Social Contribution and Non-controlling Interest	(3,262)	-	-	-	-	-	-
Net Income	8,488	-	-	-	-	-	-

(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 "Allowance for Loan Loss (ALL) Expenses;" 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 "Allowance for Loan Loss (ALL) Expenses" / "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 annuls 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.

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Economic and Financial Analysis**Consolidated Statement of Financial Position and Adjusted Income Statement****Statement of Financial Position**

	Sept13	Jun13	Mar13	Dec12	Sept12	Jun12	Mar12	Dec11	R\$ mil
Assets									
Current and Long-Term Assets	892,363	881,121	879,192	864,279	840,295	815,063	773,896	746,000	746,000
Cash and Cash Equivalents	16,427	16,180	11,347	12,077	12,944	13,997	25,069	22,000	22,000
Interbank Investments	144,967	147,485	171,333	151,813	126,772	92,858	84,690	82,000	82,000
Securities and Derivative Financial Instruments	313,679	309,027	300,600	315,487	319,537	322,507	294,959	265,000	265,000
Interbank and Interdepartmental Accounts	52,121	52,150	52,769	49,762	56,276	62,510	61,576	72,000	72,000
Loan and Leasing Operations	286,899	281,982	276,022	267,940	262,748	258,242	250,201	248,000	248,000
Allowance for Loan Losses (ALL)	(21,476)	(21,455)	(21,359)	(21,299)	(20,915)	(20,682)	(20,117)	(19,000)	(19,000)
Other Receivables and Assets	99,746	95,752	88,480	88,499	82,933	85,631	77,518	73,000	73,000
Permanent Assets	15,331	15,576	15,275	14,813	15,993	15,457	15,654	15,000	15,000
Investments	1,910	1,920	1,867	1,865	1,907	1,889	2,076	2,000	2,000
Premises and Leased Assets	4,392	4,464	4,550	4,678	4,500	4,523	4,551	4,500	4,500
Intangible Assets	9,029	9,192	8,858	8,270	9,586	9,045	9,027	8,500	8,500
Total	907,694	896,697	894,467	879,092	856,288	830,520	789,550	761,000	761,000
Liabilities									
Current and Long-Term Liabilities	839,393	829,426	823,788	807,799	789,036	765,398	730,214	704,000	704,000
Deposits	216,778	208,485	205,870	211,858	212,869	217,070	213,877	217,000	217,000
Federal Funds Purchased and Securities Sold under	258,580	266,825	281,045	255,591	245,538	225,974	213,930	197,000	197,000
Agreements to Repurchase									
Funds from Issuance of Securities	55,427	53,821	47,832	51,359	53,810	51,158	48,482	41,000	41,000
Interbank and Interdepartmental Accounts	4,806	3,793	3,815	5,667	3,649	3,618	3,231	4,000	4,000
Borrowing and Onlending	51,307	49,121	46,209	44,187	45,399	47,895	47,112	53,000	53,000
Derivative Financial Instruments	3,238	3,141	2,590	4,001	4,148	3,568	2,703		
Reserves for Insurance, Pension Plans and Capitalization Bonds	133,554	131,819	127,367	124,217	117,807	111,789	106,953	103,000	103,000
Other Liabilities	115,703	112,421	109,060	110,919	105,816	104,326	93,926	86,000	86,000
Deferred Income	676	661	632	658	619	615	646		
Non-controlling Interest in Subsidiaries	592	582	605	588	586	587	630		
Shareholders' Equity	67,033	66,028	69,442	70,047	66,047	63,920	58,060	57,000	57,000
Total	907,694	896,697	894,467	879,092	856,288	830,520	789,550	761,000	761,000

Economic and Financial Analysis

Consolidated Statement of Financial Position and Adjusted Income Statement

Adjusted Income Statement

								R\$ million
	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11
Financial Margin	10,729	10,587	10,706	11,109	10,955	11,034	10,695	10,258
- Interest	10,622	10,569	10,509	10,678	10,603	10,518	10,222	9,985
- Non-interest	107	18	197	431	352	516	473	273
ALL	(2,881)	(3,094)	(3,109)	(3,210)	(3,303)	(3,407)	(3,094)	(2,661)
Gross Income from Financial Intermediation	7,848	7,493	7,597	7,899	7,652	7,627	7,601	7,597
Income from Insurance, Pension Plans and Capitalization Bonds ⁽¹⁾	1,100	1,028	1,155	955	1,029	953	877	933
Fee and Commission Income	4,977	4,983	4,599	4,675	4,438	4,281	4,118	4,086
Personnel Expenses	(3,346)	(3,191)	(3,059)	(3,142)	(3,119)	(3,047)	(2,878)	(3,140)
Other Administrative Expenses	(3,631)	(3,578)	(3,455)	(3,755)	(3,565)	(3,441)	(3,401)	(3,682)
Tax Expenses	(987)	(1,017)	(1,123)	(1,098)	(1,038)	(991)	(1,012)	(1,005)
Equity in the Earnings (Losses) of Unconsolidated Companies	2	12	3	45	45	19	40	53
Other Operating Income/ (Expenses)	(1,194)	(1,147)	(1,170)	(1,130)	(1,054)	(1,035)	(996)	(808)
Operating Result	4,769	4,583	4,547	4,449	4,388	4,366	4,349	4,034
Non-Operating Result	(27)	(24)	(38)	(29)	(20)	(22)	(18)	4
Income Tax and Social Contribution	(1,638)	(1,553)	(1,538)	(1,488)	(1,455)	(1,461)	(1,468)	(1,241)
Non-controlling Interest	(22)	(28)	(28)	(14)	(20)	(16)	(18)	(26)
Adjusted Net Income	3,082	2,978	2,943	2,918	2,893	2,867	2,845	2,771

(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

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Economic and Financial Analysis**Financial Margin - Interest and Non-Interest****Average Financial Margin Rate**

	R\$ million					
	Financial Margin				Variation	
	9M13	9M12	3Q13	2Q13	YTD	Quarter
Interest - due to volume					2,593	253
Interest - due to spread					(2,236)	(200)
- Financial Margin - Interest	31,700	31,343	10,622	10,569	357	53
- Financial Margin - Non-Interest	322	1,341	107	18	(1,019)	89
Financial Margin	32,022	32,684	10,729	10,587	(662)	142
Average Margin Rate ⁽¹⁾	7.0%	7.7%	7.1%	7.2%		

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

Quarter over quarter, the increase of R\$142 million in the third quarter of 2013 was a result of: (i) the non-interest margin growth of R\$89 million, due to higher gains from market arbitrage; and (ii) the R\$53 million in interest margin, thanks to greater Funding and Loan margins.

In the nine months of 2013, financial margin stood at R\$32,022 million, a R\$662 million decrease year over year, due to: (i) lower results from non-interest margin, totaling R\$1,019 million, due to lower gains from market arbitrage; and partially offset: (ii) by higher results from interest-earning operations, amounting to R\$357 million, arising from greater business volume, with highlight to Loan and Insurance.

Financial Margin - Interest**Interest Financial Margin - Breakdown**

	R\$ million					
	Interest Financial Margin Breakdown				Variation	
	9M13	9M12	3Q13	2Q13	YTD	Quarter
Loans	22,841	22,003	7,793	7,634	838	159

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Funding	3,332	3,228	1,271	1,112	104	159
Insurance	2,651	2,271	823	895	380	(72)
Securities/Other	2,876	3,841	735	928	(965)	(193)
Interest Financial Margin	31,700	31,343	10,622	10,569	357	53

In the third quarter of 2013, interest financial margin stood at R\$10,622 million, versus R\$10,569 million in the second quarter of 2013, for an increase of R\$53 million. The business lines that most contributed to this result were Loan and Funding, broken down under items Loan Financial Margin – Interest and Funding Financial Margin – Interest.

Between the nine months of 2013 and the same period in 2012, interest financial margin increased R\$357 million. The business lines that most contributed to this increase were Loan and Insurance.

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Economic and Financial Analysis

Financial Margin - Interest

Interest Financial Margin – Rates

The annualized interest financial margin rate stood at 7.0% in the third quarter of 2013, down 0.2 p.p. on the previous quarter, mainly due to the results obtained from Securities/Other and Insurance interest margins.

Interest Financial Margin – Annualized Average Rates

	R\$ million					
	9M13			9M12		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	22,841	307,983	10.0%	22,003	280,666	10.6%
Funding	3,332	333,559	1.3%	3,228	333,543	1.3%
Insurance	2,651	129,721	2.7%	2,271	110,526	2.7%
Securities/Other	2,876	307,431	1.2%	3,841	288,773	1.8%
*						
Interest Financial Margin	31,700	-	6.9%	31,343	-	7.4%
	3Q13			2Q13		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	7,793	316,413	10.2%	7,634	309,040	10.3%
Funding	1,271	343,296	1.5%	1,112	330,956	1.4%
Insurance	823	132,502	2.5%	895	130,868	2.8%
Securities/Other	735	312,586	0.9%	928	305,841	1.2%
*						
Interest Financial Margin	10,622	-	7.0%	10,569	-	7.2%

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Economic and Financial Analysis**Loan Financial Margin - Interest****Loan Financial Margin - Breakdown**

	Financial Margin - Loan				R\$ million	
	9M13	9M12	3Q13	2Q13	Variation YTD	Quarter
Interest - due to volume					2,026	182
Interest - due to spread					(1,188)	(23)
Interest Financial Margin	22,841	22,003	7,793	7,634	838	159
Income	40,424	38,875	13,946	14,016	1,549	(70)
Expenses	(17,583)	(16,872)	(6,153)	(6,382)	(711)	229

In the third quarter of 2013, financial margin with loan operations reached R\$7,793 million, up 2.1% or R\$159 million over the second quarter of 2013. The variation is the result of: (i) the increase in average business volume, in the amount of R\$182 million; and offset by: (ii) the decrease in average spread, in the amount of R\$23 million.

Year over year, the financial margin for the nine months of 2013 grew 3.8%, or R\$838 million, resulting from: (i) a R\$2,026 million increase in the volume of operations; and partially offset by: (ii) the decrease in average spread, amounting to R\$1,188 million, mainly affected by the drop in interest rates used and the change in 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 third quarter of 2013, the net margin curve, which refers to loan interest income net of ALL, grew 8.2% over the previous quarter and 12.8% over the first nine months of 2012, mainly driven by: (i) the increase in business volume; and (ii) the reduction in delinquency costs.

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Economic and Financial Analysis**Loan Financial Margin - Interest****Expanded Loan Portfolio⁽¹⁾**

The expanded loan portfolio amounted to R\$412.6 billion in September 2013, up 2.5% in the quarter and 11.0% over the last 12 months.

The results were mainly led by Individuals and SMEs both in the quarter and the last 12-month period, which grew by 2.8% and 2.7% in the quarter and 10.9% and 12.0% in the last 12 months, respectively.

(1) In addition to the loan portfolio, includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, co-obligation in 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 ⁽¹⁾	R\$ million			Variation %	
	Sept13	Jun13	Sept12	Quarter	12M
CDC / Vehicle Leasing	28,232	29,303	31,860	(3.7)	(11.4)
Payroll-deductible Loan	25,919	24,262	19,956	6.8	29.9
Credit Card	21,866	21,156	18,850	3.4	16.0
Personal Loans	16,556	16,049	14,929	3.2	10.9
Real Estate Financing	12,576	11,543	9,452	9.0	33.1
Rural Loans	7,832	6,752	6,528	16.0	20.0
BNDES/Finame Onlending	6,534	6,421	5,628	1.8	16.1
Overdraft Facilities	3,604	3,455	3,198	4.3	12.7
Sureties and Guarantees	191	662	685	(71.2)	(72.1)
Other	3,757	3,959	3,450	(5.1)	8.9
Total	127,068	123,562	114,536	2.8	10.9

(1) Including co-obligation in loan granting (FIDC), mortgage-backed receivables – CRI and rural loans).

The Individual segment operations grew by 2.8% in the quarter, led by the following lines: (i) rural loan; (ii) real estate financing; and (iii) payroll-deductible loan. In the last 12 months, the operations grew by 10.9% and the lines that most contributed to this increase were: (i) real estate financing; (ii) payroll-deductible loan; and (iii) rural loan.

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Economic and Financial Analysis**Loan Financial Margin - Interest**

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

Companies ⁽¹⁾	R\$ million			Variation %	
	Sept13	Jun13	Sept12	Quarter	12M
Working Capital	44,255	44,207	42,416	0.1	4.3
BNDES/Finame Onlending	32,483	31,345	29,160	3.6	11.4
Operations Abroad	27,530	26,638	24,748	3.3	11.2
Export Financing	15,620	16,024	12,974	(2.5)	20.4
Real Estate Financing - Corporate Plan	15,069	14,168	12,059	6.4	25.0
Credit Card	13,516	13,590	13,984	(0.5)	(3.3)
Overdraft Account	10,651	10,540	10,546	1.1	1.0
Vehicles - CDC	7,814	7,613	6,677	2.6	17.0
Leasing	5,228	5,550	6,416	(5.8)	(18.5)
Rural Loans	4,964	4,953	4,553	0.2	9.0
Sureties and Guarantees	65,157	62,721	54,048	3.9	20.6
Operations bearing Credit Risk - Commercial Portfolio ⁽²⁾	32,917	30,942	28,587	6.4	15.1
Other	10,287	10,664	10,970	(3.5)	(6.2)
Total	285,490	278,955	257,138	2.3	11.0

Including:

(1) Including co-obligation in loan granting (mortgage-backed receivables – CRI and rural loans); and

(2) Operations with debentures and promissory notes.

Corporate segment operations grew by 2.3% in the quarter and 11.0% in the last 12 months, mainly led by: (i) real estate financing – corporate plan; (ii) operations bearing credit risk – commercial portfolio, composed of debentures and promissory notes; and (iii) BNDES/Finame onlending. In the last 12 months, the lines that most contributed to the growth were: (i) real estate financing – corporate plan; (ii) export financing; and (iii) operations with sureties and guarantees.

Expanded Loan Portfolio - Consumer Financing⁽¹⁾

The graph below shows the types of credit related to consumer financing of individual customers, which stood at R\$92.8 billion in September 2013, up 1.9% over the quarter and 8.0% over the last 12 months.

Growth was led by: (i) personal loans (payroll-deductible loans are included); and (ii) credit card, which together totaled R\$64.3 billion, accounting for 69.3% of the consumer financing balance.

(1) Including vehicle CDC/leasing, personal loans, financing of goods, revolving credit card and cash and installment purchases at merchants operations.

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Economic and Financial Analysis**Loan Financial Margin - Interest****Breakdown of the Vehicle Portfolio**

	R\$ million			Variation %	
	Sept13	Jun13	Sept12	Quarter	12M
CDC Portfolio	35,192	35,805	36,217	(1.7)	(2.8)
Individuals	27,378	28,192	29,540	(2.9)	(7.3)
Corporate	7,814	7,613	6,677	2.6	17.0
Leasing Portfolio	3,051	3,517	5,492	(13.2)	(44.4)
Individuals	854	1,111	2,320	(23.1)	(63.2)
Corporate	2,197	2,406	3,172	(8.7)	(30.7)
Finame Portfolio	11,396	11,029	10,308	3.3	10.6
Individuals	832	857	989	(2.9)	(15.9)
Corporate	10,564	10,172	9,319	3.9	13.4
Total	49,639	50,351	52,017	(1.4)	(4.6)
Individuals	29,064	30,160	32,849	(3.6)	(11.5)
Corporate	20,575	20,191	19,168	1.9	7.3

Vehicle financing operations (individual and corporate customers) totaled R\$49.6 billion in September 2013, presenting a decrease in quarter-over-quarter and year-over-year comparisons. Of the total vehicle portfolio, 70.9% corresponds to CDC, 23.0% to Finame and 6.1% to Leasing. Individuals represented 58.6% of the portfolio, while corporate customers accounted for the remaining 41.4%.

Expanded Loan Portfolio Concentration - by Sector

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

Activity Sector	R\$ million					
	Sept13	%	Jun13	%	Sept12	%
Public Sector	1,204	0.3	716	0.2	1,086	0.3
Private Sector	411,355	99.7	401,801	99.8	370,588	99.7
Corporate	284,287	68.9	278,239	69.1	256,052	68.9
Industry	88,217	21.4	88,495	22.0	82,531	22.2
Commerce	57,797	14.0	57,615	14.3	58,786	15.8
Financial Intermediaries	8,727	2.1	7,749	1.9	6,617	1.8
Services	125,444	30.4	120,239	29.9	104,200	28.0
Agriculture, Cattle Raising, Fishing, Forestry and Forest Exploration	4,102	1.0	4,141	1.0	3,918	1.1

Individuals	127,068	30.8	123,562	30.7	114,536	30.8
Total	412,559	100.0	402,517	100.0	371,674	100.0

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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\$30.4 billion, or 74.4%, representing 7.4% of the portfolio in September 2013.

(1) Including new loans contracted in the last 12 months by customers since September 2012.

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Economic and Financial Analysis**Loan Financial Margin - Interest****Changes in the Expanded Loan Portfolio - By Rating**

The chart below shows that new borrowers and remaining debtors as of September 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.

Changes in the Extended Loan Portfolio by Rating between September 2012 and 2013

Rating	Total Loan as at September 2013		New Customers from October 2012 and September 2013		Remaining Debtors as at September 2012	
	R\$ million	%	R\$ million	%	R\$ million	%
AA - C	384,397	93.2	29,382	96.6	355,015	92.9
D	10,698	2.6	272	0.9	10,426	2.7
E - H	17,464	4.2	752	2.5	16,712	4.4
Total	412,559	100.0	30,406	100.0	382,153	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 %	
	Sept13	Jun13	Sept12	Quarter	12M
Corporations	161,043	157,818	146,033	2.0	10.3
SMEs	124,448	121,138	111,106	2.7	12.0
Individuals	127,068	123,562	114,536	2.8	10.9
Total Loan Operations	412,559	402,517	371,674	2.5	11.0

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

AA-C rated loans had a slight percentage reduction in the last 12 months and a slight improvement in the quarter.

By Rating

Customer Profile	By Rating								
	Sept13			Jun13			Sept12		
	AA-C	D	E-H	AA-C	D	E-H	AA-C	D	E-H

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Corporations	96.7	2.8	0.5	97.0	2.5	0.5	98.8	0.8	0.5
SMEs	91.7	3.0	5.3	91.5	3.0	5.5	91.2	3.1	5.7
Individuals	90.3	1.9	7.8	89.7	2.1	8.2	88.8	2.4	8.8
Total	93.2	2.6	4.2	93.1	2.5	4.4	93.4	2.0	4.6

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Economic and Financial Analysis**Loan Financial Margin - Interest****Expanded Loan Portfolio - By Business Segment**

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

Business Segments	R\$ million				Variation %			
	Sept13	%	Jun13	%	Sept12	%	Quarter	12M
Retail	121,836	29.5	117,913	29.3	104,405	28.1	3.3	16.7
Corporate	164,157	39.8	161,731	40.2	152,850	41.1	1.5	7.4
Middle Market	54,291	13.2	52,126	12.9	46,693	12.6	4.2	16.3
Prime	18,091	4.4	17,082	4.2	14,718	4.0	5.9	22.9
Other / Non-account Holders ⁽¹⁾	54,184	13.1	53,665	13.4	53,008	14.2	1.0	2.2
Total	412,559	100.0	402,517	100.0	371,674	100.0	2.5	11.0

(1) 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 September 2013 (US\$14.4 billion in June 2013 and US\$15.0 billion in September 2012), a 3.5% increase in the quarter and remaining stable in the last 12 months. In reais, these same foreign currency operations totaled R\$33.2 billion in September 2013 (R\$31.9 billion in June 2013 and R\$30.4 billion in September 2012), growths of 4.1% and 9.2% in the quarter and in the last 12 months, respectively.

In September 2013, total loan operations, in reais, stood at R\$379.4 billion (R\$370.6 billion in June 2013 and R\$341.3 billion in September 2012), up 2.4% on the previous quarter and 11.2% over the last 12 months.

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Economic and Financial Analysis**Loan Financial Margin - Interest****Expanded Loan Portfolio - by Debtor**

Credit concentration level among the largest debtors was slightly lower when compared to the previous quarter, except for the largest debtor range, which remained stable in the period.

Loan Portfolio⁽¹⁾ - By Type

All operations bearing credit risk stood at R\$432.5 billion, up 2.1% in the quarter and 10.1% in the last 12 months.

	R\$ million			Variation %	
	Sept13	Jun13	Sept12	Quarter	12M
Loans and Discounted Securities Financing	151,823	149,406	138,417	1.6	9.7
Rural and Agribusiness Financing	110,176	108,341	99,631	1.7	10.6
Leasing Operations	18,823	17,580	15,968	7.1	17.9
Advances on Exchange Contracts	6,077	6,656	8,731	(8.7)	(30.4)
Other Loans	6,239	6,646	7,360	(6.1)	(15.2)
Subtotal Loan Operations ⁽²⁾	18,517	16,945	14,258	9.3	29.9
Sureties and Guarantees Granted (Memorandum Accounts)	65,348	63,383	54,732	3.1	19.4
Operations bearing Credit Risk - Commercial Portfolio ⁽³⁾	32,917	30,942	28,587	6.4	15.1
Letters of Credit (Memorandum Accounts)	751	966	1,569	(22.3)	(52.1)
Advances from Credit Card Receivables	871	1,084	1,623	(19.6)	(46.3)
Co-obligation in Loan Assignment FIDC/CRI (Memorandum Accounts)	897	449	666	99.8	34.7
Co-obligation in Rural Loan Assignment (Memorandum Accounts)	120	120	130	-	(7.7)
Subtotal of Operations bearing Credit Risk - Expanded Portfolio	412,559	402,517	371,674	2.5	11.0
Other Operations Bearing Credit Risk ⁽⁴⁾	21,962	23,086	22,928	(4.9)	(4.2)
Total Operations bearing Credit Risk	434,521	425,603	394,602	2.1	10.1

(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.

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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 longer in September 2013, mainly due to BNDES onlending and real estate financing. Note that, due to their

guarantees and characteristics, these operations, in addition to being exposed to lower risk, provide favorable conditions to gain customer loyalty.

(1) As defined by Bacen.

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Economic and Financial Analysis

Loan Financial Margin - Interest

Loan Portfolio⁽¹⁾ - Delinquency over 90 days

Delinquency ratio over 90 days had a reduction in the quarter and in the last 12 months. This positive result is mainly a result of the drop in delinquency ratio among individual customers.

As shown in the graph below, the total delinquency ratio for operations overdue from 61 to 90 days had a slight decrease in the quarter and in the last 12 months, mainly due to the decline in the delinquency ratio among individual customers.

(1) As defined by Bacen.

Loan Financial Margin - Interest

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

The ALL of R\$21.5 billion in September 2013, which remained flat when compared to the previous quarter, representing 6.9% of the total loan 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 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 7.4% of the portfolio⁽¹⁾, in September 2012, the effective gross loss in the subsequent twelve-month period was 4.6%, meaning that the existing provision exceeded the loss over the subsequent twelve-month period by more than 58%, as shown in the graph below.

(1) As defined by Bacen.

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Economic and Financial Analysis

Loan Financial Margin - Interest

Analysis in terms of loss, net of recovery, shows a significant increase in the coverage margin. In September 2012, for an existing provision of 7.4% of the portfolio⁽¹⁾, the net loss in the subsequent twelve-month period was 3.4%, meaning that the existing provision exceeded over 115% the loss in the subsequent 12 months.

It is important to highlight that both gross and net loss write-offs had a decrease in comparison with the previous quarter.

(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), as well as the coverage ratio, posted an increase in the quarter-over-quarter and year-over-year comparisons.

(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.

Bradesco

Economic and Financial Analysis**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 %)		
	Sept13	Jun13	Sept12
Total Loan Operations ⁽¹⁾	311,655	305,574	284,367
- Individuals	126,116	122,571	113,308
- Corporate	185,539	183,002	171,058
Existing Provision	21,476	21,455	20,915
- Specific	10,790	10,879	10,897
- Generic	6,678	6,568	6,007
- Excess	4,009	4,008	4,011
Specific Provision / Existing Provision (%)	50.2	50.7	52.1
Existing Provision / Loan Operations (%)	6.9	7.0	7.4
AA - C Rated Loan Operations / Loan Operations (%)	91.3	91.3	91.5
D Rated Operations under Risk Management / Loan Operations (%)	3.1	3.0	2.5
E - H Rated Loan Operations / Loan Operations (%)	5.6	5.8	6.0
D Rated Loan Operations	9,590	9,070	7,192
Existing Provision for D Rated Loan Operations	2,467	2,356	1,982
D Rated Provision / Loan Operations (%)	25.7	26.0	27.6
D - H Rated Non-Performing Loans	15,664	16,015	16,262
Existing Provision/D - H Rated Non-Performing Loans (%)	137.1	134.0	128.6
E - H Rated Loan Operations	17,369	17,577	17,032
Existing Provision for E - H Rated Loan Operations	15,215	15,380	14,999
E - H Rated Provision / Loan Operations (%)	87.6	87.5	88.1
E - H Rated Non-Performing Loans	12,856	13,029	13,017
Existing Provision/E - H Rated Non-Performing Loan (%)	167.0	164.7	160.7
Non-Performing Loans ⁽²⁾	13,693	13,980	14,447
Non-Performing Loans ⁽²⁾ / Loan Operations (%)	4.4	4.6	5.1
Existing Provision / Non-Performing Loans ⁽²⁾ (%)	156.8	153.5	144.8
Loan Operations Overdue for over 90 days	11,283	11,374	11,684
Loan Operations Overdue for over 90 days / Loan Operations (%)	3.6	3.7	4.1
Existing Provision/Operations Overdue for over 90 days (%)	190.3	188.6	179.0

(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.

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Funding Financial Margin- Interest**Funding Financial Margin - Breakdown**

	Financial Margin - Funding				R\$ million	
	9M13	9M12	3Q13	2Q13	Variation YTD	Quarter
Interest - due to volume					-	46
Interest - due to spread					104	113
Interest Financial Margin	3,332	3,228	1,271	1,112	104	159

Quarter over quarter, interest funding financial margin increased 14.3%, or R\$159 million, in the third quarter of 2013 as a result of: (i) the R\$113 million increase in average spread, due to the interest rate increase in the period (Selic); and (ii) the greater volume of operations, which amounted to R\$46 million.

In the year over year comparison, interest funding financial margin improved by 3.2% or R\$104 million in the nine months of 2013, mainly driven by the increase in average spread, due to higher interest rate in the period (Selic).

Bradesco

Economic and Financial Analysis**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.

	R\$ million			Variation %	
	Sept13	Jun13	Sept12	Quarter	12M
Funding vs. Investments					
Demand Deposits + Sundry Floating	43,008	39,965	36,855	7.6	16.7
Savings Deposits	76,488	72,627	65,540	5.3	16.7
Time Deposits + Debentures ⁽¹⁾	157,356	158,650	168,702	(0.8)	(6.7)
Funds from Financial Bills ⁽²⁾	43,952	41,700	39,813	5.4	10.4
Customer Funds	320,803	312,942	310,910	2.5	3.2
(-) Reserve Requirements	(49,473)	(50,246)	(54,222)	(1.5)	(8.8)
(-) Available Funds	(12,708)	(11,618)	(7,079)	9.4	79.5
Customer Funds Net of Reserve Requirements	258,622	251,078	249,609	3.0	3.6
Onlending	39,317	38,033	35,247	3.4	11.5
Securities Abroad	11,475	12,121	13,997	(5.3)	(18.0)
Borrowing	11,990	11,088	10,151	8.1	18.1
Other (Subordinated Debt + Other Borrowers (Cards))	50,723	50,403	47,238	0.6	7.4
Total Funding (A)	372,127	362,723	356,242	2.6	4.5
Expanded Loan Portfolio (Excluding Sureties and Guarantees) (B)	347,210	339,134	316,941	2.4	9.6
B/A (%)	93.3	93.5	89.0	(0.2) p.p.	4.3 p.p.

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

(2) Including Collateral Mortgage Notes, Mortgage Bonds, Letters of Credit for Agribusiness and Financial Bills.

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Funding Financial Margin - Interest

Main Funding Sources

The following table presents changes in main funding sources:

	R\$ million			Variation %	
	Sept13	Jun13	Sept12	Quarter	12M
Demand Deposits	39,456	36,586	33,627	7.8	17.3
Savings Deposits	76,488	72,627	65,540	5.3	16.7
Time Deposits	99,993	98,573	113,379	1.4	(11.8)
Debentures ⁽¹⁾	57,363	60,077	55,323	(4.5)	3.7
Borrowing and Onlending	51,307	49,121	45,399	4.5	13.0
Funds from Issuance of Securities ⁽²⁾	55,427	53,821	53,810	3.0	3.0
Subordinated Debts	36,135	36,222	34,507	(0.2)	4.7
Total	416,169	407,027	401,585	2.2	3.6

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

(2) Including: Financial Bills, on September 30, 2013, amounting to R\$34,242 million (R\$31,878 million on June 30, 2013 and R\$31,234 million on September 30, 2012).

Demand Deposits

Demand deposits totaled R\$39,456 million in the third quarter of 2013, up 7.8% on previous quarter and 17.3% when compared to the same period in the previous year, basically driven by the improved funding and the increased account holder base in the period.

(1) Additional installment is not included.

Savings Deposits

Savings deposits increased 5.3% in the quarter-over-quarter comparison and 16.7% in the last 12 months, mainly as a result of: (i) greater funding volume; and (ii) the remuneration of savings account reserve.

Bradesco is always increasing its savings accounts base, posting net growth of 600 thousand new savings accounts over the last

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.

quarter.

(1) Additional installment is not included.

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Economic and Financial Analysis

Funding Financial Margin - Interest

Time Deposits

In the third quarter of 2013, time deposits totaled R\$99,993 million, remaining practically stable quarter over quarter and decreasing by 11.8% on the same period of the previous year.

(1) As defined by Bacen.

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

Debentures

On September 30, 2013, Bradesco's debentures amounted to R\$57,363 million, a 4.5% decrease in the quarter-over-quarter comparison and a 3.7% 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 increase of R\$2,186 million, or 4.5%, was mainly due to: (i) the R\$1,258 million increase in volume of funds raised through borrowing and onlending in Brazil, led by Finame operations; and (ii) the R\$928 million increase in foreign-currency-denominated and/or indexed borrowing and onlending.

September 2012 to R\$12,142 million in September 2013, mainly due to the exchange gain of 9.8% in the period.

Year over year, the balance was up R\$5,908 million in the first nine months of 2013, mainly due to: (i) the R\$4,033 million increase in volume of funds raised through borrowing and onlending in Brazil, especially through Finame operations; and (ii) the R\$1,875 million increase in foreign-currency-denominated and/or indexed borrowing and onlending, from R\$10,267 million in

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Funding Financial Margin - Interest

Funds for the Issuance of Securities

Funds from issuance of securities totaled R\$55,427 million, a 3.0% or R\$1,606 million increase in the quarter, mainly due to the increased inventory of Financial Bills, from R\$31,878 million in June 2013 to R\$34,242 million in September 2013, mainly due to the new issuances in the period.

Between September 2012 and 2013, there was an increase of R\$1,617 million, mainly driven by: (i) the new issuances of Financial Bills, whose amount increased R\$3,009 million; and (ii) the higher volume of Mortgage Bonds, in the amount of R\$1,058 million; partially offset: (iii) by the R\$2,522 million reduction in volume of securities issued abroad.

(1) Considering Collateral Mortgage Notes, Mortgage Bonds, Letters of Credit for Agribusiness, Debentures, Medium Term Note - MTN Program Issues and the cost of issuances over funding.

Subordinated Debt

Subordinated Debt totaled R\$36,135 million in September 2013 (R\$9,561 million abroad and R\$26,574 million in Brazil), remaining practically stable when compared with the previous quarter and increasing 4.7% over the previous year.

Additionally, note that R\$25,741 million of total subordinated debt is used to compose the Tier II of the Capital Adequacy Ratio, given their maturity terms.

Economic and Financial Analysis**Securities/Other Financial Margin - Interest****Securities/Other Financial Margin - Breakdown**

	Financial Margin - Securities/Other				R\$ million	
	9M13	9M12	3Q13	2Q13	Variation YTD	Variation Quarter
Interest - due to volume					175	16
Interest - due to spread					(1,140)	(209)
Interest Financial Margin	2,876	3,841	735	928	(965)	(193)
Income	22,495	24,758	8,050	8,582	(2,263)	(532)
Expenses	(19,619)	(20,917)	(7,315)	(7,654)	1,298	339

Quarter over quarter, interest financial margin from Securities/Other was down by R\$193 million, mainly due to the decrease in average spread of operations of R\$209 million, as a result of the lower gain from fixed-rate commercial portfolio management and the lower IPCA in the quarter.

Year over year, interest financial margin from Securities/Other decreased 25.1% or R\$965 million in the first nine months of 2013. This result was due to: (i) the decrease in the average spread of R\$1,140 million, driven by the lower gain from fixed-rate commercial portfolio management; and partially offset: (ii) by the greater volume of operations, which affected the result in R\$175 million.

Insurance Financial Margin - Interest**Insurance Financial Margin - Breakdown**

	Financial Margin - Insurance				R\$ million	
	9M13	9M12	3Q13	2Q13	Variation YTD	Variation Quarter
Interest - due to volume					392	10
Interest - due to spread					(12)	(82)
Interest Financial Margin	2,651	2,271	823	895	380	(72)
Income	6,085	8,546	2,258	1,772	(2,461)	486
Expenses	(3,434)	(6,275)	(1,435)	(877)	2,841	(558)

In the quarter-over-quarter comparison, interest financial margin from insurance operations decreased R\$72 million, or 8.0%, impacted by: (i) the R\$82 million decrease in average spread, which was due to: (a) the variation in IPCA and IGPM; and (b) the performance of multimarket funds; and partially offset: (ii) by the higher volume of operations, totaling R\$10 million.

In the year-over-year comparison, interest financial margin from insurance operations was up 16.7% or R\$380 million in the first nine months of 2013 due to: (i) the higher volume of operations, in the amount of R\$392 million; and offset: (ii) by the R\$12 million decrease in average spread.

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Financial Margin – Non-Interest**Non-Interest Financial Margin – Breakdown**

	R\$ million					
	Non-Interest Financial Margin				Variation	
	9M13	9M12	3Q13	2Q13	YTD	Quarter
Funding	(221)	(218)	(75)	(73)	(3)	(2)
Insurance	32	266	(30)	(13)	(234)	(17)
Securities/Other	511	1,293	212	104	(782)	108
Total	322	1,341	107	18	(1,019)	89

The non-interest financial margin in the third quarter of 2013 stood at R\$107 million versus the R\$18 million of the previous quarter, an improvement of R\$89 million mainly due to the best results from Securities/Other. Year over year, non-interest financial margin decreased R\$1,019 million in the nine months of 2013. The variations in non-interest financial margin were basically a result of:

- Insurance - which is represented by gains/loss from equity securities, and 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\$782 million between the nine months of 2013 and the same period in the previous year, mostly due to lower gains from market arbitrage. In the third quarter of 2013, gains from market arbitrage totaling R\$108 million was higher than that recorded in the previous year. Also in the quarter, the R\$30 million gained from the partial sale of shares on BM&FBovespa contributed to the result, versus the R\$148 million obtained in the previous quarter.

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Economic and Financial Analysis**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		
	Sept13	Jun13	Sept12
Assets			
Current and Long-Term Assets	154,464	152,459	142,288
Securities	143,423	141,984	133,738
Insurance Premiums Receivable ⁽¹⁾	2,623	2,546	1,995
Other Loans	8,418	7,929	6,555
Permanent Assets	4,040	3,936	3,456
Total	158,504	156,395	145,744
Liabilities			
Current and Long-Term Liabilities	141,531	139,412	127,194
Tax, Civil and Labor Contingencies	2,920	2,792	2,266
Payables on Insurance, Pension Plan and Capitalization Bond Operations	374	355	340
Other Liabilities	4,683	4,446	6,781
Insurance Technical Reserves ⁽¹⁾	11,978	11,698	10,217
Life and Pension Plan Technical Reserves	115,814	114,383	102,425
Capitalization Bond Technical Reserves	5,762	5,738	5,165
Non-controlling Interest	647	641	631
Shareholders' Equity	16,326	16,342	17,919
Total	158,504	156,395	145,744

(1) In the third quarter of 2013, in compliance with ANS Normative Resolution 314, of November 23, 2012, the amount of R\$753.7 million was reclassified (R\$715.4 million in the second quarter of 2013), corresponding to the early recording of premiums, which was deducted from premiums receivable, to "Technical Reserves – Unearned Premium Reserve," under liabilities.

Consolidated Income Statement

	R\$ million			
	9M13	9M12	3Q13	2Q13
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	35,260	31,092	11,069	13,238
Premiums Earned from Insurance, Pension Plan Contribution and Capitalization Bond	19,612	16,388	7,007	6,393

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Financial Result from the Operation	2,510	2,452	682	849
Sundry Operating Income	699	815	289	275
Retained Claims	(11,375)	(9,470)	(4,104)	(3,724)
Capitalization Bond Draws and Redemptions	(2,992)	(2,400)	(1,109)	(1,011)
Selling Expenses	(1,879)	(1,738)	(613)	(630)
General and Administrative Expenses	(1,571)	(1,441)	(547)	(548)
Tax Expenses	(424)	(346)	(144)	(133)
Other Operating Income/Expenses	(320)	(211)	(98)	(32)
Operating Result	4,260	4,049	1,363	1,439
Equity Result	329	313	111	117
Non-Operating Result	(34)	(29)	(14)	(7)
Income before Taxes and Profit Sharing	4,555	4,333	1,460	1,549
Income Tax and Contributions	(1,681)	(1,592)	(540)	(571)
Profit Sharing	(51)	(58)	(18)	(17)
Non-controlling Interest	(84)	(60)	(24)	(30)
Net Income	2,739	2,623	878	931

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Insurance, Pension Plans and Capitalization Bonds**Income Distribution of Grupo Bradesco Seguros e Previdência**

	R\$ million							
	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11
Life and Pension Plans	552	564	542	570	493	494	493	535
Health	139	155	167	167	133	148	151	181
Capitalization Bonds	105	97	131	103	86	91	104	87
Basic Lines and Other	82	115	90	124	125	148	157	57
Total	878	931	930	964	837	881	905	860

Performance Ratios

	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11	%
Claims Ratio ⁽¹⁾	72.7	71.1	69.6	70.5	70.4	71.3	71.9	68.6	
Expense Ratio ⁽²⁾	10.4	10.9	11.0	11.6	11.3	11.1	11.1	11.1	
Administrative Expenses Ratio ⁽³⁾	4.9	4.1	4.3	4.2	5.0	4.3	5.0	4.5	
Combined Ratio ^{(4) (5)}	86.9	85.5	86.0	86.6	86.5	85.0	85.6	83.6	

(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

Given the better performance of Life and Pension Plan products in the second quarter of 2013 and the seasonality of the insurance segment, revenue for the third quarter of 2013 totaled R\$11.1 billion, lower than the previous quarter (R\$13.2 billion), but 9.6% higher in comparison with the third quarter of 2012 (R\$10.1 billion).

In 2013 YTD, production increased 13.4% when compared to the same period in the previous year, led by Health, Capitalization Bond and Life and Pension Plan products, which grew 23.9%, 21.8% and 8.7%, respectively.

Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Written Premiums, Pension Plan Contributions and Capitalization Bond Income

Report on Economic and Financial Analysis – September 2013

Insurance, Pension Plan and Capitalization Bonds

Retained Claims by Insurance Line

Bradesco

Economic and Financial Analysis

Insurance, Pension Plan and Capitalization Bonds

Insurance Expense Ratio by Insurance Line

Report on Economic and Financial Analysis – September 2013

Insurance, Pension Plans and Capitalization Bonds

Efficiency Ratio

General and Administrative Expenses/Revenue

The improved administrative efficiency ratio when compared to the third quarter of 2012 was due to: (i) the benefits from cost rationalization; and (ii) the 9.6% increase in revenue in the period. In the quarter-over-quarter comparison, the decline in the administrative efficiency ratio is mainly due to the 16.4% reduction in revenue, as previously mentioned.

Bradesco

Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Technical Reserves

Report on Economic and Financial Analysis – September 2013

Economic and Financial Analysis**Bradesco Vida e Previdência**

	R\$ million (unless otherwise stated)							
	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11
Net Income	552	564	542	570	493	494	493	535
Premium and Contribution Income ⁽¹⁾	4,971	7,535	5,698	8,053	5,002	6,737	5,009	6,886
- Income from Pension Plans and VGBL	3,838	6,475	4,677	6,976	3,988	5,816	4,090	5,926
- Income from Life/Personal Accidents Insurance Premiums	1,133	1,060	1,021	1,077	1,014	921	919	960
Technical Reserves	115,814	114,383	110,527	108,371	102,425	98,199	93,861	91,008
Investment Portfolio	121,211	119,842	118,380	117,418	110,182	106,102	100,366	96,047
Claims Ratio	43.3	37.3	35.1	37.4	34.6	43.5	41.3	38.3
Expense Ratio	21.8	18.8	23.4	23.3	21.2	19.2	21.3	19.1
Combined Ratio	72.6	61.0	70.0	68.1	60.8	68.4	70.8	66.1
Participants / Policyholders (in thousands)	28,044	27,030	25,722	25,837	25,295	25,257	24,534	24,582
Premium and Contribution Income Market Share (%) ⁽²⁾	28.5	28.8	24.6	29.6	28.8	29.9	27.5	33.1
Life/AP Market Share - Insurance Premiums (%) ⁽²⁾	16.7	16.3	16.4	18.0	17.8	17.4	17.3	17.6

(1) Life/VGBL/PGBL/Traditional; and

(2) 3Q13 includes the latest data released by Susep (August 2013).

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

Due to its solid structure, a policy of product innovation and customer trust, Bradesco Vida e Previdência held a 28.5% market share in terms of pension plan and VGBL income in the period (source: Susep – August/13).

Net income for the nine months of 2013 was 12.0%, higher than the result posted in the same period of the previous year, mainly as a result of: (i) the 8.7% increase in revenue; (ii) the 0.8 p.p. decrease in Life product claims ratio; (iii) the increase in the financial result; and (iv) the improved administrative efficiency ratio.

Net income for the third quarter of 2013 was 2.1%, lower than the previous quarter, as a result of: (i) the 6.0 p.p. increase in Life product claims ratio, partially offset by: (ii) the decrease in general and administrative expenses.

Bradesco _____

Economic and Financial Analysis

Bradesco Vida e Previdência

Bradesco Vida e Previdência's technical reserves stood at R\$115.8 billion in September 2013, made up of R\$109.9 billion from Pension Plans and VGBL and R\$5.9 billion from Life, Personal Accidents and Other Lines, up 13.1% over September 2012.

The Pension Plan and VGBL Investment Portfolio totaled R\$114.6 billion in August 2013, equal to 32.3% of all market funds (source: Fenaprevi).

Growth of Participants and Life and Personal Accident Policyholders

In September 2013, the number of Bradesco Vida e Previdência customers grew by 10.9% compared to September 2012, surpassing a total of 2.3 million pension plan and VGBL plan participants and 25.6 million life and personal

accident participants. This impressive growth was fueled by the strength of the Bradesco brand and the improvement of selling and management policies.

Bradesco Saúde and Mediservice

	R\$ million (unless otherwise stated)							
	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11
Net Income	139	155	167	167	133	148	151	181
Net Written Premiums	3,154	2,926	2,787	2,727	2,498	2,338	2,251	2,170
Technical Reserves	6,585	6,503	6,308	5,582	5,466	4,128	4,072	3,984
Claims Ratio	89.8	87.3	84.7	85.3	86.9	86.1	86.4	83.4
Expense Ratio	5.4	5.4	5.2	5.1	5.0	4.9	4.8	4.7
Combined Ratio	99.6	98.9	96.2	98.5	99.9	96.9	97.9	96.1
Policyholders (in thousands)	4,117	4,082	3,985	3,964	3,873	3,707	3,627	3,458
Written Premiums Market Share (%) ⁽¹⁾	46.0	48.8	48.2	45.3	46.8	46.9	46.7	47.9

(1) 3Q13 considers the latest data released by ANS (August 2013).

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

Net income for the third quarter of 2013 had a decrease of 10.3% over the second quarter of 2013, mainly due to: (i) the 2.5 p.p. increase in claims ratio; (ii) the decrease in financial result; partially offset by: (iii) the 7.8% increase in revenue; and (iv) the improvement in the administrative efficiency ratio.

Net income for the first nine months of 2013 was up 6.7% over the same period of the previous year, due to: (i) the 25.1% increase in revenue; (ii) the improved financial and equity result; partially offset: (iii) by the 0.9 p.p. increase in claims ratios; and (iv) higher general and administrative expenses.

In September 2013, Bradesco Saúde and Mediservice maintained strong market position in the corporate segment (source: ANS).

Over 75 thousand companies in Brazil have Bradesco Saúde insurance and Mediservice plans.

Of the 100 largest companies in Brazil in terms of revenue, 52 are Bradesco Saúde and Mediservice customers (source: *Exame* magazine's Best and Major Companies (*Melhores e Maiores*) ranking, July 2013).

Economic and Financial Analysis**Bradesco Saúde and Mediservice****Number of Policyholders at Bradesco Saúde and Mediservice**

Together, the two companies have over 4.1 million customers. The high share of corporate policies in the overall portfolio (95.4% in September 2013) shows the companies' high level of specialization and customization in the corporate segment, a major advantage in today's supplementary health insurance market.

Bradesco Capitalização

	R\$ million (unless otherwise stated)							
	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11
Net Income	105	97	131	103	86	91	104	87
Capitalization Bond Income	1,234	1,126	983	1,089	1,013	937	795	798
Technical Reserves	5,762	5,738	5,623	5,449	5,165	4,886	4,663	4,571
Customers (in thousands)	3,428	3,439	3,462	3,459	3,426	3,358	3,228	3,097
Premium Income Market Share (%) ⁽¹⁾	21.6	20.9	22.1	23.1	22.8	22.2	21.2	21.6

(1) 3Q13 considers the latest data released by Susep (August 2013).

In the third quarter of 2013, net income grew 8.2% over the previous quarter, due to: (i) the 9.6% increase in capitalization bonds; and (ii) the stability of administrative efficiency ratio.

Net income in the nine months of 2013 was up 18.5% when compared to the same period of the previous year, as a result of: (i) the 21.8% increase in capitalization bond income; and (ii) the steady administrative efficiency ratio.

Bradesco Capitalização

Bradesco Capitalização ended the third quarter of 2013 leading the capitalization bond companies ranking, due to its policy of transparency and of adjusting its products based on potential consumer demand.

In order to offer the capitalization bond that best fits the profile and budget of each customer, Bradesco Capitalização has developed several products that vary in accordance with payment method (lump-sum or monthly), contribution term, frequency of draws and premium amounts. This phase was mainly marked by a closer relationship with the public by consolidating *Pé Quente Bradesco* products.

Among these products, it is worth pointing out the performance of the social and environmental products, from which a part of the profit is allocated to socially responsible projects, while also allowing the customer to create a financial reserve. Bradesco Capitalização currently has partnerships with the following social and environmental institutions: (i) SOS Mata Atlântica Foundation (contributes to the conservation of biological and cultural diversity of the Atlantic Forest, stimulating social and environmental citizenship); (ii) Ayrton Senna Institute (contributes to education and human development, reducing illiteracy rates, school failure and drop-out rates); (iii) Amazonas Sustentável Foundation (contributes to the sustainable development, environmental preservation and improvement to the quality of life of communities that benefit from the preservation centers in the state of Amazonas); (iv) the Brazilian Cancer Control Institute (contributes to the development of projects for the prevention, early diagnosis and treatment of breast cancer in Brazil); and (v) Tamar Project (created to save sea turtles).

Bradesco Capitalização was the first capitalization bond company in Brazil to receive the ISO 9001 of Quality Management, certification which is held to date. Since 2009, it was certified by Vanzolini Foundation with the ISO 9001 Version 2008 for Management of Bradesco Capitalization Bonds. This attests to the quality of internal processes and confirms the principle targeting good products, services and continuous growth.

The portfolio is composed of 23.8 million active bonds, of which: 34.1% are Traditional Bonds sold in the branch network and at Bradesco *Dia & Noite* service channels, and 65.9% are incentive bonds (assignment of drawing rights), such as partnerships with Bradesco Vida e Previdência and Bradesco Auto/RE, which were up 19.8% over September 2012. Given that the purpose of this type of capitalization bond is to add value to the associated company product or even encourage the performance of its customers, bonds have reduced maturity and grace terms and lower sale price.

Bradesco _____

Economic and Financial Analysis

Bradesco Auto/RE

	R\$ million (unless otherwise stated)							
	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11
Net Income	25	43	28	10	42	26	49	33
Net Written Premiums	1,276	1,204	1,039	1,014	1,239	1,208	967	983
Technical Reserves	5,003	4,817	4,643	4,577	4,508	4,345	4,148	3,920
Claims Ratio	59.5	58.6	58.5	63.7	63.9	64.2	64.7	65.9
Expense Ratio	18.9	18.0	17.7	17.8	18.7	18.8	18.4	18.2
Combined Ratio	101.6	100.8	105.6	109.6	105.8	104.1	107.4	108.2
Policyholders (in thousands)	3,631	3,652	3,798	3,871	3,968	3,826	3,801	3,694
Premium Income Market Share (%) ⁽¹⁾	9.2	9.1	8.8	10.0	10.5	10.5	9.8	10.1

(1) 3Q13 considers the latest data released by Susep (August 2013).

Net income for the third quarter of 2013 was down by 41.9% from the previous quarter, due to: (i) the 0.9 p.p. increase in claims ratio; (ii) lower equity result; (iii) greater operating expenses; and partially offset by: (iv) lower general and administrative expenses.

Net income in the nine months of 2013 was 17.9% lower than that posted in the same period in 2012, due to: (i) lower equity result; (ii) drop in operating revenues; and partially offset by: (iii) the decrease in claims and expense ratio; (iv) higher financial result; and (v) lower general and administrative expenses.

In the Property Insurance segment, the focus on large brokers and Corporate and Middle Market customers was maintained. This results in renewal of the main accounts, whether in leadership or participation in co-insurance. Also note the excellent performance of the Engineering Risks segment: the partnership with the Real Estate Loan area has enabled new insurance contracts from its customer base.

In Aviation and Maritime Hull insurance, the increased exchange with Corporate and Middle

leverage new business, especially in the renewal of reinsurance agreements, which gives insurers the power to assess and cover risk, and consequently increase competitiveness in more profitable businesses such as international transportation insurance for shipping companies involved in international trade.

Despite strong competition in the Auto/RCF line, the insurer still has its fleet of approximately 1.3 million vehicles—which proves its power of competitiveness, mainly due to improvements to current products and the creation of products for a specific target-public. Among them, it is worth noting the launch of the First Vehicular Protection of Bradesco Seguro (*Bradesco Seguro Primeira Proteção Veicular*), exclusive to Bradesco's account holders, which helps, through the Day and Night Support services, new vehicles and vehicles of up to 15 years of use.

For better service, Bradesco Auto/RE currently has 23 Bradesco Auto Centers (BAC), which offer policyholders the greatest variety of services in a single place, including: auto claims services,

Market segments has been drawn on extensively, taking full advantage of the stronger sales of new aircraft and those of the maritime segment.

The transportation segment is still the primary focus, with essential investments made to

reserve rental cars, installation of anti-theft equipment, preventative maintenance checks, glass repairs or replacement and environmental vehicle inspections.

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Bradesco Auto/RE

Number of Policyholders at Auto/RE

Mass insurance targets individuals, self-employed professionals and SMEs. The launch of new products combined with the continuous improvement to methods and systems has contributed to maintenance of customer base, which comprises around 3.6 million customers in the last 12 months.

It is worth pointing out that we continued with a strong strategy for the Residential Insurance segment, with a 17.4% growth in premiums from January to September 2013 when compared to the same period in the previous year, totaling more than 1.9 million insured homes.

Bradesco

Economic and Financial Analysis**Fee and Commission Income**

A breakdown of the variation in Fee and Commission Income for the respective periods is presented below:

Fee and Commission Income	9M13	9M12	3Q13	2Q13	R\$ million	
					Variation	YTD
Card Income	5,207	4,373	1,808	1,732	834	76
Checking Account	2,655	2,378	933	889	277	44
Fund Management	1,735	1,622	604	581	113	23
Loan Operations	1,644	1,563	553	573	81	(20)
Collection	1,091	974	381	367	117	14
Consortium Management	526	452	182	177	74	5
Underwriting / Financial Advisory Services	415	318	69	225	97	(156)
Custody and Brokerage Services	387	359	127	136	28	(9)
Payments	254	238	87	87	16	-
Other	644	561	232	217	83	15
Total	14,559	12,837	4,977	4,983	1,722	(6)

Explanations of the main items that influenced the variation in Fee and Commission Income between periods can be found below.

Fee and Commission Income

Card Income

For the sixth consecutive quarter, card income grew R\$76 million when compared to the previous quarter, for a total of R\$1,808 million, mainly due to the volume of transactions in the period and the increased revenue.

Year over year, card service revenue was up 19.1%, or R\$834 million, in the nine months of 2013, mainly due to an increase in revenue from purchases and services, resulting from the 16.0% increase in card revenue, which reached R\$86.5 billion (R\$74.6 billion in the nine months of 2012), and the increase in the number of transactions in the period.

Fee and Commission Income

Checking Account

In the third quarter of 2013, fee and commission income from checking accounts increased 4.9% in comparison with the previous quarter, mainly due to: (i) the net increase of 134 thousand new checking accounts; (ii) the expansion of the customer service portfolio; and (iii) the adjustment of certain fees.

Year over year, income grew by R\$277 million, or 11.6%, in the nine months of 2013, mainly due to: (i) the expansion of the checking account customer base, which posted a net increase of 758 thousand active current account holders (749 thousand individual customers and 9 thousand corporate customers); and (ii) the expansion of the customer service portfolio.

Loan Operations

In the third quarter of 2013, income from loan operations totaled R\$553 million, down 3.5% in comparison with the previous quarter, mainly driven by the lower volume of operations in the period.

Year over year, the 5.2% increase in the nine months of 2013 was mainly the result of the greater income from collaterals, up 17.0%, mainly deriving from the 19.4% growth in the volume of Sureties and Guarantees.

Fee and Commission Income

Fund Management

In the third quarter of 2013, income from fund management totaled R\$604 million, up R\$23 million in comparison with the previous quarter, mainly due to the 2.6% growth in the volume of funds and portfolios raised and managed.

Year over year, the R\$113 million or 7.0% increase in the first nine months of 2013 was mainly due to: (i) increases in funds and portfolios, which grew by 8.4%; partially offset by (ii) the 11.6% decrease in the Ibovespa index in the period, impacting income from managed funds and portfolios pegged to equities.

The highlight was the investments in fixed-rate funds, which grew by 8.9% in the period, followed by the 5.0% increase in third-party funds.

Shareholders' Equity	R\$ million			Variation %	
	Sept13	Jun13	Sept12	Quarter	12M
Investment Funds	397,156	387,172	366,451	2.6	8.4
Managed Portfolios	31,639	31,350	29,924	0.9	5.7
Third-Party Fund Quotas	9,475	8,715	8,068	8.7	17.4
Total	438,270	427,237	404,443	2.6	8.4

Distribution	R\$ million			Variation %	
	Sept13	Jun13	Sept12	Quarter	12M
Investment Funds – Fixed Income	368,766	359,835	338,495	2.5	8.9
Investment Funds – Equities	28,390	27,337	27,956	3.9	1.6
Investment Funds – Third-Party Funds	7,199	6,851	6,854	5.1	5.0
Total - Investment Funds	404,355	394,023	373,305	2.6	8.3
Managed Portfolios - Fixed Income	22,970	23,053	21,305	(0.4)	7.8
Managed Portfolios – Equities	8,669	8,297	8,619	4.5	0.6

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Managed Portfolios - Third-Party Funds	2,276	1,864	1,214	22.1	87.5
Total - Managed Funds	33,915	33,214	31,138	2.1	8.9
x					
Total Fixed Income	391,736	382,888	359,800	2.3	8.9
Total Equities	37,059	35,634	36,575	4.0	1.3
Total Third-Party Funds	9,475	8,715	8,068	8.7	17.4
Overall Total	438,270	427,237	404,443	2.6	8.4

Bradesco _____

Economic and Financial Analysis

Fee and Commission Income

Cash Management Solutions (Payments and Collection)

In the third quarter of 2013, income from payments and collection increased 3.1% in comparison with the previous quarter, mainly due to new businesses and increase in the number of processed documents in the period.

Year over year, the 11.0% or R\$133 million increase in the nine months of 2013 was mainly due to the greater volume of processed documents, up from 1,422 million in the first nine months of 2012 to 1,577 million in the first nine months of 2013.

Consortium Management

In the third quarter of 2013, income from consortium management increased by 2.8% over the previous quarter, driven by the segment expansion. On September 30, 2013, Bradesco had 876 thousand active quotas (821 thousand active quotas on June 30, 2013), ensuring a leading position in all the segments it operates (real estate, auto and trucks/tractors/machinery and equipment).

Year over year, there was a 16.4% increase in the first nine months of 2013, resulting from: (i) the growth in the volume of bids; (ii) the increase in average ticket; and (iii) the increase in sales of new quotas, from 707 thousand active quotas on September 30, 2012 to 876 thousand active quotas on September 30, 2013, an increase of 169 thousand net quotas.

Fee and Commission Income

Custody and Brokerage Services

In the third quarter of 2013, total custody and brokerage service income had a decrease of R\$9 million in relation to the previous quarter, basically due to the decrease in brokerage income, due to lower volume of trading on BM&FBovespa.

Year over year, the 7.8% increase in the nine months of 2013 reflected the increase in custody services, with a R\$69 billion gain in assets under custody.

Underwriting / Financial Advisory Services

The R\$156 million decrease in the quarter-over-quarter comparison mainly refers to the performance of the capital market operations in the second quarter of 2013. Furthermore, changes in this income are often the result of capital markets' volatile performance.

Year over year, there was an increase of R\$97 million in the first nine months of 2013, mainly as a result of a greater business volume in the nine months of 2013.

Economic and Financial Analysis**Personnel and Administrative Expenses**

Personnel and Administrative Expenses	R\$ million					
	9M13	9M12	3Q13	2Q13	Variation YTD	Quarter
Personnel Expenses						
Structural	7,745	7,335	2,690	2,563	410	127
Payroll/Social Charges	5,773	5,509	2,017	1,915	264	102
Benefits	1,972	1,826	673	648	146	25
Non-Structural	1,851	1,709	656	628	142	28
Management and Employee Profit Sharing	1,022	993	351	336	29	15
Provision for Labor Claims	583	499	210	210	84	-
Training	72	100	33	26	(28)	7
Termination Costs	174	117	62	56	57	6
Total	9,596	9,044	3,346	3,191	552	155
Administrative Expenses						
Outsourced Services	2,602	2,561	900	873	41	27
Communication	1,195	1,241	399	403	(46)	(4)
Depreciation and Amortization	991	915	340	331	76	9
Data Processing	945	808	330	315	137	15
Transportation	619	641	215	205	(22)	10
Rental	616	571	209	204	45	5
Financial System Services	555	488	187	189	67	(2)
Advertising and Marketing	493	523	163	169	(30)	(6)
Asset Maintenance	484	439	168	162	45	6
Security and Surveillance	363	317	124	124	46	-
Leased Assets	239	284	81	82	(45)	(1)
Materials	227	245	81	76	(18)	5
Water, Electricity and Gas	170	188	51	54	(18)	(3)
Trips	99	101	38	33	(2)	5
Other	1,066	1,087	344	356	(21)	(12)
Total	10,664	10,407	3,631	3,578	257	53
Total Personnel and Administrative Expenses	20,260	19,451	6,977	6,769	809	208
Employees	101,410	104,100	101,410	101,951	(2,690)	(541)
Service Points	71,724	67,225	71,724	70,829	4,499	895

In the third quarter of 2013, total personnel and administrative expenses came to R\$6,977 million, up 3.1% in comparison with the previous quarter.

Personnel Expenses

In the third quarter of 2013, personnel expenses came to R\$3,346 million, a 4.9% or R\$155 million variation from the previous quarter.

of which R\$44 million refer to the increase in recurring monthly payroll as of September 2013.

The increase in structural expenses of R\$127 million was due to raise in salary levels, as per collective bargaining agreement, which impacted expenses by R\$122 million,

The increase in non-structural expenses of R\$28 million was mainly due to greater expenses with employee and management profit sharing, totaling R\$15 million.

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Personnel and Administrative Expenses

Personnel Expenses

Year over year, the R\$552 million increase in the nine months of 2013 was due to: (i) the structural expenses totaling R\$410 million, related to the increase in expenses with payroll, social charges and benefits, impacted by the raise in salary levels (2012 and 2013 collective bargaining agreements); and (ii) the increase in non-structural expenses of R\$142 million, which was mainly a result of greater expenses with provision for labor claims, totaling R\$84 million.

Bradesco

Economic and Financial Analysis

Personnel and Administrative Expenses

Administrative Expenses

In the third quarter of 2013, administrative expenses came to R\$3,631 million, up R\$53 million, from the previous quarter, mainly due to greater business and service volume in the quarter, consequently increasing expenses with: (i) outsourced services, totaling R\$27 million; (ii) data processing, totaling R\$15 million; and (iii) transportation, totaling R\$10 million.

Despite the greater expenses with (i) the opening of 4,499 service points in the period, mainly Bradesco Expresso points, for a total of 71,724 service points on September 30, 2013 and

(ii) the increase in business and service volume in the period, administrative expenses increased only by 2.5% between the first nine months of 2013 and the same period in 2012, thanks to the Efficiency Committee efforts to control these expenses. Note that, in the last 12 months, the inflation rates Extended Consumer Price Index (IPCA) and General Market Price Index (IGP-M) stood at 5.9% and 4.4%, respectively.

Operating Coverage Ratio⁽¹⁾

In the quarter, the coverage ratio over the last 12 months maintained its improvement with a 1.2 p.p. growth, mainly due to an increase in fee and commission income, combined with ongoing cost control efforts, including the initiatives of our Efficiency Committee.

It is worth noting that 70.8% is the best rate over the last five years.

(1) Fee and Commission Income / Administrative and Personnel Expenses (in the last 12 months).

Tax Expenses

The R\$30 million decrease in tax expenses in comparison with the previous quarter was mainly driven by the decrease in PIS/Cofins/ISS taxable income in the third quarter of 2013.

Year over year, these expenses increased R\$86 million in the first nine months of 2013, mainly due to higher PIS/Cofins/ISS expenses, reflecting the higher taxable income, especially fee and commission income.

Bradesco

Economic and Financial Analysis

Equity in the Earnings (Losses) of Unconsolidated Companies

In the third quarter of 2013, the equity in the earnings (losses) of unconsolidated companies was R\$2 million. The R\$10 million decrease over the previous quarter was basically due to lower results from the unconsolidated company IRB Brasil Resseguros.

In the year-over-year comparison, the reduction in the first nine months of 2013 was mainly due to lower results from the unconsolidated company IRB – Brasil Resseguros, offset by lower gains from the unconsolidated company Integritas Participações.

Operating Income

Operating income in the third quarter of 2013 was R\$4,769 million, up R\$186 million from the previous quarter. This result was mainly due to: (i) lower allowance for loan loss expenses, totaling R\$213 million; (ii) greater financial margin, amounting to R\$142 million; (iii) the R\$72 million increase in operating income from Insurance, Pension Plans and Capitalization Bonds; and partially offset: (iv) by the R\$208 million increase in personnel and administrative expenses.

Year over year, the R\$796 million or 6.1% increase in the nine months of 2013 is mostly a result of: (i) the R\$1,722 million increase in fee and commission income; (ii) lower allowance for loan loss expenses, totaling R\$720 million; (iii) R\$424 million increase in operating income from Insurance, Pension Plans and Capitalization Bonds; partially offset by: (iv) a R\$809 million

increase in personnel and administrative expenses; (v) lower financial margin, amounting to R\$662 million; and (vi) the R\$426 million increase in other operating expenses (net of other income).

Non-Operating Income

In the third quarter of 2013, non-operating income posted a loss of R\$27 million, R\$3 million more than the previous quarter and R\$29 million more than the nine months of 2012, due to greater non-operating expenses (such as losses on sale of foreclosed assets/other) in the period.

Bradesco

Economic and Financial Analysis

Sustainability

Bradesco was once again included in the Dow Jones Sustainability World Index

Bradesco was once again included in the NYSE's Dow Jones Sustainability World Index (DJSI), a select list that includes the companies with the best sustainable development practices.

Besides Bradesco, only two Brazilian banks were included in the list.

Since 1999, the Dow Jones Sustainability World Index is recognized by the capital market as the first world index that gives unique value to

The 2013/2014 DJSI World portfolio is composed of 333 companies that put in the best sustainability performance, selected according to the following factors: financial performance, corporate governance practices, risk management, climate change mitigation and management, human capital development and supply chain standards.

companies consistently showing their long-term corporate sustainability initiatives and strategies. In addition to the Dow Jones Sustainability World Index, Bradesco is also part of the Dow Jones Sustainability Emerging Markets Index, created at the beginning of 2013.

Bradesco provides the Education and Technology module at the 2013 Ethos conference

On September 3, 4 and 5, Bradesco was present in the Ethos conference, whose theme was “Sustainable and Responsible Business: opportunities to the companies and to Brazil,” offering a structured schedule that tests how profitable sustainable businesses can be.

With an innovative format, the 2013 conference was structured to offer not only traditional debates, lectures and conceptual discussions, but also a comprehensive schedule comprising sustainability topics immediately applied to sustainable business models.

Bradesco was in line with the new format and, in addition to sponsoring the conference, provided three important debates that raised the audience’s awareness on topics such as financial education, technology and corporate education.

Further details on the three panels “The power of debt: Who pays the bill?”, “How Corporate Education can help a nation’s social and economic development?” and “Technology and Innovation for the Inclusion” may be found at Bradesco’s Sustainability website www.bancodoplaneta.com.br or at the Conference website www.ethos.org.br.

Economic and Financial Analysis

Investor Relations (IR)

In the third quarter of 2013, Bradesco was granted the 2012 Publicly-held Company Award. In its 40th edition, it is promoted by the Association of Analysts and Capital Market Professionals (Apimec) and acknowledges companies that have invested in long-term relationship and open dialogue with their investors, contributing to the strengthening of the Brazilian capital market. The awarded companies were analyzed based on concepts such as Transparency, Good Governance Practices, Market Information Quality and Relationship with Shareholders, Analysts and Investment Professionals.

In the period, the Investor Relations department participated in nine events abroad, in the cities of London, New York, Boston and Paris. The local

calendar of events in Brazil included seven Apimec meetings in the cities of Salvador, Brasília, Rio de Janeiro, São Paulo, Recife and Fortaleza, with 1,955 participants, including investors, shareholders and market analysts.

Bradesco was also present in three editions of *Expo Money*, the largest financial education event in Latin America, which took place in Salvador, Brasília and São Paulo, in two of these cities—Salvador and São Paulo—there were also Bradesco Apimec presentations.

The Investor Relations team frequently keeps contact with shareholders, investors and analysts via telephone, email, or at Bradesco's headquarters.

Corporate Governance

Bradesco's management is made up of the Board of Directors and the Statutory Board of Executive Officers. The former is composed of eight members who are eligible for reelection, and includes seven external members, including the Chairman (Mr. Lázaro de Mello Brandão) and one internal member (The Chief Executive Officer, Mr. Luiz Carlos Trabuco Cappi). The Board members are elected by the Annual Shareholders' Meeting, which elect the members of the Board of Executive Officers.

Bradesco's Corporate Governance structure includes six (6) Committees subordinated to the Board of Directors, two (2) of which Statutory Committees (Audit and Compensation) and four (4) Non-Statutory Committees (Ethical Conduct, Internal Controls and Compliance, Integrated Risk Management and Capital Allocation and

of Executive Officers, assisting it in performing its duties.

Bradesco guarantees its shareholders, as a minimum dividend, 30% of adjusted net income, as well as 100% tag-along rights for common shares and 80% for preferred shares. Preferred shares are also entitled to dividends 10% greater than those paid to common shares.

Bradesco voluntarily adhered to Level 1 Corporate Governance of BM&FBovespa in 2001, and to the Code of Self-Regulation and Best Practices for Publicly-held Companies, issued by the Brazilian Association of Publicly-held Companies (Abrasca), in 2011.

Bradesco was rated AA+ (Excellent Corporate Governance Practices) by Austin Rating.

Further information is available at the Bradesco's

Sustainability), in addition to forty-three (43)
Executive Committees subordinated to the Board

Investor Relations website www.bradesco.com.br –
Corporate Governance.

Bradesco _____

Economic and Financial Analysis**Bradesco Shares****Number of Shares - Common and Preferred Shares (1)**

	Sept13	Jun13	In thousands Sept12
Common Shares	2,100,738	2,100,738	1,909,762
Preferred Shares	2,096,007	2,098,372	1,907,611
Subtotal – Outstanding Shares	4,196,745	4,199,110	3,817,373
Treasury Shares	10,529	8,164	7,422
Total	4,207,274	4,207,274	3,824,795

(1) Excluding bonuses and stock splits during the periods.

On September 30, 2013, Bradesco's capital stock stood at R\$38.1 billion, composed of 4,207,274 thousand no-par, book-entry shares, of which 2,103,637 thousand were common shares and 2,103,637 thousand were preferred shares. The largest shareholder is the holding company Cidade de Deus Cia. Comercial de Participações, which directly holds 48.7% of voting capital and 24.4% of total capital.

Cidade de Deus Cia. Comercial de Participações is controlled by the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações S.A., which is in turn controlled by Fundação Bradesco and BBD Participações S.A., whose majority of shareholders are members of Bradesco's Board of Directors, Statutory Board of Executive Officers and management-level employees.

Number of Shareholders – Domiciled in Brazil and Abroad

On September 30, 2013, there were 364,127 shareholders domiciled in Brazil, accounting for 99.71% of total shareholders and holding 67.24%

of all shares, while a total of 1,054 shareholders are domiciled abroad, accounting for 0.29% of shareholders and holding 32.76% of shares.

	Sept13	%	Ownership of Capital (%)	Sept12	%	Ownership of Capital (%)
Individuals	327,903	89.79	22.42	329,141	89.77	23.22
Companies	36,224	9.92	44.82	36,558	9.97	46.01
Subtotal Domiciled in Brazil	364,127	99.71	67.24	365,699	99.74	69.23
Domiciled Abroad	1,054	0.29	32.76	969	0.26	30.77
Total	365,181	100.00	100.00	366,668	100.00	100.00

Bradesco Shares

Average Daily Trading Volume of Shares

Bradesco shares are traded on BM&FBovespa (São Paulo) and the New York Stock Exchange (NYSE). Since November 21, 2001, Bradesco trades its ADRs backed by preferred shares on NYSE. As of March 13, 2012, it has also traded ADRs backed by common shares.

In the first nine months of 2013, the average trading volume of our shares stood at R\$547 million, the highest value in the series below. Year over year, the average daily trading volume increased by 7.0%, boosted by the increased liquidity of our shares traded on BM&FBovespa.

Bradesco

Economic and Financial Analysis**Bradesco Shares****Appreciation of Preferred Shares - BBDC4**

The graph shows the change in preferred shares due to Bradesco's dividend reinvestment, compared to the Ibovespa and the CDI - Interbank Deposit Rate. If R\$100 were invested in December 2001, Bradesco shares would be worth

R\$952 in September 2013, an appreciation that exceeds twice the Ibovespa and CDI rates in the same period.

Share and ADR Performance ⁽¹⁾

	3Q13	2Q13	Variation %	In R\$ (unless otherwise stated)		
				9M13	9M12	Variation %
Adjusted Net Income per Share	0.73	0.71	2.8	2.14	2.05	4.4
Dividends/Interest on Shareholders' Equity – Common Share (after Income Tax)	0.208	0.201	3.5	0.611	0.575	6.3
Dividends/Interest on Shareholders' Equity – Preferred Share (after Income Tax)	0.229	0.220	4.1	0.672	0.633	6.2

	Sept13	Jun13	Variation %	In R\$ (unless otherwise stated)		
				Sept13	Sept12	Variation %
Book Value per Common and Preferred Share	15.97	15.72	1.6	15.97	15.73	1.5
Last Trading Day Price – Common Shares	34.49	30.60	12.7	34.49	24.26	42.2
Last Trading Day Price – Preferred Shares	30.38	28.80	5.5	30.38	29.61	2.6
Last Trading Day Price – ADR ON (US\$)	15.75	13.86	13.6	15.75	12.34	27.6
Last Trading Day Price – ADR PN (US\$)	13.88	13.01	6.7	13.88	14.61	(5.0)
Market Capitalization (R\$ million) ⁽²⁾	136,131	124,716	9.2	136,131	113,102	20.4

(1) Adjusted for corporate events in the periods; and

(2) Number of shares (excluding treasury shares) x closing price for common and preferred shares on the last trading day of the period.

[Return to Shareholders](#)

Bradesco Shares

Recommendation of Market Analysts – Target Price

Market analysts issue periodical recommendations on Bradesco preferred shares (BBDC4). We had access to nine reports prepared by these analysts on October 17, 2013. Below are recommendations and a consensus on the target price for December 2013:

Recommendations %		Target Price in R\$ for Dec13	
Buy	44.4	Average	38.3
Keep	44.4	Standard Deviation	3.5
Sell	-	Higher	45.0
Under Analysis	11.1	Lower	33.7

For more information on target price and recommendation of each market analyst that monitors the performance of

Bradesco shares, visit our IR website at www.bradescori.com.br > Information to Shareholders > Analysts' Consensus.

Market Capitalization

In September 2013, Bradesco's market capitalization, considering the closing prices of common and preferred

shares, was R\$136.1 billion, up 20.4% over the same period in 2012. In the year-over-year comparison, the Ibovespa decreased by 11.6%.

[Bradesco](#)

Return to Shareholders

Main Indicators

Market Capitalization (Common and Preferred Shares) / Net Income ⁽¹⁾: indicates a possible number of years that the investor would recover the capital invested, based on the closing prices of common and preferred shares.

(1) In the last 12 months.

Market Capitalization (Common and Preferred Shares) / Shareholders' Equity: indicates the multiple by which Bradesco's market capitalization exceeds its book shareholders' equity.

Dividend Yield ⁽¹⁾: the ratio between share price and dividends and/or interest on shareholders' equity paid to shareholders in the last 12 months, which indicates the return on investment represented by the allocation of net income.

(1) Source: Economatica.

Return to Shareholders**Dividends/Interest on Shareholders' Equity**

In the first nine months of 2013, a total of R\$3,145 million was allocated to shareholders as Interest on Shareholders' Equity. In the last twelve months, total Interest on Shareholders' Equity and

Dividends allocated to shareholders correspond to 36.6% of net income, or 31.5% considering withholding income tax deduction therefrom.

(1) In the last 12 months.

Weight on Main Stock Indexes

Bradesco shares comprises Brazil's main stock indexes, including IBrX-50 (index that measures the total return of a theoretical portfolio comprising 50 shares selected among the most traded shares on BM&FBovespa), ISE (Corporate Sustainability Index), the ITAG (Special Tag-Along Stock Index), IGC (Special Corporate Governance Stock Index), IFNC (Financial Index which comprises banks, insurance and financial companies), the ICO2 (index comprising shares of the companies that are part of the IBrX-50 index and that accepted to

take part in this initiative by adopting transparent greenhouse gas emission practices) and the Mid-Large Cap Index – MLCX (that measures the return of a portfolio composed of the highest cap companies listed).

Abroad, Bradesco shares are listed on NYSE's Dow Jones Sustainability World Index and the FTSE Latibex Brazil Index of Madrid Stock Exchange.

	Sept13	In % (1)
Ibovespa		4.8
IBrX-50		9.7
IBrX		8.2
IFNC		20.3
ISE		5.6
IGC		6.2
ITAG		11.6
ICO2		13.4
MLCX		8.7

(1) Represents Bradesco's weight on the portfolio of main Brazilian stock market indexes.

Economic and Financial Analysis
Market Share of Products and Services

Market shares held by the Organization in the Banking and Insurance industries and in the Customer Service Network are presented below.

	Sept13	Jun13	Sept12	Jun12
Banks – Source : Brazilian Central Bank (Bacen)				
Demand Deposits	N/A	16.0	17.1	16.6
Savings Deposits	N/A	13.4	13.8	13.8
Time Deposits	N/A	11.0	12.1	12.8
Loan Operations	10.9 (1) (3)	11.0 (1)	11.5	11.7
Loan Operations - Private Institutions	22.2 (1) (3)	22.1 (1)	21.5	21.4
Loan Operations - Vehicles Individuals (CDC + Leasing)	14.0 (1) (3)	14.2 (1)	15.1	15.2
Payroll-Deductible Loans	11.9 (1) (3)	11.6 (1)	10.9	10.9
Number of Branches	21.0	21.1	21.7	21.9
Banks - Source: Federal Revenue Service/ Brazilian Data Processing Service (Serpro)				
Federal Revenue Collection Document (DARF)	N/A	N/A	20.6	20.6
Brazilian Unified Tax Collection System Document (DAS)	N/A	N/A	16.5	16.4
Banks – Source : Social Security National Institute (INSS)/Dataprev				
Social Pension Plan Voucher (GPS)	N/A	N/A	14.5	14.4
Benefit Payment to Retirees and Pensioners	25.4	25.1	24.4	24.1
Banks – Source : Anbima				
Investment Funds + Portfolios	18.2 (3)	18.0	18.3	18.0
Insurance, Pension Plans and Capitalization Bonds – Source: Insurance Superintendence (Susep) and National Agency for Supplementary Healthcare (ANS)				
Insurance, Pension Plan and Capitalization Bond Premiums	23.6 (3)	24.0	24.3	24.8
Insurance Premiums (including Long-Term Life Insurance - VGBL)	23.4 (3)	23.9	24.1	24.8
Life Insurance and Personal Accident Premiums	16.7 (3)	16.3	17.8	17.4
Auto/Basic Lines Insurance Premiums	9.2 (3)	9.1	10.5	10.5
Auto/Optional Third-Party Liability (RCF) Insurance Premiums	11.0 (3)	11.0	13.4	13.9
Health Insurance Premiums	46.0 (3)	48.8	46.8	46.9
Income from Pension Plan Contributions (excluding VGBL)	31.0 (3)	30.9	30.1	29.3
Capitalization Bond Income	21.6 (3)	20.9	22.8	22.2
Technical Reserves for Insurance, Pension Plans and Capitalization Bonds	29.0 (3)	29.5	29.6	29.5
Insurance and Pension Plans – Source: National Federation of Life and Pension Plans (Fenaprevi)				
Income from VGBL Premiums	28.2 (3)	28.5	28.5	30.0

Income from Unrestricted Benefits Generating Plans (PGBL) Contributions	25.6 ⁽³⁾	25.7	26.5	25.3
Pension Plan Investment Portfolios (including VGBL)	32.3 ⁽³⁾	32.6	33.6	33.9
Leasing – Source: Brazilian Association of Leasing Companies (ABEL)				
Lending Operations	19.8 ⁽²⁾	19.7	19.2	19.2
Consortia – Source: Bacen				
Real Estate	30.4 ⁽²⁾	30.3	30.0	29.3
Auto	26.8 ⁽²⁾	26.7	25.9	25.6
Trucks, Tractors and Agricultural Implements	18.9 ⁽²⁾	18.9	18.5	17.7
International Area – Source: Bacen				
Export Market	18.1	17.4	19.7	19.3
Import Market	15.8	15.4	17.2	17.8

(1) Bacen data for June 2013 and August 2013 are preliminary;

(2) Reference date: July 2013; and

(3) Reference date: August 2013.

N/A – Not Available.

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Additional Information**Market Share of Products and Services****Branch Network**

Region	Sept13		Market Share	Sept12		Market Share
	Bradesco	Market		Bradesco	Market	
North	280	1,092	25.6%	279	1,028	27.1%
Northeast	850	3,537	24.0%	844	3,334	25.3%
Midwest	346	1,752	19.7%	346	1,641	21.1%
Southeast	2,433	11,684	20.8%	2,417	11,320	21.4%
South	788	4,294	18.4%	779	4,130	18.9%
Total	4,697	22,359	21.0%	4,665	21,453	21.7%

Reserve Requirements/Liabilities

%	Sept13	Jun13	Mar13	Dec12	Sept12	Jun12	Mar12	Dec11
Demand Deposits								
Rate ^{(2) (6)}	44	44	44	44	44	43	43	43
Additional ⁽³⁾	-	-	-	-	-	12	12	12
Liabilities ⁽¹⁾	34	34	34	34	34	28	28	28
Liabilities (Microfinance)	2	2	2	2	2	2	2	2
Free	20	20	20	20	20	15	15	15
Savings Deposits								
Rate ⁽⁴⁾	20	20	20	20	20	20	20	20
Additional ⁽³⁾	10	10	10	10	10	10	10	10
Liabilities	65	65	65	65	65	65	65	65
Free	5	5	5	5	5	5	5	5
Time Deposits								
Rate ^{(3) (5)}	20	20	20	20	20	20	20	20
Additional ⁽³⁾	11	11	11	11	12	12	12	12
Free	69	69	69	69	68	68	68	68

(1) At Banco Bradesco, liabilities are applied to Rural Loans;

(2) Collected in cash and not remunerated;

(3) Collected in cash with the Special Clearance and Custody System (Selic) rate;

(4) Collected in cash with the Reference Interest Rate (TR) + interest of 6.17% p.a. for deposits made until May 3, 2012, and TR + 70% of the Selic rate for deposits made as from May 4, 2012, when the Selic rate is equal to or lower than 8.5% p.a.;

(5) As of the calculation period from March 29, 2010 to April 1, 2010, with compliance on April 9, 2010, liabilities are now exclusively in cash, and may be paid with credits acquired as provided for by legislation in force; and

(6) FGC was prepaid 60 times in August 2008, as of the calculation period from October 20, 2008 to October 31, 2008, with compliance as of October 29, 2008.

Bradesco _____

Economic and Financial Analysis

Investments in Infrastructure, Information Technology and Telecommunication

Bradesco has always seen technology as an essential pillar for its business. With the constant purpose of improving the daily lives of its thousands of customers, Bradesco increasingly invests in new products and services.

In August, it launched the new iPad Integrator App, which allows accessing all Bradesco's apps in a single place at the App Store. The integrator, available for iPhones since December 2011, allows customers to view available updates for apps already downloaded and get to know other apps.

Bradesco also launched new versions of the Bradesco Exclusive and Prime apps for iPhones. In addition to offering easy access to checking account and two new functionalities (check deposit through the smartphone and an icon to dial *Fone Fácil* number), the app may be used in iOS 7, the new version of the Apple operating system.

There are several facilities to improve customers' lives. From now on, it is possible to make transfers between Bradesco accounts (DOC) and to other banks (TED) in the 14,000 Banco24Horas ATMs, which offer the same daily limits of Bradesco ATMS. Services such as execution, scheduling, scheduling cancellation, consultation of scheduled but not executed transaction and copies of statements are also available.

With an eye on the 2016 Olympic Games in Rio de Janeiro, Bradesco, the official sponsor, has launched a Business Portal, a website developed to multiply potential business related to the Olympic and Paralympic Games. At the website bradesco.com.br/rio2016, Bradesco provides those interested in supplying goods and services to the Games' Organizing Committee with business

In the third quarter, Bradesco renewed some of its websites. The new *Net Empresa*, which is now more modern and suitable to customers' needs, was made available in September. The new functionalities allow for better cash flow management, increased interaction between users and Bradesco, and agility for companies to conclude their transactions.

The website *Bradesco Universitários* was also totally renovated to follow Bradesco Portal's standards: it is now more modern and easily browsing, in addition to providing exclusive content, such as promotions and partnerships specially developed to students. The website *Click Conta* was also revamped to a more user-friendly and contemporary layout that allows for better visualization of the products and services offered, which also makes available specific content for its target-public.

ShopFácil website has also undergone changes. The website, which allows customers to purchase diverse trip-related products and services in several stores, is more practical by offering an intelligent search tool for price comparison.

The website *Bradesco Fornecedores* was completely reformulated and now has a fresh layout. Through this channel, engaged companies and future partners have access to exclusive areas that provide information on purchase processes, among others.

Bradesco Saúde also innovated by launching the *Meu Doutor* (My Doctor) Program. In order to facilitate access to services, the tool allows policyholders to book online consultations with accredited general practitioners as soon as

solutions in a single place. Small, medium and large entrepreneurs have access to the Supply Portal, where they can pre-register to future bids.

possible, even for the same day. Initially, this service will be available for some cities in São Paulo and Greater São Paulo, but it should cover other Brazilian regions and specialties.

Investments in Infrastructure, Information Technology and Telecommunication

In addition to the news, we continue working to improve the solutions we already offer. Biometry, the pioneering innovative technology launched by Bradesco in 2006, reached 13.1 million registrations in July, providing customers with security and allowing them to make transactions in ATMs, such as withdrawals, without the need to use their cards. From November 2012 to August 15, 2013, transactions worth more than R\$1 billion were made through the ATMs.

Another important landmark is the over 500 thousand active customers registered with Bradesco Security Key – Mobile Phone TokenNot only customers benefited from technologic news, but also the Bank's employees. In August, Bradesco launched a version of the *Portal Voluntários* for Android and iPhone. Volunteers can now take pictures in the actions they are registered and easily post them in the app. Moreover, it is also possible to see all the pictures added.

The Bradesco Corporate University – Unibrad portal brings learning solutions, including a new arrangement of the TreiNet catalog and the launch of a virtual library with important business books. It is also possible to clarify doubts on the corporate university model and check for learning trails that suggest education alternatives that will make the employees' career planning easier.

The Bank also made available to its employees two new Fast Guides on TreiNet quality: *Ação Bom-Dia Bradesco* (Good Morning Bradesco Initiative) and *Atendimento Telefônico* (Phone Service).

The branches now have an important supporting tool to achieve results in the Sales Force Automation (AFVD) system. Now, the campaigns

In order to help branches to promote the Internet Banking among customers and encourage its use, the Bank made available a navigation simulator in the Intranet, so that the teams can expand their knowledge on the products and services available in the channel and clarify customers' doubts more easily.

After all this, our innovative attitude was recognized. For the third consecutive year, Bradesco was considered in B2C as the Most Innovative Company in Providing Customer Services in Brazil. The study, conducted by DOM Strategy Partners and published by the *Consumidor Moderno* magazine, took into consideration the Bank's strong digital performance, its efforts in redesigning the branches and the launch of multichannel services to improve customers' experience. It also highlighted *Bradesco Next*, which celebrated its first anniversary in August. In this period, more than 120 thousand people visited Bradesco Next room, which also presented several new products and services to customers, such as the possibility of withdrawing money without using a card and making check deposits through a mobile phone and the launch of Bradesco app for iPhone 5.

The strong relation with youth was recognized by an article published on *Forbes* magazine, which emphasized Bradesco's presence in social networks. The American publication, specialized in business and economy, discusses the increase in the number of Brazilians with access to the web and users in social networking sites and reaffirms the work of companies, such as Bradesco, that has made great use of these channels and their profiles to expand their relationship with people.

inserted in the Action Treatment option will be distributed so that managers are capable of selecting what is more appropriate for their customers, based on each profile. In addition, the branches can consult a new customer base with pre-approved limit for Global Credit, Personal Credit Limit, Overdraft, and Special Credit products.

Bradesco _____

Economic and Financial Analysis

Investments in Infrastructure, Information Technology and Telecommunication

Given our concern and initiatives towards social inclusion, we were also paid homage for the 15 years of Virtual Vision in the 11th edition of the Brazil Learning & Performance Award, promoted by Micropower with the support of ABRH-SP, ADVB-SP, FENADVB, Abes, with institutional support of the Fiesp System and National ABRH. The software is an internationally renowned and pioneering solution that allows visually impaired people to use, with autonomy, different Internet resources. Bradesco's interest for this solution started in 1995, when the Bank received a letter from a visually impaired customer that needed to access the account through the Internet. The idea

motivated the Executive Officers and the suggestion began to become reality through a partnership between Bradesco, Scopus and MicroPower. The Internet Banking for Visually Impaired People, an unmatched service in Brazil, was launched in 1998.

As a prerequisite for its continuous expansion, Bradesco invested R\$3,498 million in Infrastructure, Information Technology and Telecommunications in the first nine months of 2013. The total amount invested over recent years, including infrastructure (facilities, restorations, improvements, furniture and fixtures), can be found below:

	9M13	2012	2011	2010	R\$ million 2009
Infrastructure	317	718	1,087	716	630
Information Technology and Telecommunication	3,181	3,690	3,241	3,204	2,827
Total	3,498	4,408	4,328	3,920	3,457

Risk Management

Given the growing complexity of products and services and the globalization of the Organization's business, risk management has become a highly strategic activity, which must be constantly enhanced to keep pace with the dynamism of the markets and the pursuit of best practices, exemplified by the fact that Bradesco became the first and only Brazilian bank authorized by the Central Bank to use its own internally-developed market risk management models to calculate regulatory capital since January 2013.

It also provides training to employees from all Organization levels, from the business areas to the Board of Directors.

The management process ensures that risks can be proactively identified, measured, mitigated, monitored and reported as required in line with the complexity of the Organization's financial products

The Organization exercises corporate risk control in an integrated and independent manner, preserving and valuing collegiate decision-making and developing and implementing methodologies, models, and measurement and control tools.

and activity profile.

Detailed information on the risk management process, capital and capital requirement, as well as the Organization's risk exposure, can be found in the Risk Management Report on the Investor Relations website, at www.bradeskori.com.br.

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Economic and Financial Analysis**Capital Management**

The Capital Management structure enables the Organization to reach its strategic objectives through an appropriate capital sufficiency planning. This structure is composed of the Statutory, Non-Statutory and Executive Committees, which assist the Board of Directors and the Board of Executive Officers in decision making.

In addition to the Committee structure, the Organization has a department responsible for the centralization of the conglomerate's capital

management, named Capital Management and Internal Capital Adequacy Assessment Process (ICAAP), which acts jointly with the Integrated Risk Control Department, associated companies, business areas and the Organization's supporting areas.

Further information on the capital management structure can be found in the Risk Management Report and the 2012 Annual Report on the Investor Relations website: www.bradescori.com.br.

Capital Adequacy Ratio

In September 2013, Bradesco's Capital amounted to R\$93,064 million, versus a Capital Requirement of R\$62,348 million, resulting in a R\$30,716 million capital margin. This figure was mostly impacted by the credit risk portion, representing 85.1% of the risk-weighted assets. The Capital Adequacy Ratio increased by 1.0 p.p., from 15.4% in June 2013 to 16.4% in September 2013, mainly impacted by: (i) the reduced exposure limits in the market risk portion; and partially offset by: (ii) the maturity of subordinated debts eligible to tier II capital.

fifteen circular letters, which implement in Brazil the recommendations of the Basel Committee on Banking Supervision on financial institutions' capital structure, known as "Basel III." The main purposes are: (i) to improve the financial institutions' capacity of absorbing shocks arising from the financial system or other industries; (ii) to reduce the impact of the financial sector conditions on the real sector of the economy; (iii) to contribute to the financial stability; and (iv) to foster the sustainable economic growth. The implementation of the new capital structure in Brazil began on October 1, 2013.

Note that in March 2013 the Brazilian Central Bank disclosed a set of four resolutions and

Calculation Basis

	Sept13	Jun13	Mar13	Dec12	Sept12	Jun12	Mar12	Dec11
Capital	93,064	92,629	96,721	96,933	91,149	90,201	75,705	71,476
Tier I	71,962	69,998	68,109	66,194	64,265	62,418	60,580	58,714
Shareholders' Equity	67,033	66,028	69,442	70,047	66,047	63,920	58,059	55,582

**R\$
million**

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Mark-to-Market Adjustments	4,508	3,593	(1,732)	(4,229)	(2,150)	(1,865)	2,126	2,765
Reduction of Deferred Assets	(171)	(205)	(206)	(212)	(218)	(224)	(235)	(248)
Non-controlling Shareholders	592	582	605	588	586	587	630	615
Tier II	21,234	22,761	28,741	30,867	26,992	27,890	15,231	12,865
Mark-to-Market Adjustments	(4,508)	(3,593)	1,732	4,229	2,150	1,865	(2,126)	(2,765)
Subordinated Debt	25,741	26,354	27,009	26,638	24,842	26,025	17,357	15,630
Deduction of Funding Instruments	(132)	(130)	(129)	(128)	(108)	(107)	(107)	(103)
Risk-weighted Assets	566,797	603,541	621,043	600,520	571,377	531,871	505,934	474,173
Capital Requirement	62,348	66,389	68,315	66,057	62,851	58,506	55,653	52,159
Credit Risk	53,057	52,714	54,343	55,345	54,213	52,050	48,718	47,422
Operating Risk	3,641	3,354	3,354	3,432	3,432	3,313	3,313	2,810
Market Risk	5,650	10,321	10,617	7,281	5,207	3,143	3,622	1,927
Margin (Excess/ Capital Insufficiency)	30,716	26,240	28,406	30,876	28,298	31,695	20,052	19,317
Leverage Margin	279,234	238,545	258,236	280,691	257,255	288,136	182,293	175,609
Capital Adequacy Ratio	16.4%	15.4%	15.6%	16.1%	16.0%	17.0%	15.0%	15.1%
Tier I	12.7%	11.6%	11.0%	11.0%	11.3%	11.8%	12.0%	12.4%
Tier II	3.7%	3.8%	4.6%	5.1%	4.7%	5.2%	3.0%	2.7%

Bradesco _____

Independent Auditors' Report

Limited assurance report from independent auditor on the supplementary accounting information

To

The Directors of

Banco Bradesco S.A.

Osasco – SP

Introduction

We were engaged to apply limited assurance procedures for the supplementary accounting information included in the Economic and Financial Analysis Report of Banco Bradesco S.A. ("Bradesco") as of September 30, 2013 and for the three and nine month periods then ended. Bradesco's Management is responsible for the preparation and fair presentation of this supplementary accounting information. Our responsibility is to issue a Limited Assurance Report on such supplementary accounting information.

Scope, procedures applied and limitations

The limited assurance procedures were performed in accordance with standard NBC TO 3000 – Assurance Engagements Other than Audit and Review, issued by the Brazilian Federal Accounting Council (CFC – Conselho Federal de Contabilidade) and the ISAE 3000 - International Standard on Assurance Engagements issued by the International Auditing and Assurance Standards Board - IASB, both for assurance engagements other than audits or reviews of historical financial information.

The limited assurance procedures comprised: (a) the planning of the work, considering the relevance of the supplementary financial information and the internal controls systems that served as a basis for the preparation of the Economic and Financial Analysis Report of Bradesco, (b) the understanding of the calculation methodology and the consolidation of indicators through interviews with the management responsible for the preparation of the supplementary accounting information, and (c) the comparison of the financial and accounting indicators with the interim information disclosed at this date and/or accounting

records.

The procedures that were applied do not constitute an audit or review in accordance with Brazilian and international auditing and review standards, as well as these procedures and the obtained evidence are more limited than for reasonable assurance procedures. Additionally, our report does not offer limited assurance on the scope of future information (such as goals, expectations and future plans) and descriptive information that is subject to subjective assessment.

Criteria for preparation of the supplementary accounting information

The additional supplementary accounting information disclosed in the Economic and Financial Analysis Report as of September 30, 2013 and for the three and nine month periods then ended were prepared by Bradesco's Management, based on the consolidated financial information contained in the interim financial information and on the criteria described in the Economic and Financial Analysis Report, in order to provide additional analysis, but without being part of the interim financial information available in this date.

— Report on Economic and Financial Analysis – September 2013

Independent Auditors' Report

Limited assurance report from independent auditor on the supplementary accounting information

Conclusion

Based on our review, we are not aware of any facts that would lead us to believe that the supplementary accounting information included in the Economic and Financial Analysis Report as of September 30, 2013 and for the three and nine month periods then ended are inconsistent, in all material respects, with regard to interim accounting information referred to in the paragraph of criteria for the preparation of supplementary accounting information.

Osasco, October 18, 2013

Original report in Portuguese signed by

KPMG Auditores Independentes

CRC 2SP014428/O-6

Cláudio Rogélio Sertório

Accountant CRC 1SP212059/O-0

Bradesco _____

Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Management Report

Dear Shareholders,

We hereby present the consolidated financial statements of Banco Bradesco S.A., for the period ended September 30, 2013, prepared in accordance with the accounting practices adopted in Brazil and applicable to institutions authorized to operate by the Brazilian Central Bank.

The ongoing recovery of the Brazilian economy should gain momentum from the opportunities generated by the federal government's infrastructure concession program. In addition to contributing to sustainable GDP growth in the midterm, the results of this program are expected to generate income and jobs in the coming quarters. Given the likely maintenance of macroeconomic predictability, Brazil is fully prepared to face the challenges of a global economy in transition, maintaining the benefits of the intense upward social mobility in recent years.

Bradesco is consolidating its 70 years of operations, exemplified by its integral presence in Brazilian life, its permanent encouragement of the democratization of banking products and services, and its constant willingness to expand its business horizons.

Among the quarterly highlights, it is particularly worth noting that Bradesco was once again included in the Dow Jones Sustainability World Index - DJSI, a select NYSE trading list that includes only those companies with the best sustainable development practices, as well as the Dow Jones Sustainability Emerging Markets Index, a portfolio created at the beginning of the year, which includes companies with a DJSI performance among the best 10% in their respective sectors.

In the first nine months of 2013, Bradesco posted Net Income of R\$8.932 billion, corresponding to earnings per share of R\$2.13 and a return on

Based on its stock price, Bradesco's Market Capitalization came to R\$136.131 billion on September 30, 2013, equivalent to two times Shareholders' Equity.

Managed Shareholders' Equity was equivalent to 7.5% of Consolidated Assets, which totaled R\$907.694 billion, 6.0% more than in September 2012. Accordingly, the Capital Adequacy Ratio stood at 16.5% of the consolidated financial result and 16.4% of the consolidated economic and financial result, which is substantially higher than the 11% minimum established by National Monetary Council Resolution 2099/94, in conformity with the Basel Committee. At the end of the quarter, the fixed asset ratio in relation to Consolidated Reference Assets, was 45.1% in the consolidated financial result and 17.5% in the consolidated economic and financial result, well within the 50% limit.

In compliance with Article 8 of Brazilian Central Bank Circular Letter 3068/01, Bradesco declares that it has the financial capacity and the intention of holding to maturity those securities classified under "held-to-maturity securities." Bradesco further declares that the operations of Banco Bradesco S.A., its subsidiary, are sufficient to cover the strategic goals defined in the business plan, pursuant to Article 11 of Regulatory Attachment I to National Monetary Council Resolution 4122/12.

On September 30, 2013, total funding raised and assets under management totaled R\$1.256 trillion, 7.2% more than in the same period in 2012, broken down as follows:

R\$475.358 billion in demand deposits, time deposits, interbank deposits, open market and savings accounts, up by 3.7%;

R\$438,270 billion in assets under management, comprising investment funds, managed portfolios

average Shareholders' Equity^(*) of 18.3%. The annualized Return on Average Total Assets stood at 1.3%.

A total of R\$3.145 billion was allocated to shareholders as Interest on Shareholders' Equity and Dividends in the period, of which R\$1.554 billion was paid as monthly and interim dividends and R\$1.591 billion was provisioned.

In the same period, taxes and contributions, including social security contributions, paid or provisioned, came to R\$18.096 billion, of which R\$7.039 billion related to taxes withheld and collected from third parties, and R\$11.057 billion from activities developed by the Bradesco Organization, equivalent to 123.8% of Net Income.

At the end of the quarter, paid-in capital came to R\$38.100 billion. Together with Equity Reserves of R\$28.933 billion, Shareholders' Equity came to R\$67.033 billion, 1.5% up on the same period in 2012 and equivalent to a book value of R\$15.97 per share.

and third-party fund quotas, an 8.4% increase;

R\$188.002 billion in the exchange portfolio, borrowings and onlendings, working capital, tax payments and collection and related charges, funds from the issue of securities, subordinated debt in Brazil and other funding, an 11.5% expansion;

R\$133.554 billion in technical reserves for insurance, pension plans and capitalization bonds, up by 13.4%; and

R\$21.036 billion in foreign funding, through public and private issues, subordinated debt and the securitization of future financial flows, equivalent to US\$9.433 billion.

At the end of the period, consolidated loan operations came to R\$412.559 billion, 11.0% up on September 2012, broken down as follows:

Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Management Report

R\$6.239 billion in advances on exchange contracts, giving a total export financing portfolio of US\$13.343 billion;

US\$3.299 billion in import financing denominated in foreign currency;

R\$6.077 billion in leasing operations;

R\$18.823 billion in rural lending;

R\$92.846 billion in consumer financing, including R\$14.043 billion in credit card receivables;

R\$65.348 billion in sureties and guarantees; and

R\$33.504 billion in operations involving the onlending of foreign and domestic funds, originating mainly from the Brazilian Development Bank (BNDES), as one of its main onlending agents.

In the real estate financing segment, the Bradesco Organization allocated R\$11.450 billion between January and September to the construction and acquisition of homes, corresponding to 51,036 properties.

Bradesco BBI, the Bradesco Organization's investment bank, advises customers on share issues, merger and acquisition transactions and the structuring and distribution of debt instruments, including debentures, promissory notes, CRIs, mortgage-backed investment funds, receivables-backed investment funds (FIDCs) and bonds in Brazil and abroad, in addition to structured financing operations for companies and project finance.

In the third quarter of 2013, Bradesco BBI was one of the lead managers of a US\$1 billion funding operation by the U.S. vehicle manufacturer Ford.

of Odontoprev S.A.'s voting capital, and now holds approximately 50.01% of the company. The acquisition is pending approval of the Brazilian Central Bank.

The Bank provides its customers and users with highly efficient top-quality secure products, services and solutions through its vast service network, which is present in all Brazilian regions and several localities abroad. At the end of the period, it comprised 58,803 service points, 33,933 terminals in the Bradesco *Dia & Noite* Network, 33,434 of which also operating on weekends and holidays, 14,036 terminals in the *Banco24Horas* (24-Hour Bank) network, through which customers can make withdrawals, transfers and payments, obtain statements, check balances and solicit loans. In the payroll-deductible loan segment, the network had 1,692 Bradesco Promotora correspondent bank branches and, in the vehicle segment, 14,768 Bradesco Financiamentos points of sale:

8,457 Branches and PAs (Service Branches) in Brazil (Branches: Bradesco 4,672, Banco Bradesco Financiamentos 19, Banco Bankpar 2, Banco Bradesco BBI 1, Banco Bradesco Cartões 1, Banco Alvorada 1, Banco Bradesco BERJ 1; and PAs 3,760);

3 Overseas Branches, one in New York and two in Grand Cayman;

10 Overseas Subsidiaries (Banco Bradesco Argentina S.A. in Buenos Aires; Banco Bradesco Europa S.A. in Luxembourg; Bradesco North America LLC and Bradesco Securities, Inc. in New York; Bradesco Securities UK Limited in London, Bradesco Securities Hong Kong Limited and Bradesco Trade Services Limited in Hong Kong; Bradesco Services Co. Ltd. in Tokyo; Cidade Capital Markets Ltd. in Grand Cayman; and Bradescard

This was the first time a Brazilian bank had led a funding transaction by an American company in the United States. Bradesco BBI was also authorized by the Tokyo Stock Exchange to operate in the Japanese market as the coordinator of a so-called samurai bond offering. Bradesco is also the first Latin American bank to operate in the Japanese debt market.

From January to September 2013, Bradesco BBI executed operations worth over R\$78.340 billion.

On September 30, 2013, Grupo Bradesco Seguros, one of the leaders in the Insurance, Capitalization Bond and Pension Plan segments, posted Net Income of R\$2.739 billion and Shareholders' Equity of R\$16.326 billion. Net written insurance premiums, pension contributions and capitalization bond income came to R\$35.260 billion, 13.4% up on the same period in 2012.

On October 14, 2013, Bradesco Saúde S.A., company of Grupo Bradesco Seguros, acquired indirectly 6.5%

Mexico, Sociedad de Responsabilidad Limitada in Mexico);

45,614 Bradesco Expresso service points;

1,421 PAEs – in-company electronic service branches; and

3,298 External terminals in the Bradesco *Dia & Noite* network and 11,229 ATM's in the *Banco24Horas* network, with 1,701 terminals shared by both networks.

In compliance with CVM Rule 381/03, from January to September 2013, the Bradesco Organization neither contracted from nor had services provided by KPMG Auditores Independentes that were not related to the external audit, in an amount higher than 5% of total fees relating to the external audit. Other services provided by external auditors comprised agreed-upon procedures to review financial information, draws and system diagnosis. The Bank's policy is in line with the principles of preserving the auditors' independence,

Bradesco _____

 Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Management Report

which are based on generally accepted international criteria, i.e. the auditors should not audit their own work, perform managerial duties for their clients or promote their clients' interests.

In the Human Resources Area, strengthened by UNIBRAD – Bradesco Corporate University, the Organization maintained its strategy of promoting the professional development of its employees through heavy investments in training programs. The outcome of these policies is reflected in the increasing quality and efficiency of our services. In the first nine months of 2013, approximately 2,100 courses were administered to 1 million employees.

In order to improve the learning experience throughout Brazil, Fundação Bradesco, the Organization's pioneer initiative with 40 schools located in all Brazilian states and the Federal District, with a special emphasis on socially and economically underprivileged regions, has developed an extensive social and educational program. This year, the estimated budget of R\$460.961 million will provide free, high-quality education to: a) 106,843 students enrolled in its schools in the following levels: basic education (kindergarten to high school) and vocational training - high school, youth and adult education; and preliminary and continuing vocational training, which focuses on creating jobs and income; b) around 350 thousand students who will complete at least one of the distance-learning courses (EaD) available on the e-learning portal; and c) 68,323 beneficiaries in partnership projects and initiatives, including the Digital Inclusion Centers (CIDs), the *Educa+Ação* program and technology courses (*Educar* and *Aprender*). The approximately 47 thousand students enrolled in the basic education system also receive uniforms, school supplies, meals, and medical and dental assistance free of charge.

- **Brazil's most valuable brand**, according to the 2013 ranking of the consulting firm Brand Finance;
- **Most valuable brand in Latin America**, according to a survey by the consulting firm BrandAnalytics/Millward Brown published in the *Financial Times*;
- **Most profitable private bank in Latin America and the United States**, according to a survey by the consulting firm Economática;
- **For the second consecutive year, Bradesco was elected the Best Bank in Brazil in the 2013 Excellence Awards**, the most important international award in the financial sector granted by *Euromoney* magazine;
- **Best ranked Brazilian private institution in the *Fortune* magazine ranking**, which lists the world's 500 largest companies;
- **Brazilian bank with the best service in the country, including in credit cards**, according to a survey by *Exame* magazine in association with the Brazilian Institute of Customer Relations – IBRC; and
- **Best Bank to Work For in Brazil**, according to *Guia 2013 Você S/A – The Best Companies to Work For*. **It was also elected one of Best Companies to Work For in Brazil**, according to a survey by *Época* magazine, assessed by the Great Place to Work Institute, the world's leading people management advisory firm.

These achievements confirm the Bradesco Organization's commitment to and strategy of exceeding expectations and always offering highly effective products, services and solutions with the highest standards of quality. We would like to thank

The Bradesco Sports and Education Program has been supporting the social inclusion and citizenship of children and teenagers through sports, combining education, health and well-being projects, for more than 26 years. In Osasco (SP), it maintains 16 Training and Specialist Centers to teach women's basketball and volleyball in its Sports Development Center, Fundação Bradesco schools, private schools and municipal sports centers. Currently, around 2 thousand girls aged between 8 and 20 are taking part in the program, reinforcing Bradesco's commitment to defending a country that is giving increasing value to recognizing talent, effort and the full exercise of citizenship.

Bradesco received the following honors in the period:

our shareholders and customers for their trust and support, as well as our employees and other personnel for their dedicated efforts.

Cidade de Deus, October 18, 2013

**The Board of Directors and
Board of Executive Officers**

(*) Excludes the mark-to-market effect of available-for-sale securities recorded under shareholders' equity.

Financial Statements, Independent Auditors' Report and Fiscal Council's Report**Consolidated Statement of Financial Position - R\$ thousand**

Assets	2013		2012
	September	June	September
Current assets	618,954,672	601,883,754	612,443,567
Cash and due from banks (Note 6)	16,427,082	16,179,775	12,943,991
Interbank investments (Notes 3d and 7)	144,036,291	146,391,618	125,892,805
Investments in federal funds purchased and securities sold under agreements to repurchase	137,096,987	139,789,912	117,856,744
Interbank deposits	6,971,607	6,602,636	8,037,180
Allowance for loan losses	(32,303)	(930)	(1,119)
Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b)	212,018,338	197,622,811	241,899,736
Own portfolio	191,265,444	165,330,778	176,499,275
Subject to repurchase agreements	16,755,937	27,292,429	57,957,328
Derivative financial instruments (Notes 3f, 8e II and 32b)	2,549,820	2,374,661	2,585,305
Underlying guarantee provided	1,447,137	1,784,978	4,008,664
Securities subject to unrestricted repurchase agreements	-	839,965	849,164
Interbank accounts	50,930,902	50,930,612	55,071,776
Unsettled payments and receipts	1,335,700	608,839	768,037
Reserve requirement (Note 9):			
- Reserve requirement - Brazilian Central Bank	49,472,675	50,247,046	54,222,409
- National treasury - rural loans	578	578	578
- National Housing System (SFH)	4,092	3,025	2,243
Correspondent banks	117,857	71,124	78,509
Interdepartmental accounts	614,459	649,691	654,931
Internal transfer of funds	614,459	649,691	654,931
Loans (Notes 3g, 10 and 32b)	126,525,046	125,590,039	121,870,197
Loans:			
- Public sector	100,163	106,606	338,055
- Private sector	139,582,729	138,529,404	134,108,179
Allowance for loan losses (Notes 3g, 10f, 10g and 10h)	(13,157,846)	(13,045,971)	(12,576,037)
Leasing (Notes 2, 3g, 10 and 32b)	2,913,101	3,247,669	4,370,926
Leasing receivables:			
- Private sector	5,819,479	6,418,871	8,516,508
Unearned income from leasing	(2,594,056)	(2,825,360)	(3,663,648)
Allowance for leasing losses (Notes 3g, 10f, 10g and 10h)	(312,322)	(345,842)	(481,934)
Other receivables	62,491,742	58,441,498	47,273,435
	20,605	22,539	7,230

Receivables on sureties and guarantees honored (Note 10a-3)			
Foreign exchange portfolio (Note 11a)	16,763,694	12,603,475	11,243,408
Receivables	771,582	747,051	678,519
Securities trading	1,326,546	4,180,999	3,309,379
Specific receivables	2,737	2,761	2,503
Insurance and reinsurance receivables and reinsurance assets – technical reserves	3,534,583	3,462,377	2,780,945
Sundry (Note 11b)	40,957,046	38,288,768	29,976,066
Allowance for other loan losses (Notes 3g, 10f, 10g and 10h)	(885,051)	(866,472)	(724,615)
Other assets (Note 12)	2,997,711	2,830,041	2,465,770
Other assets	1,438,684	1,293,444	1,259,762
Provision for losses	(540,394)	(519,587)	(621,824)
Prepaid expenses (Notes 3i and 12b)	2,099,421	2,056,184	1,827,832
Long-term receivables	273,408,836	279,237,449	227,852,187
Interbank investments (Notes 3d and 7)	930,315	1,093,041	879,572

The accompanying Notes are an integral part of these Financial Statements.

Bradesco _____

Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Consolidated Statement of Financial Position - R\$ thousand

Assets	2013		2012
	September	June	September
Interbank investments	930,315	1,093,041	879,572
Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b)	101,660,955		