BANK BRADESCO
Form 20-F
April 30, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20-F

¨ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-15250

OR

¨ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

BANCO BRADESCO S.A.
(Exact name of Registrant as specified in its charter)
BANK BRADESCO
(Translation of Registrant's name into English)

Federative Republic of Brazil
(Jurisdiction of incorporation or organization)

Cidade de Deus S/N - Vila Yara - 06029-900 - Osasco - SP, Brazil
(Address of principal executive offices)

Luiz Carlos Angelotti (Managing Officer and Investor Relations Officer),
E-mail: 4000.luiz@bradesco.com.br
Telephone: +55 11 3684-4011
Cidade de Deus S/N - Vila Yara, 06029-900 - Osasco - SP, Brazil
(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares, or ADSs (evidenced by American Depositary Receipts, or ADRs), each representing 1 preferred share	New York Stock Exchange
Preferred Shares	New York Stock Exchange*
American Depositary Shares, or ADSs (evidenced by American	New York Stock Exchange

Depositary Receipts, or ADRs), each representing 1 common share	
Common Shares	**New York Stock Exchange***

* Not for trading, but only in connection with the registration of ADSs pursuant to the requirements of the SEC.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None.

Number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2011:

1,909,910,390	Common Shares, without par value
1,907,930,791	Preferred Shares, without par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. x Yes ¨ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ¨ Yes x No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ¨ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act:

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ¨ International Financial Reporting Standards as issued by the International Accounting Standards Board x Other ¨

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ¨ Item 17 x Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

¨ Yes x No

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this annual report, the terms "Bradesco," the "Company," the "Organization," the "Bank," "we" or "us" refer to Banco Bradesco S.A., a *sociedade anônima* organized under the laws of Brazil and, unless the context otherwise requires, its consolidated subsidiaries. We are a full-service financial institution providing, directly or through our subsidiaries, a full range of banking, financial, purchasing consortium management, asset management, insurance, investment banking, pension plan (or pension) and capitalization bond services for all segments of the Brazilian market. Our operations are based primarily in Brazil.

All references herein to "*real*," "*reais*" or "R$" are to the Brazilian real, the official currency of Brazil. References herein to "U.S. dollars," "dollar" and "US$" are to United States dollars, the official currency of the United States of America (“USA”).

Our audited consolidated financial statements as of and for the years ended December 31, 2011, 2010 and 2009, with the corresponding notes, are included under "Item 18. Financial Statements" of this annual report and were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board or "IASB" (referred to as "IFRS").

This is the first time Bradesco is filing consolidated financial statements with the United States Securities and Exchange Commission, or “SEC” using IFRS as issued by the IASB. Until December 31, 2010, our consolidated financial statements were prepared in accordance with the United States generally accepted accounting principles or "U.S. GAAP." U.S. GAAP differs in certain respects from IFRS.

In the transition to IFRS, Bradesco chose to use accounting practices adopted in Brazil for institutions authorized to operate by the Brazilian Central Bank, or "BR GAAP", as its previous accounting rules for the purposes of transition to IFRS. Accordingly, note 46 of the consolidated financial statements show the differences between BR GAAP and IFRS on equity on the date of transition to IFRS, January 1, 2009, as well as on December 31, 2009, and the effects on our result for the year ended December 31, 2009.

The consolidated IFRS financial statements as of and for the year ended December 31, 2011 presented herewith have recognition, measurement and presentation differences with respect to U.S. GAAP financial statements we had historically filed with the SEC. As required by SEC regulations, we present reconciliations of the differences between U.S. GAAP and IFRS affecting equity and net income including a narrative description of its nature in Note 47 to the consolidated financial statements.

The last consolidated financial statements available under U.S. GAAP, which were filed with the SEC, were those for the year ended December 31, 2010.

For certain purposes, such as reports for Brazilian shareholders, filings with the Brazilian Securities and Exchange Commission or "CVM", and determining dividend and federal income tax payments, we use originally accounting practices adopted in Brazil for financial institutions authorized to operate by the Central Bank.

On April 20, 2012, the real U.S. dollar exchange rate was R$1.8786 per US$1.00 based on the closing selling exchange rate reported by Brazilian Central Bank (Banco Central do Brasil), or the "Central Bank." The selling exchange rate as of December 31, 2011 was R$1.8758 per US$1.00. See "Item 3.A. Selected Financial Data - Exchange Rate Information" for more information regarding the exchange rates applicable to the Brazilian currency since 2007**.**

As a result of recent fluctuations in the *real*/U.S. dollar exchange rate, the closing selling commercial exchange rate at April 20, 2012 or at any other date may not be indicative of current or future exchange rates.

Some data related to economic sectors presented in this annual report was obtained from the following sources: *Associação Brasileira das Empresas de Cartão de Crédito e Serviços* (Brazilian Association of Credit Card Companies and Services) or ABECS; *Associação Brasileira de Empresas de Leasing* (Brazilian Association of Leasing Companies) or ABEL; *Associação Brasileira das Entidades dos Mercados de Financeiros e de Capitais* (Brazilian Association of Financial and Capital Markets Entities) or ANBIMA; *Agência Nacional de Saúde Suplementar* (Brazilian Health Insurance Authority) or ANS; *Banco Central do Brasil* (Central Bank), or BACEN; *Banco Nacional de Desenvolvimento Econômico e Social* (Brazilian Development Bank) or BNDES; *Federação Nacional de Previdência Privada e Vida* (National Association of Private Pension Plans) or FENAPREVI; *Fundação Getulio Vargas* (Getulio Vargas Foundation) or FGV and *Superintendência de Seguros Privados* (Private Insurance Superintendence) or SUSEP. We believe these sources are reliable, but we cannot take responsibility for the accuracy of this data.

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Certain figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

References in this annual report to the “common shares” and “preferred shares” are to our common shares and preferred shares, respectively, and together our "shares." References to “American Depositary Shares” or “ADSs” are to American Depositary Shares, each representing one (1) preferred share. The ADSs are evidenced by American Depositary Receipts, or ADRs, issued pursuant to an Amended and Restated Deposit Agreement, dated as of July 22, 2009, by and among us, The Bank of New York Mellon, as depositary, and the holders and beneficial owners of ADSs evidenced by ADRs issued thereunder (the "Deposit Agreement").

On March 13, 2012, we established an American Depositary Shares program for our common shares, with each common share ADS representing one common share, referred to as the "common share ADSs." The common share ADSs are evidenced by "common share ADRs," issued pursuant to a Deposit Agreement, dated as of March 13, 2012 by and among us, The Bank of New York Mellon, as depositary, and the holders and beneficial owners of common share ADSs evidenced by common share ADRs issued thereunder (the "Common Share Deposit Agreement" and together with the Deposit Agreement, the "Deposit Agreements").

Unless indicated otherwise, references herein to American Depositary Shares, ADSs, American Depositary Receipts and ADRs refer only to those represented by our preferred shares.

Throughout this annual report we may indicate that certain information is available at different websites operated by us. You should note that none of the information on the websites referred to or mentioned in this annual report is part of this annual report or is incorporated by reference herein.

FORWARD LOOKING STATEMENTS

This annual report contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or "Securities Act," and Section 21E of the Securities Exchange Act of 1934, as amended, or "Exchange Act." These statements are based mainly on our current expectations and projections of future events and financial trends that currently affect or might affect our business. In addition to the items discussed in other sections of this annual report, there are many significant factors that could cause our financial condition and results of operation to differ materially from those set out in our forward-looking statements, including, but not limited to, the following:

- global economic conditions;
- economic, political and business conditions in Brazil and the markets in which we operate;
- risks of lending, credit, investments and other activities;
- our level of capitalization;
- cost and availability of funds;
- higher levels of delinquency by borrowers and other delinquency events leading to higher impairment of loans and advances;
- loss of customers or other sources of income;
- our ability to execute our investment strategies and plans as well as to maintain and improve our operating performance;
- our revenues from new products and businesses;
- adverse claims or legal or regulatory disputes or proceedings;
- inflation, depreciation of the *real* and/or fluctuations in the interest rate, which could adversely affect our margins;
- conditions of competition in the banking and financial services, credit card, asset management, insurance and related sectors;
- the market value of securities, particularly Brazilian government securities; and
- changes by the Central Bank and others in laws and regulations, applicable to us and our activities, including, but not limited to, those affecting tax issues.

Words such as "believe," "expect," "continue," "understand," "estimate," "will," "may," "anticipate," "should," "intend," and other similar expressions are intended to identify forward looking statements. These statements refer only to the date on which they were made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or any other event.

In light of these risks and uncertainties, the forward looking statements, events and circumstances discussed in this annual report may not be accurate, and our actual results and performance could differ materially from those anticipated in our forward-looking statements. Investors should not make investment decisions based solely on the forward-looking statements in this annual report.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3.A. Selected Financial Data

We present below our selected financial data prepared in accordance with IFRS as of and for the years ended December 31, 2011, 2010 and 2009. The data as of and for the years ended December 31, 2010 and 2009, is derived from our consolidated financial statements which were audited by PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, as stated in their report included in this annual report. The data for the year ended December 31, 2011 is derived from our consolidated financial statements, which were audited by KPMG Auditores Independentes, an independent registered public accounting firm, as stated in their report included in this annual report. For more details of our changing independent auditors, see "Item 16.F. Change in Registrant Certifying Accountant."

The following selected financial data should be read together with the "Presentation of Financial and Other Information" and "Item 5. Operating and Financial Review and Prospects."

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Selected Financial Data according to IFRS

Year ended December 31,	US$ in thousands (1)	R$ in thousands		
	2011	2011	2010	2009
Data from the Consolidated Statement of Income				
Interest and similar income	43,845,029	82,367,272	63,772,183	55,165,229
Interest and similar expenses	(24,888,739)	(46,755,986)	(31,000,892)	(27,974,717)
Net interest income	**18,956,290**	**35,611,286**	**32,771,291**	**27,190,512**
Fee and commission income	5,785,325	10,868,311	9,421,485	7,866,601
Fee and commission expenses	(18,087)	(33,978)	(26,947)	(19,219)
Net fee and commission income	**5,767,238**	**10,834,333**	**9,394,538**	**7,847,382**
Net gains/(losses) on financial instruments classified as held for trading	(323,789)	(608,270)	2,212,733	5,983,781
Net gains/(losses) on financial assets classified as available for sale	194,454	365,302	754,416	757,255
Net gains/(losses) of foreign currency transactions	1,397,750	2,625,813	(682,961)	(897,638)
Income from insurance and pension plans	1,637,483	3,076,175	2,577,730	1,778,016
Impairment of loans and advances	(4,416,135)	(8,296,151)	(5,756,125)	(10,809,611)
Personnel expenses	(5,935,787)	(11,150,970)	(8,794,017)	(7,334,164)
Other administrative expenses	(6,109,408)	(11,477,134)	(9,761,445)	(8,138,058)
Depreciation and amortization	(1,128,678)	(2,120,335)	(1,966,433)	(1,516,529)
Other operating income/(expenses)	(2,586,342)	(4,858,702)	(6,002,663)	(3,024,640)
Income before income taxes and equity in the earnings of associates	**7,453,075**	**14,001,347**	**14,747,064**	**11,836,306**
Equity in the earnings of associates	363,101	682,122	577,053	728,867
Income before income taxes	**7,816,176**	**14,683,469**	**15,324,117**	**12,565,173**
Income and social contribution taxes	(1,913,141)	(3,594,027)	(5,271,924)	(4,264,330)
Net income for the year	**5,903,035**	**11,089,442**	**10,052,193**	**8,300,843**
Attributable to shareholders				
Controlling	5,833,096	10,958,054	9,939,575	8,283,007
Non-controlling interest	69,939	131,388	112,618	17,836

(1) Amounts stated in U.S. dollars have been translated from Brazilian *reais* at an exchange rate of R$1.8786 per US$1.00, the Central Bank exchange rate on April 20, 2012. Such translations should not be

construed as a representation that the Brazilian *real* amounts presented were or could be converted into U.S. dollars at that rate.

Year ended December 31,	R$, except for number of shares 2011	2010	2009
Data on Earnings and Dividends per Share [1]			
Earnings per share [2] [3] [4]			
Common	2.74	2.52	2.12
Preferred	3.01	2.77	2.34
Dividends/interest on equity per share [2]			
Common	0.93	0.85	0.73
Preferred	1.03	0.94	0.80
Weighted average number of outstanding shares			
Common	1,908,948,826	1,880,830,018	1,856,653,104
Preferred	1,906,821,919	1,881,367,208	1,856,685,513

(1) Data on earnings and dividends per share reflects: (a) the split of our Capital Stock on January 22, 2010, in which we issued to our shareholders one new share for each ten shares held of the same type, which was approved by our shareholders on December 18, 2009; and (b) the split of our Capital Stock on July 13, 2010, in which we issued to our shareholders one new share for each ten shares held of the same type, which was approved by our shareholders on June 10, 2010. For comparison purposes, all share amounts have been retroactively adjusted for all periods to reflect the stock split;

(2) Holders of preferred shares are entitled to receive dividends per share in an amount 10.0% greater than the dividends per share paid to common shareholders. For purposes of calculating earnings per share according to IFRS, we used the same criteria adopted for dividends per share. For a description of our two classes of shares. see "Item 10.B. Memorandum and Articles of Incorporation".

(3) None of our outstanding liabilities are exchangeable for or convertible into equity securities. Therefore, our diluted earnings per share do not differ from our earnings per share. Accordingly, our basic and diluted earnings per share are equal in all periods presented; and

(4) On December 17, 2010, the Special Shareholders´ Meeting voted in favor of a share capital increase of R$1,500 million, increasing share capital from R$28,500 million to R$30,000 million by issuing 62,344,140 new book-entry registered shares without par value, of which 31,172,072 were common and 31,172,068 preferred shares, at the price per share of R$24.06 through private subscription by shareholders from December 29, 2010 through January 31, 2011, in the proportion of 1.657008936% of the shareholder´s holdings as of the date of the meeting, which was paid in cash on February 18, 2011.

Year ended December 31,	2011	In US$ 2010	2009
Dividends/interest on equity per share [1]			
Common	0.50	0.51	0.42
Preferred	0.55	0.56	0.46

(1) Amounts stated in U.S. dollars have been translated from Brazilian *reais* at the exchange rate disclosed by the Central Bank at the end of each fiscal year.

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As of December 31,	US$ in thousands [1]	R$ in thousands		
	2011	2011	2010	2009
Data from the Consolidated Statement of Financial Position				
Assets				
Cash and balances with banks	49,918,864	93,777,577	80,960,127	24,850,091
Financial assets held for trading	51,419,715	96,597,077	75,234,191	54,480,534
Financial assets available for sale	24,086,233	45,248,398	40,179,144	44,046,416
Investments held to maturity	2,188,325	4,110,987	3,394,307	3,882,979
Assets pledged as collateral	51,699,180	97,122,080	79,700,612	60,072,653
Loans and advances to banks	38,679,809	72,663,890	64,715,412	82,721,843
Loans and advances to customers, net of impairment	130,882,013	245,874,949	210,280,182	174,240,350
Non-current assets held for sale	237,065	445,351	412,142	455,874
Investments in associated companies	1,272,472	2,390,466	2,298,200	1,431,157
Property and equipment	2,271,488	4,267,218	3,669,281	3,404,541
Intangible assets and goodwill	3,841,529	7,216,697	5,412,088	4,721,558
Taxes to be offset	2,434,221	4,572,927	1,590,297	2,122,244
Deferred income tax assets	9,099,004	17,093,388	12,733,792	12,526,420
Other assets	16,345,090	30,705,887	22,374,249	20,727,291
Total assets	**384,375,009**	**722,086,892**	**602,954,024**	**489,683,951**
Liabilities				
Deposits from banks	108,745,968	204,290,176	171,920,917	120,067,970
Deposits from customers	115,150,079	216,320,938	192,475,948	169,946,116
Financial liabilities held for trading	397,748	747,210	732,967	532,422
Funds from securities issued	22,160,635	41,630,969	17,809,765	7,682,798
Subordinated debt	14,324,545	26,910,091	26,314,946	23,103,977
Insurance technical provisions and pension plans	52,758,608	99,112,321	83,493,046	72,596,897
Other provisions	9,542,452	17,926,450	13,327,866	10,852,483
Current income tax liabilities	1,468,635	2,758,978	1,923,372	1,245,832
Deferred income tax liabilities	1,195,842	2,246,508	1,980,544	1,151,927
Other liabilities	27,020,737	50,761,157	41,816,088	37,856,822
Total liabilities	**352,765,250**	**662,704,798**	**551,795,459**	**445,037,244**
Equity				
Share capital	16,022,570	30,100,000	28,500,000	26,500,000
Treasury shares	(97,471)	(183,109)	(10,049)	(188,874)

Capital reserves	19,149	35,973	87,146	87,146
Revenue reserves	14,230,028	26,732,531	19,481,986	15,022,670
Additional paid-in capital	37,526	70,496	70,496	150,032
Other comprehensive income	932,108	1,751,059	2,219,272	1,835,659
Retained earnings	336,472	632,096	702,383	784,821
Equity attributable to controlling shareholders	**31,480,382**	**59,139,046**	**51,051,234**	**44,191,454**
Non-controlling interest	**129,377**	**243,048**	**107,331**	**455,253**
Total equity	**31,609,759**	**59,382,094**	**51,158,565**	**44,646,707**
Total liabilities and equity	**384,375,009**	**722,086,892**	**602,954,024**	**489,683,951**

(1) Amounts stated in U.S. dollars have been translated from Brazilian *reais* at an exchange rate of R$1.8786 per US$ 1.00, the Central Bank exchange rate on April 20, 2012. Such translations should not be construed as a representation that the Brazilian *real* amounts presented have been or could be converted into U.S. dollars at that rate.

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Exchange Rate Information

In the past years, the exchange rate between the *real* and the U.S. dollar has experienced significant variation. From 2007 to mid 2008, the *real* appreciated against the U.S. dollar. In the second half of 2008, the *real* depreciated against the U.S. dollar, from R$1.5919 per US$1.00 on June 30, 2008 to R$2.3370 per US$1.00 on December 31, 2008, mainly due to the global economic crisis that began in mid 2008. In 2009, the *real* began to appreciate against the U.S. dollar, from R$2.3370 per US$1.00 on December 31, 2008 to R$1.7412 as of December 31, 2009. In 2010, the *real* continued to appreciate against the U.S. dollar to reach R$1.6662 on December 31, 2010. In 2011, the Brazilian real depreciated 12.6% against the U.S. dollar, reaching R$1.8758 on December 31, 2011. On April 20, 2012 the exchange rate was R$ 1.8786 per US$1.00. Under the current floating exchange-rate system, the real may be subject to fluctuations and depreciation or appreciation against the U.S. dollar and other currencies.

The following table sets forth the period end, average and high and low selling rates reported by the Central Bank at closing, expressed in *reais* per US$1.00 for the periods and dates indicated:

	Closing Selling Rate for U.S. dollars – R$ per US$1.00			
Period	**Period-End**	**Average [1]**	**Maximum [1]**	**Minimum [1]**
2007	1.7713	1.9460	2.1380	1.7440
2008	2.3370	1.8287	2.3370	1.5666
2009	1.7412	2.0171	2.3784	1.7412
2010	1.6662	1.7575	1.8748	1.6662
2011	1.8758	1.6705	1.8758	1.5563
2012				
January	1.7391	1.8075	1.8758	1.7391
February	1.7092	1.7747	1.8758	1.7024
March	1.8221	1.7866	1.8758	1.7024

[1] Average, maximum and minimum of the month end rates from December of the previous period through last day of the month of the period indicated.
Source: Central Bank.

3.B. Capitalization and Indebtedness

Not applicable.

3.C. Reasons for the Offer and Use of Proceeds

Not applicable.

3.D. Risk Factors

Macroeconomic risks

Our business and results of operations are materially affected by conditions in the global financial markets.

The disruptions experienced recently in the global capital and credit markets have led to reduced liquidity and increased credit risk premiums for many market participants, resulting in a reduction in the availability and/or increased costs of financing, both for financial institutions and their customers. Increasing or high interest rates and/or widening credit spreads have created a less favorable environment for most of our businesses and may impair the ability of some of our customers to repay debt that they owe to us, and reduce our flexibility in planning for, or reacting to, changes in their operations and the financial industry overall. Accordingly, even though the Brazilian and global economies started to recover since the first half of 2009, our results of operations are likely to continue to be affected by conditions in the global financial markets as long as they remain volatile and subject to disruption and uncertainty.

Since 2008, the continuation of the economic crisis in Europe, particularly in Greece, Spain, Italy, Ireland and Portugal, has continued to reduce investor confidence globally, as has the earthquake in Japan last year and the downgrade of the U.S. long-term sovereign credit rating by Standard & Poor's on August 6, 2011. These ongoing events could negatively affect our ability and the ability of other Brazilian financial institutions to obtain financing in the global capital markets, as well as weakening the recovery and growth of the Brazilian and/or foreign economies and cause volatility in the Brazilian capital markets.

The Brazilian government exercises influence over the Brazilian economy, and Brazilian political and economic conditions have a direct impact on our business.

Our financial condition and results of operations are substantially dependent on Brazil’s economy, which in the past has been characterized by frequent and occasionally drastic intervention by the Brazilian government and volatile economic cycles.

In the past, the Brazilian government has often changed monetary, fiscal, taxation and other policies to influence the course of Brazil’s economy. We have no control over, and cannot predict, what measures or policies the Brazilian government may take in response to the current or future Brazilian economic situation or how government intervention and government policies will affect the Brazilian economy and, both directly and indirectly, our operations and revenues.

Our operations, financial condition and the market price of our shares, ADSs and common share ADSs may be adversely affected by changes in policy involving exchange controls, tax and other matters, as well as factors such as:

- exchange-rate fluctuations;
- base interest rate fluctuations;
- domestic economic growth;
- political, social or economic instability;
- monetary policies;
- tax policy and changes in tax regimes;
- exchange controls policies;
- liquidity of domestic financial, capital and credit markets;
- our customers' ability to meet their obligations with us;
- decreases in wage and income levels;
- increases in unemployment rates;
- changes in credit regulations;
- inflation; and

• other political, diplomatic, social and economic developments within and outside of Brazil that affect the country.

Currency exchange variations may have an adverse effect on the Brazilian economy and on our results and financial condition.

Our business is impacted by fluctuations in the value of the *real*. Since October 2002, and more intensively since June 2004, the *real* has gained value against the dollar, with rare moments of depreciation (reaching R$1.5593 per U.S. dollar on August 1, 2008). In 2009, the *real* returned to the trajectory of appreciation against the U.S. dollar (reaching R$1.7412/U.S. dollar at the end of the year). In 2010, the *real* continued to appreciate against the U.S. dollar to reach R$1.6662 at the end of the year. The *real* continued to appreciate against the U.S. dollar during the first half of 2011, reaching R$1.5345 on July 26, 2011. Since then, due to the deterioration of global economic conditions and the COPOM decision to loosen monetary policy, the *real* began to depreciate and reached R$1.8758 per U.S. dollar on December 31, 2011. However, macroeconomic fundamentals and the current global situation (abundant liquidity, high risk appetite and rising commodity prices) suggest that the indicators of currency appreciation are still present.

As of December 31, 2011, the net balance of our assets and liabilities denominated in, or indexed to, foreign currencies (primarily U.S. dollars) was 1.2% of our total assets. When the Brazilian currency is devalued or if it depreciates, we incur losses on our liabilities denominated in, or indexed to, foreign currency, such as our U.S. dollar denominated long term debt and foreign currency loans, and experience gains on our monetary assets denominated in or indexed to foreign currency, as the liabilities and assets are translated into *reais*. Therefore, if our liabilities denominated in, or indexed to, foreign currency significantly exceed our monetary assets denominated in, or indexed to, foreign currency, including any financial instruments entered into for hedging purposes, a large devaluation or depreciation of the Brazilian currency could materially and adversely affect our financial results and the market price of our shares, ADSs and common shares ADSs, even if the value of the liabilities has not changed in their original currency. In addition, our lending operations depend significantly on our capacity to match the cost of funds indexed to the U.S. dollar with the rates charged to our customers. A significant devaluation or depreciation of the U.S. dollar may affect our ability to attract customers on such terms or to charge rates indexed to the U.S. dollar.

Conversely, when the Brazilian currency appreciates, we incur losses on our monetary assets denominated in, or indexed to, foreign currencies, such as the U.S. dollar, and our liabilities denominated in, or indexed to, foreign currency decrease, as the liabilities and assets are translated into *reais*. Therefore, if our monetary assets denominated in, or indexed to, foreign currency significantly exceed our liabilities denominated in, or indexed to, foreign currency, including any financial instruments entered into for hedging purposes, a large appreciation of the Brazilian currency could materially and adversely affect our financial results even if the value of the monetary assets has not changed in their original currency.

If Brazil experiences substantial inflation in the future, our revenues and our ability to access foreign financial markets may be reduced.

Brazil has, in the past, experienced extremely high rates of inflation. Brazil's rates of inflation, as measured by the Índice Geral de Preços Disponibilidade Interna (the General Price Index – Domestic Availability or IGP-DI"), reached (1.4)%, 11.3% and 5.0% as of December 31, 2009, 2010 and 2011, respectively. Inflation, along with government measure to combat inflation and public speculation about possible future government measures, has had significant negative effects on the Brazilian economy and contributed to increase economic uncertainty in Brazil and heighten volatility in the Brazilian securities markets, which may have an adverse effect on us.

Government measures to combat inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and reducing economic growth. As a result, interest rates have fluctuated significantly. Increases in the Sistema Especial de Liquidação e Custódia rate (Special Clearing and Settlement System rate), or the SELIC rate, the base interest rate established by the COPOM, may have an adverse effect on us by reducing demand for our credit, and increasing our cost of funds, domestic debt expense and the risk of customer default. Decreases in the SELIC rate may also have an adverse effect on us by decreasing the interest income we earn on our interest-earning assets and lowering our revenues and margins.

Future Brazilian government actions, including interest rate decreases, intervention in the foreign exchange market and actions to adjust or fix the value of the real may trigger increases in inflation. An example of a government measure to keep the inflation rates under control, occurred in the beginning of 2011, when credit regulation was changed in order to include limitations on certain kinds of loans to individuals, loans for the acquisition of vehicles and payroll-deductible loans, but most of these measures were reversed in the end of 2011, as an incentive for economic growth. If Brazil experiences fluctuations in rates of inflation in the future, our costs and net margins may be affected and, if investor confidence lags, the price of our securities may fall. Inflationary pressures may also affect our ability to access foreign financial markets and may lead to counter-inflationary policies that may have an adverse effect on our business, financial condition, results of operations and the market value of our shares, ADSs and common share ADSs.

Changes in base interest rates by the COPOM may materially adversely affect our margins and results of operations.

The COPOM establishes the base interest rates for the Brazilian banking system. The base interest rate was 8.75%, 10.75% and 11.0% per year as of December 31, 2009, 2010 and 2011, respectively. Changes in the base interest rate may adversely affect our results of operations because:

- high base interest rates increase our domestic debt expense and may increase the likelihood of customer defaults; and

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- low base interest rates may diminish our interest income.

The COPOM adjusts the base interest rate in order to manage aspects of the Brazilian economy, including the protection of reserves and capital flows. We have no control over the base interest rates set by the COPOM or how often such rates are adjusted.

Developments and the perception of risk in Brazil and other countries, especially emerging market countries, may adversely affect the market price of Brazilian securities, including our shares, ADRs and common share ADRs ("American Depositary Receipts").

The market value of securities of Brazilian companies is affected to varying degrees by economic and market conditions in other countries, including other Latin American and emerging market countries. Although economic conditions in these countries may differ significantly from economic conditions in Brazil, investors' reactions to developments in these other countries may have an adverse effect on the market value of securities of Brazilian issuers. Crises in other emerging market countries may diminish investor interest in securities of Brazilian issuers, including ours, which could adversely affect the market value of our shares, ADRs and common share ADRs.

The recent global financial crisis has had significant consequences worldwide, including in Brazil, such as capital markets volatility, unavailability of credit, higher interest rates, a general slowdown of the world economy, volatile exchange rates and inflationary pressure, among others, which had, and may continue to have in the future, directly or indirectly, an adverse effect on our business, financial condition, results of operation, the market price of securities of Brazilian issuers, including ours, and our ability to finance our operations.

Risks relating to Bradesco and the Brazilian banking industry

We may experience increases in our level of past due loans as our loans and advances portfolio becomes more seasoned.

Our loans and advances portfolio has grown substantially since 2004, primarily as a result of the expansion of the Brazilian economy. Any corresponding increase in our level of non-performing loans and advances may be lower than the rate of loan growth, as loans typically do not become due within a short period of time after their origination. Levels of past due loans are higher among our individual customers than our corporate customers. From 2009 to 2011, our portfolio of loans and advances to customers increased by 39.3% and our level of non-performing loans increased by 31.3%, driven by increases in the number of individual customers.

Beginning in mid-2008, weakening economic conditions in Brazil led to a rise in unemployment, which in turn led to increases in our level of past due loans, particularly in our individual customers portfolio. This trend of increasing levels of past due loans worsened in 2009. In 2010, there was an improvement in the delinquency indicators of our customers due to economic recovery in Brazil, which was reflected in a reduction of our net impairment losses on loans and advances. Our levels of non-performing loans and advances increased in 2011, leading to an increase of 14.9% in our impairment on loans and advances compared to 2010, while our portfolio of loans and advances grew by 16.8% over the same period. However, if economic conditions in Brazil deteriorate, we may be required to increase our impairment of loans and advances in the future.

Rapid loan growth may also reduce our ratio of non-performing loans to total loans until growth slows or the portfolio becomes more seasoned. Adverse economic conditions and a slower growth rate for our loans and advances to customers may result in increases in our impairment of loans and advances, charge-offs and our ratio of non-performing loans to total loans, which may have an adverse effect on our business, financial condition and results of operations.

Adverse conditions in the credit and capital markets may adversely affect our ability to access funding in a cost effective and/or timely manner.

Recent volatility, disruption and uncertainty in the credit and capital markets have generally decreased liquidity, resulting in increased costs of funding for financial institutions and corporations. These conditions may impact our ability to replace, in a cost effective and/or timely manner, maturing liabilities and/or access funding to execute our growth strategy. If we are forced to delay raising capital or pay unattractive interest rates in order to obtain capital, our financial condition and results of operations may be adversely affected.

The increasingly competitive environment in the Brazilian bank and insurance industries may negatively affect our business prospects.

The markets for financial, banking and insurance services in Brazil are highly competitive. We face significant competition in all of our principal areas of operation from other large Brazilian and international banks and insurance companies, public and private.

Competition has increased as a result of recent consolidations among financial institutions in Brazil and as a result of regulations by the National Monetary Committee (Conselho Monetário Nacional), or "CMN" that facilitate customers' ability to switch business between banks. The increased competition may materially and adversely affect us as it may, among other things, limit our ability to retain and increase our existing consumer base and expand our operations; and reduce our profit margins on banking services to the extent it limits investment opportunities.

Additionally, Brazilian regulations raise limited barriers to market entry and do not differentiate between local or foreign commercial and investment banks and insurance companies. As a result, the presence of foreign banks and insurance companies in Brazil, some of which have greater resources than us, has grown and competition both in the banking and insurance sectors generally and in markets for specific products has increased. The privatization of publicly owned banks has also made the Brazilian markets for banking and other financial services more competitive.

The increased competition may negatively affect our business results and prospects by, among other things:

- limiting our ability to increase our customer base and expand our operations;
- reducing our profit margins on the banking, insurance, leasing and other services and products offered by us; and
- increasing competition for foreign investment opportunities.

Losses on our investments in financial assets may have a significant impact on our results of operations and are not predictable.

The value of certain of our investments in financial assets may decline significantly due to volatile financial markets and may fluctuate over short periods of time. As of December 31, 2011, investments in financial assets represented 20.2% of our assets, and realized investment gains and losses have had and will continue to have a significant impact on our results of operations. The amounts of such gains and losses, which we record when investments in financial assets are sold, or in certain limited circumstances where they are marked to market or recognized at fair value, may fluctuate considerably from period to period. The level of fluctuation depends, in part, upon our investment policies and upon the market value of the financial assets, which in turn may vary considerably. We cannot predict the amount of realized gain or loss for any future period, and our management believes that variations from period to period have no practical analytical value. Furthermore, any gains on our investment portfolio may not continue to contribute to net income at levels consistent with recent periods or at all, and we may not successfully realize the appreciation now existing in our consolidated investment portfolio or any portion thereof.

We may incur losses associated with counterparty exposures.

We face the possibility that a counterparty will be unable to honor its contractual obligations. These counterparties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have obligations to make payments to us; executing currency or other trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. Such counterparty risk is more acute in complex markets where the risk of failure of counterparties is higher.

Our trading activities and derivatives transactions may produce material losses.

We engage in the trading of securities, buying debt and equity securities principally to sell them in the near term with the objective of generating profits on differences in price. These investments could expose us to the possibility of material financial losses in the future, as securities are subject to fluctuations in value, which may generate losses. In addition, we enter into derivatives transactions to manage our exposure to interest rate and exchange rate risk. Such derivatives transactions are designed to protect us against increases in exchange rates or interest rates or against decreases in such rates, but not both. If we have entered into derivatives transactions to protect against, for example, decreases in the value of the *real* or in interest rates and the *real* instead increases in value or interest rates increase, we may incur financial losses. Such losses could materially and adversely affect our future results of operations and cash flow.

The Brazilian government regulates the operations of Brazilian financial institutions and insurance companies, and changes in existing laws and regulations or the imposition of new laws and regulations may negatively affect our operations and revenues.

Brazilian banks and insurance companies, including our banking and insurance operations, are subject to extensive and continuous regulatory review by the Brazilian government. We have no control over government regulations, which govern all facets of our operations, including the imposition of:

- minimum capital requirements;
- compulsory deposit/reserve requirements;
- investment requirements in fixed assets;
- lending limits and other credit restrictions;
- accounting and statistical requirements;
- solvency margins;
- minimum coverage; and
- mandatory provisioning policies.

The regulatory structure governing Brazilian banks and insurance companies is continuously evolving. Existing laws and regulations could be amended, the manner in which laws and regulations are enforced or interpreted could change, and new laws or regulations could be adopted. Such changes could materially adversely affect our operations and our revenues.

In particular, the Brazilian government has historically enacted regulations affecting financial institutions in an effort to implement its economic policies. These regulations are intended to control the availability of credit and reduce or increase consumption in Brazil. These changes may adversely affect us because our returns on compulsory deposits are lower than those we obtain on our other investments.

Parts of our business that are not currently subject to government regulation may become regulated in the future. For example, there are several legislative proposals currently under discussion in the Brazilian congress to regulate the credit card industry. Some of these proposals aim at increasing competition in the industry and limiting the fees charged by credit card companies. On November 25, 2010, for example, the Central Bank issued new regulations on fees charged by financial institutions, including criteria for calculating minimum credit card payments. Such rules, which are applicable to agreements executed after June 1, 2011 (and which will be applicable starting on June 1, 2012 to agreements executed before June 1, 2011), set forth, among other things, that only five types of fees can be charged, including annual fee, fees with respect to issuance of a second card, cash withdrawal, payment of accounts and emergency request of increase in the credit limits; and that the minimum payment of the monthly invoices cannot be less than 20.0% of their total amount. New regulations affecting the credit card industry may have a material adverse effect on the revenues from our credit card business. Such new regulations and other regulatory changes affecting other businesses in which we are engaged, including our broker dealer and leasing operations, could have an adverse effect on our operations and our revenues.

A majority of our common shares is held by one shareholder, whose interests may conflict with our other investors' interests.

As of December 31, 2011, Fundação Bradesco directly and indirectly held 56.49% of our common shares. As a result, Fundação Bradesco has the power, among other things, to prevent a change in control of our company, even if a transaction of that nature would be beneficial to our other shareholders, as well as to approve related party transactions or corporate reorganizations. Under the terms of Fundação Bradesco's by-laws, members of our Diretoria Executiva, or Board of Executive Officers, and departmental officers that have been working at the Organization for more than ten years serve as members of the board of trustees of Fundação Bradesco. The board of trustees has no other members. Decisions in relation to our policy towards acquisitions, divestitures, financings or other transactions could be made by Fundação Bradesco which may be contrary to the interests of holders of common shares, and which may have a negative impact on the interests of holders of common shares. For more information on our shareholders, see "Item 7.A. Major Shareholders."

Changes in regulations regarding reserve and compulsory deposit requirements and taxes may reduce operating margins.

The Central Bank has periodically changed the level of compulsory deposits that financial institutions in Brazil are required to maintain with the Central Bank. For example, in February 2010, the Central Bank increased compulsory deposit requirements on time deposits. Then, in June 2010, it increased compulsory deposit requirements on demand deposits. In December 2010, it increased compulsory deposit requirements again on time deposits and also increased additional compulsory deposit requirements.

In January 2011, the Central Bank also required compulsory deposits and mandatory reserves on short foreign-currency positions. Some of the rules relating to compulsory deposits were altered by the Central Bank in March 2011, with the main objective of encouraging mid-sized banks to increase their capital using profits earned in 2010. In July 2011, the CMN consolidated and redefined mandatory reserve rules for short foreign-currency positions.

In December 2011, Central Bank Circular No. 3,569 consolidated and redefined certain rules for compulsory deposits requirements on time deposits. One of the main changes was the inclusion of financial notes in the list of assets eligible for deduction from compulsory reserves requirements on time deposits. Some provisions relating to compulsory deposits on time deposits were again altered by the Central Bank in February 2012, in order to stimulate the acquisition of credit portfolios of smaller banks by the larger banks, by allowing a certain portion of the funds that would be kept without remuneration to be invested in such new portfolios. With such measure, the Central Bank expected to create greater liquidity to smaller institutions. On March 2012, the Central Bank allowed the deduction of rural credits from demand deposit requirements, a measure which the Central Bank expected to result in additional R$3 billion in loans and financings to agriculture and cattle farming.

The Central Bank may raise reserve requirements and compulsory deposits in the future, or it may impose new reserve requirements and compulsory deposits.

Compulsory deposits generally yield lower returns than our other investments and deposits because:

- a portion of our compulsory deposits does not earn interest from the Central Bank;

- a portion of our compulsory deposits must finance a federal housing program, the Brazilian rural sector, low income customers and small enterprises under a program referred to as a "microcredit program."

As of December 31, 2011, our compulsory deposits in connection with demand, savings and time deposits and additional compulsory deposits were R$71.2 billion. Reserve requirements have been used by the Central Bank to control liquidity as part of monetary policy in the past, and we have no control over their imposition. Any increase in the compulsory deposit requirements may reduce our ability to lend funds and to make other investments and, as a result, may adversely affect us. For more information on compulsory deposits, see "Item 4.B. Business Overview-Deposit-taking activities."

Changes in taxes and other fiscal assessments may adversely affect us.

The Brazilian Government regularly enacts reforms to the tax and other assessment regimes to which we and our customers are subject. Such reforms include changes in the rate of assessments and, occasionally, enactment of temporary taxes and the proceeds of which are earmarked for designated governmental purposes. The effects of these changes and any other changes that result from enactment of additional tax reforms have not been, and cannot be, quantified and there can be no assurance that these reforms will not, once implemented, have an adverse effect upon our business. Furthermore, such changes may produce uncertainty in the financial system, increasing the cost of borrowing and contributing to the increase in our non-performing portfolio of loans and advances.

The Brazilian Constitution used to establish a ceiling on loan interest rates, including bank loan interest rates, and the impact of the subsequent legislation regulating the subject is uncertain.

Article 192 of the Brazilian Constitution, enacted in 1988, established a 12% per year ceiling on bank loan interest rates. However, since the enactment of the Constitution, this rate had not been enforced, as the regulation regarding the ceiling was pending. The understanding that this ceiling is not yet in force has recently been confirmed by *Súmula Vinculante* No. 7, a final binding decision enacted in 2008 by the Brazilian Supreme Court in accordance with such Court’s prior understanding on this matter. Since 1988, several attempts were made to regulate the limitation on loan interest, and especially bank loan interest rates, but none of them were implemented nor have been confirmed by Brazilian superior courts.

On May 29, 2003, Constitutional Amendment No. 40 (or EC 40/03) was enacted and revoked all subsections and paragraphs of Article 192 of the Brazilian Constitution. This amendment allows the Brazilian Financial System, or “SFB”, to be regulated by specific laws for each sector of the system rather than by a single law relating to the system as a whole.

With the enactment of the new Civil Code (or Law No. 10,406 of January 10, 2002), as amended, unless the parties to a loan have agreed to use a different rate, in principle the interest rate ceiling has been pegged to the base rate charged by the National Treasury. Currently, this base rate is the SELIC, which was 9.0% *per annum* as of April 19, 2012. However, there is presently some uncertainty as to whether the SELIC or the 12% *per annum* interest rate established in the Tax Code should apply.

The impact of EC 40/03 and the provisions of the New Civil Code are uncertain at this time but any substantial increase or decrease in the interest rate ceiling could have a material effect on the financial condition, results of operations or prospects of Brazilian financial institutions, including us.

Additionally, certain Brazilian courts have issued decisions in the past limiting interest rates on consumer financing transactions that are considered abusive or excessively onerous in comparison with market practice. Brazilian courts’ future decisions as well as changes in legislation and regulations restricting interest rates charged by financial institutions could have an adverse effect on our business.

Our losses in connection with insurance claims may vary from time to time and differences between the losses from actual claims and underwriting and reserving assumptions may have an adverse effect on us.

Our results of operations significantly depend upon the extent to which our actual claims are consistent with the assumptions we used to assess our potential future policy and claim liabilities and to price our insurance products. We seek to limit our responsibility and price our insurance products based on the expected payout of benefits, calculated using several factors, such as: assumptions for investment returns, mortality and morbidity, expenses, persistency, and certain macroeconomic factors, such as inflation and interest rates. These assumptions may deviate from our prior experience, including due to factors beyond our control such as natural disasters (floods, explosions and fires) and man-made disasters (riots, gang or terrorist attacks) or changes in mortality and morbidity rates as a result of advances in medical technology and longevity, among others. Therefore, we cannot determine precisely the amounts that we will ultimately pay to settle these liabilities, when these payments will need to be made, or whether the assets supporting our policy liabilities, together with future premiums, will be sufficient for payment of these liabilities. These amounts may vary from the estimated amounts, particularly when those payments do not occur until well in the future, which is the case with certain of our life insurance products. To the extent that actual claims experience is less favorable than the underlying assumptions used in establishing such liabilities, we may be required to increase our provisions, which may have an adverse effect on our cash flow.

If our actual losses exceed our provisions on risks that we underwrite, we could be adversely affected.

Our results of operations and financial condition depend upon our ability to accurately assess the actual losses associated with the risks that we underwrite. Our current provisions are based on estimates that rely on then-available information and that involve a number of features including recent loss experience, current economic conditions, internal risk rating, actuarial and statistical projections of our expectations of the cost of the ultimate settlement of claims, such as estimates of future trends in claims severity and frequency, judicial theories of liability, the levels of and/or timing of receipt or payment of premiums and rates of retirement, mortality, morbidity and persistency, among others. Accordingly, the establishment of provisions is inherently uncertain and our actual losses usually deviate, sometimes substantially, from such estimates. Deviations occur for a variety of reasons. For example, if we record our impairment of loans and advances based on estimates of incurred losses, it might not be sufficient to cover losses; we might have an increased number of claims; or our costs could be higher than the costs we estimated. If actual losses materially exceed our provisions, we could be adversely affected.

We are jointly liable for claims of our customers if our reinsurers fail to meet their obligations under the reinsurance contracts.

The purchase of reinsurance does not hold us harmless against our liability towards our customers if the reinsurer fails to meet its obligations under the reinsurance contracts. As a result, reinsurers' insolvency or failure to make timely payments under these contracts could have an adverse effect on us, given that we remain responsible before our policyholders.

Our strategy of marketing and expanding Internet banking in Brazil could be badly received or more expensive than lucrative.

We have aggressively pursued the use of the Internet for banking and to provide other services to our customers and expect to continue to do so. However, the market for our Internet products is rapidly evolving and is becoming increasingly competitive. We cannot predict whether, or how fast, this market will grow. Moreover, if we fail to adapt effectively to growth and change in the Internet market and technology, our business, competitiveness, or results of operations could be adversely affected.

The Internet may prove not to be a viable Brazilian commercial marketplace for a number of reasons, including a lack of acceptable security technologies, potentially inadequate development of the necessary infrastructure, the lack of necessary development and commercialization of performance improvements, or a perceived unreliability of our systems by our customers.

A failure in, or breach of, our operational or security systems could temporarily interrupt our businesses, increasing our costs and causing losses.

Although we have high profile information security controls, continuing investments in infrastructure and operations and crisis management in place, our business, financial, accounting, data processing systems or other operating systems and facilities may stop operating properly for a limited period of time or become temporarily disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control, such as: electrical or telecommunications outages; breakdowns, systems failures or other events affecting third parties with which we do business or that facilitate our business activities, including exchanges, clearing houses, financial intermediaries or vendors that provide services; events arising from local and larger-scale political or social matters and cyber attacks.

Cyber attacks and temporary interruptions or failures in the physical infrastructure or operating systems that support our businesses and customers, or could result in customer attrition, regulatory fines, penalties or intervention, reimbursement or other compensation costs.

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Risks relating to our shares, ADSs and common shares ADSs

The preferred shares and ADSs generally do not give their holders voting rights.

Under Brazilian corporate law (Brazilian Law No. 6,404/76, as amended by Law No. 9,457/97 and Brazilian Law No. 10,303/01, which we refer to collectively as "Brazilian Corporate Law") and our bylaws, holders of our preferred shares, and therefore of our ADSs, representing our preferred shares, are not entitled to vote at our shareholders' meetings, except in limited circumstances. This means, among other things, that holders of ADSs are not entitled to vote on corporate transactions, including any proposed merger or consolidation with other companies.

In addition, with respect to common share voting rights and the limited circumstances where preferred shareholders are able to vote, ADS and common share ADS holders may exercise voting rights with respect to our shares represented by ADSs and common share ADSs only in accordance with the provisions of the Deposit Agreements relating to the ADSs and common share ADSs. There are no provisions in Brazilian law or in our bylaws that limit ADS or common share ADS holders' ability to exercise their voting rights through the depositary bank with respect to the underlying shares. However, there are practical limits to the ability of ADS and common share ADS holders to exercise their voting rights due to the additional procedural steps involved in communicating with such holders. For example, our shareholders will either be notified directly or through notification published in Brazilian newspapers and will be able to exercise their voting rights by either attending the meeting in person or voting by proxy. ADS and common share ADS holders, on the other hand, will not receive notice directly from us. Instead, in accordance with the Deposit Agreements, we will send notice to the depositary bank, which will, in turn, as soon as possible, mail the notice of such a meeting to holders of ADSs and common share ADSs with a statement as to the manner in which instructions may be given by holders. To exercise their voting rights, ADS and common share ADS holders must then instruct the depositary bank how to vote the shares represented by their ADSs or common share ADSs. Because of this extra procedural step involving the depositary bank, the process for exercising voting rights will take longer for ADS and common share ADS holders than for holders of our shares. ADSs and common share ADSs for which the depositary bank does not receive voting instructions in good time will not be able to vote at a meeting.

The relative volatility and illiquidity of the Brazilian securities markets may substantially limit its ability to sell shares underlying the ADSs and common share ADSs at the price and time you desire.

Investing in securities that trade in emerging markets such as Brazil often involves greater risk than investing in securities of issuers in other countries, and these investments are generally considered more speculative in nature. The Brazilian securities market is substantially smaller and less liquid than major securities markets, such as the United States, and may be more volatile. Although you are entitled to withdraw our shares underlying the ADSs or common share ADSs from the depositary bank at any time, your ability to sell our shares underlying the ADSs or common share ADSs at a price and time acceptable to you may be substantially limited. There is also significantly greater concentration in the Brazilian securities market than in major securities markets such as the United States or other countries. The ten largest companies in terms of market capitalization accounted for 51.6% of the aggregate market capitalization of the BM&FBovespa in March 2012.

Our shares, ADSs and common share ADSs do not entitle you to a fixed or minimum dividend.

Holders of our shares, ADSs and common share ADSs are not entitled to a fixed or minimum dividend. Pursuant to our bylaws, our preferred shares are entitled to dividends 10% higher than those assigned to our common shares. Although under our current bylaws we are obligated to pay our shareholders at least 30% of our annual adjusted net income, the shareholders attending our Annual Shareholders' meeting may decide to suspend this mandatory distribution of dividends if the Board of Directors advises that payment of the dividend is not compatible with our financial condition. Neither our bylaws nor Brazilian law specifies the circumstances in which a distribution would not be compatible with our financial condition, and our controlling shareholders have never suspended the mandatory distribution of dividends. However, general Brazilian practice is that a company need not pay dividends if such payment would endanger the existence of the company or harm its normal course of operations.

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As a holder of ADSs or common share ADSs you will have fewer and less well defined shareholders' rights than in the United States and certain other jurisdictions.

Our corporate affairs are governed by our bylaws and Brazilian Corporate Law, which may differ from the legal principles that would apply if we were incorporated in a jurisdiction in the United States or in certain other jurisdictions outside Brazil. Under Brazilian Corporate Law, you and the holders of our shares may have fewer and less well defined rights to protect your interests relative to actions taken by our Board of Directors or the holders of our common shares than under the laws of other jurisdictions outside Brazil.

Although Brazilian Corporate Law imposes restrictions on insider trading and price manipulation, the Brazilian securities markets are not as highly regulated and supervised as the U.S. securities markets or markets in certain other jurisdictions. In addition, in Brazil, self dealing and the preservation of shareholder interests may be less heavily regulated and regulations may not be as strictly enforced in Brazil as in the United States, which could potentially disadvantage you as a holder of our shares underlying ADSs or common share ADSs. For example, compared to Delaware general corporation law, Brazilian Corporate Law and practice have less detailed and well established rules and judicial precedents relating to review of management decisions under duty of care and duty of loyalty standards in the context of corporate restructurings, transactions with related parties, and sale-of-business transactions. In addition, shareholders in Delaware companies must hold 5% of the outstanding share capital of a corporation to have valid standing to bring shareholder derivative suits, while shareholders in Brazilian companies do not normally have valid standing to bring a class action.

It may be difficult to bring civil liability causes against us or our directors and executive officers.

We are organized under the laws of Brazil, and all of our directors and executive officers reside outside the United States. In addition, a substantial portion of our assets and most or all of the assets of our directors and executive officers are located in Brazil. As a result, it may be difficult for investors to effect service of process within the United States or other jurisdictions outside of Brazil on such persons or to enforce judgments against them, including any based on civil liabilities under the U.S. federal securities laws.

If we issue new shares or our shareholders sell shares in the future, the market price of your ADSs or common share ADSs may be reduced.

Sales of a substantial number of shares, or the belief that this may occur, could decrease the market price of our shares, ADSs and common share ADSs by diluting our shares' value. If we issue new shares or our existing shareholders sell the shares they hold, the market price of our shares and therefore of our ADSs and common share ADSs, may decrease significantly.

You may be unable to exercise preemptive rights relating to our shares.

You will not be able to exercise preemptive rights relating to our shares underlying your ADSs or common share ADSs unless a registration statement under the Securities Act is effective with respect to those rights or an exemption from the registration requirements of the Securities Act is available. Similarly, we may from time to time distribute rights to our shareholders. The depositary bank will not offer rights to you as a holder of the ADSs or common share ADSs unless the rights are either registered under the Securities Act or are subject to an exemption from the registration requirements. We are not obligated to file a registration statement with respect to the shares or other securities relating to these rights, and we cannot assure you that we will file any such registration statement. Accordingly, you may receive only the net proceeds from the sale by the depositary bank of the rights received in respect of the shares represented by your ADSs or common share ADSs or, if the preemptive rights cannot be sold, they will be allowed to lapse. You may also be unable to participate in rights offerings by us, and your holdings may be diluted as a result.

If you exchange your ADSs or common share ADSs for their underlying shares, you risk losing Brazilian tax advantages and the ability to remit foreign currency abroad.

Brazilian law requires that parties obtain registration with the Central Bank in order to be allowed to remit foreign currencies, including U.S. dollars, abroad. The Brazilian custodian for the shares must obtain the necessary registration with the Central Bank for payment of dividends or other cash distributions relating to the shares or after disposition of the shares. If you exchange your ADSs or common share ADSs for the underlying shares, however, you may only rely on the custodian's certificate for five business days from the date of exchange. Thereafter, you must obtain your own registration in accordance with the rules of the Central Bank and the Brazilian Securities Commission (*Comissão de Valores Mobiliários,* or CVM), in order to obtain and remit U.S. dollars abroad after the disposition of the shares or the receipt of distributions relating to the shares. If you do not obtain a certificate of registration, you may not be able to remit U.S. dollars or other currencies abroad and may be subject to less favorable tax treatment on gains with respect to the shares. For more information, see "Item 10.D. Exchange Controls."

If you attempt to obtain your own registration, you may incur expenses or suffer delays in the application process, which could delay your receipt of dividends or distributions relating to the shares or the return of your capital in a timely manner. The custodian's registration and any certificate of foreign capital registration you may obtain may be affected by future legislative changes. Additional restrictions applicable to you, to the disposition of the underlying shares or to the repatriation of the proceeds from disposition may be imposed in the future.

ITEM 4. INFORMATION ON THE COMPANY

4.A. History, Development of the Company and Business Strategy

The company

We were founded in 1943 as a commercial bank under the name "Banco Brasileiro de Descontos S.A." In 1948, we began a period of aggressive expansion, which led to our becoming the largest private sector (non government controlled) commercial bank in Brazil by the end of the 1960s. We expanded our activities nationwide during the 1970s and conquered urban and rural markets in Brazil. In 1988 we merged with our real estate finance, investment bank and consumer credit subsidiaries to become a multiple service bank and changed our name to Banco Bradesco S.A.

We are currently one of the largest private sector banks in Brazil in terms of total assets. We offer a wide range of banking and financial products and services in Brazil and abroad to individuals, large, mid sized and small companies and major local and international corporations and institutions. We have the most extensive private sector branch and service network in Brazil, allowing us to reach a diverse customer base. Our products and services encompass banking operations such as loans and advances and deposit taking, credit card issuance, purchasing consortiums, insurance, leasing, payment collection and processing, pension plans, asset management and brokerage services.

According to information published in December 2011 by SUSEP and by ANS, we are the largest insurance, pension plan and capitalization bond group in Brazil on a consolidated basis in terms of insurance premiums, pension plan contributions and income from capitalization bonds. *Título de capitalização,* or "capitalization bond," refers to a type of savings account combined with periodic cash-prize draws.

In 2011, some of our subsidiaries ranked among the largest companies in Brazil in their respective markets, according to the sources cited in parentheses below, including:

- *Bradesco Seguros S.A.* ("Bradesco Seguros"), our insurance subsidiary, together with its subsidiaries, leader in terms of insurance premiums, equity and technical reserves (SUSEP and ANS):

-– *Bradesco Vida e Previdência S.A.* ("Bradesco Vida e Previdência"), Bradesco Seguros' subsidiary is the largest company in the market in terms of private pension plan contributions, investment portfolios and technical provisions (SUSEP);

-– *Bradesco Capitalização S.A.* ("Bradesco Capitalização"), Bradesco Seguros' subsidiary offers capitalization bonds. Bradesco Capitalização is the leading private company in the market in terms of revenue from the sale of capitalization bonds (SUSEP);

-– *Bradesco Auto/RE Companhia de Seguros S.A.* ("Bradesco Auto/RE"), Bradesco Seguros' subsidiary is one of the largest companies in its segment, offering automobile insurance, property/casualty and liability products (SUSEP); and

-– *Bradesco Saúde S.A.* ("Bradesco Saúde"), Bradesco Seguros' subsidiary offers health insurance, including coverage of medical and hospital expenses. Bradesco Saúde has one of the largest networks of healthcare service providers and is the health insurance market leader (ANS).

- *Bradesco Leasing S.A. Arrendamento Mercantil* ("Bradesco Leasing"), is one of the leaders in terms of the present value of leasing portfolio (ABEL); and

- *Bradesco Administradora de Consórcios Ltda.* ("Bradesco Consórcios"), market leader in its segment with 625,763 outstanding purchasing consortium quotas (Central Bank).

We are also one of the leaders among private sector financial institutions in asset management and underwriting debt securities, according to information published by the Brazilian Association of Financial and Capital Markets Entities - ANBIMA.

As of December 31, 2011, we had, on a consolidated basis:

- R$722.1 billion in total assets;
- R$263.5 billion in total loans and advances;
- R$217.4 billion in total deposits;
- R$59.4 billion in equity, including non-controlling interest;
- R$99.1 billion in technical reserves for our insurance and pension plan business;
- R$35.3 billion in foreign trading financing;
- 29.5 million insurance policyholders (excluding Odontoprev);
- 25.1 million checking account holders;

- 43.4 million savings accounts;

- 3.1 million capitalization bonds holders;

- 2.2 million pension plan holders;

- 1,307 Brazilian and multinational corporations with affiliated companies in Brazil as "Corporate" customers;

- an average of 17.2 million daily transactions, including 2.1 million in our 4,634 branches and 15.1 million through self-service outlets, mainly Automatic Teller Machines, or ATMs, the Internet, and telephone and mobile services (*Fone Fácil* and *Bradesco Celular*);

- a nationwide network consisting of 4,634 branches and 4,429 special points of banking services located on the premises of selected corporate customers, 34,516 ATMs, and 12,455 shared ATMs under the Banco24Horas brand (among Bradesco, Banco do Brasil S.A. or "Banco do Brasil" and Banco Santander) for cash withdrawals, obtaining statements and account balance information, loans, payments and transfers between accounts; and

- a total of 3 branches and 9 subsidiaries located in New York, London, the Cayman Islands, Tokyo, Buenos Aires, Luxembourg, Hong Kong and Mexico.

Since 2009, we have been doing business in every single one of the municipalities in Brazil. Our extensive banking network takes us closer to our customers, providing our managers with information on economically active regions and other key conditions for our business. This knowledge helps us to assess and limit risks in loans, among other risks, as well as to service the particular needs of our customers.

We are a business corporation organized under the laws of Brazil. Our headquarters is in Cidade de Deus, Vila Yara, 06029 900, Osasco, SP, Brazil, and its telephone number is (55-11) 3684-4011. Our New York Branch is located at 450 Park Avenue, 32nd floor, New York 10022-2605.

Recent acquisitions

In May, 2011, we acquired 96.99% of the common shares and 95.21% of the preferred shares, corresponding to 96.23% of the capital stock of Banco do Estado do Rio de Janeiro S.A. ("BERJ") from the Government of the State of Rio de Janeiro. As part of the acquisition, we also acquired the right to provide services to the Government of the State of Rio de Janeiro including its payroll, supplier payroll, the collection of state taxes among other services from January 2012 to December 2014. This transaction expands our presence in the State of Rio de Janeiro. Special shareholders' meetings held in November 2011 voted to alter its name to Banco BERJ S.A. Bradesco's process of assuming control of BERJ was ratified by the Central Bank in November, 2011.

2010 and 2009 acquisitions

In July 2010, Bradesco announced the acquisition of 10.67% of the capital stock of Companhia Brasileira de Soluções e Serviços ("CBSS") for R$141.4 million. In January 2011, Bradesco announced the acquisition of an additional 5.01% of CBSS's capital stock for R$85.8 million. As a result, Bradesco increased its total ownership interest in CBSS to 50.01%.

In July 2010, Bradesco concluded the acquisition of 2.09% of the capital stock of Cielo S.A. ("Cielo"), for a total consideration of R$431.7 million, increasing its ownership interest in Cielo to 28.65%.

In June 2010, Bradesco concluded the acquisition of the entire capital stock of the controlling group of Ibi Services S. de R.L. México ("Ibi México") and of RFS Human Management de R.L., a subsidiary of Ibi México. This transaction includes a partnership contract with C&A México S. de R.L. (C&A México) for a period of 20 years for the exclusive joint sale of financial products and services through C&A México chain stores.

In October 2009 we announced that the board of directors of Odontoprev S.A. ("Odontoprev") and Bradesco, the latter as indirect controlling shareholder of Bradesco Dental S.A. ("Bradesco Dental"), entered into a joint venture agreement in the dental insurance sector. Under the merger plan, Bradesco Dental became a wholly-owned subsidiary of Odontoprev, and Bradesco Saúde, the direct controlling company of Bradesco Dental, received shares representing 43.50% of Odontoprev's total capital. Together, Bradesco Saúde (43.50%) and Odontoprev's major shareholder, Mr. Randal Luiz Zanetti (7.56%), entered into a shareholders' agreement to hold 51.06% of the company's capital.

In June 2009, we entered into an agreement to acquire Ibi Participações S.A ("Ibi Participações"), Banco Ibi S.A. ("Banco Ibi") and its subsidiaries, for a total consideration of R$1.5 billion, paid to the former controlling shareholders in shares representing approximately 1.6% of Bradesco's capital stock. Banco Ibi is among the main credit card issuers in Brazil, both in the private label segment as well as in branded cards, and its acquisition substantially strengthened our position in both markets. The transaction includes a partnership with C&A Modas Ltda. ("C&A"), a leader in the fashion and clothing markets, under which Bradesco started offering its financial products and services at C&A stores, for 20 years.

Bradesco announced in April 2009 that through its subsidiary, Bradesco Seguros e Previdência, it acquired 20% of the voting capital and total capital stock of Integritas Participações S.A. (“Integritas”), a holding company of Grupo Fleury (“Fleury”) for R$342 million. Fleury, which has operated for the past 83 years, is one of Brazil's most renowned and respected medical and health organizations. It provides diagnosis, clinical treatment and medical analysis services and is a reference center for complex medical tests for some 1,500 clinical laboratories and hospitals.

Other strategic alliances

In April 2011, we launched “Elo" in partnership with Banco do Brasil and Caixa Econômica Federal, a new Brazilian card flag that gives customers more choice and strengthens the Bank's portfolio. The Elo flag includes: (i) Elo Serviços S.A. (“Elo Serviços”), the owner and manager of the Elo brand “Elo” of debit, credit and pre-paid cards; (ii) the activities of CBSS, which will be directly or indirectly integrated into Elo Participações (“Elo Participações”); (iii) our ownership interest in IBI Promotora de Vendas Ltda. (“IBI Promotora”), which will be sold to CBSS; and (iv) our ownership interest in Fidelity Processadora e Serviços S.A. (“FPS”), which will be sold to CBSS. The transactions will be completed upon satisfactory negotiation of the final documents and compliance with the applicable legal and regulatory requirements.

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In 2011, Bradesco Asset Management S.A. Distribuidora de Títulos e Valores Mobiliários (BRAM) moved forward with its internationalization strategy by setting up a fund for small and medium cap Brazilian stocks. In December 2010, it launched a new fund to invest in dollar-denominated securities issued abroad by Brazilian companies and the National Treasury. These new funds are now part of the family of investment funds called "Bradesco Global Funds," which was launched by Bradesco in September 2009. These funds are domiciled in Luxemburg and are marketed exclusively to foreign investors. Bradesco Global Funds is an umbrella structure that provides investors with a series of investment funds, each with different investment objectives.

In September 2010, we announced the sale of our controlling interest in CPM Braxis S.A. (CPM) to Capgemini S.A., reducing our ownership interest in CPM to 20%.

In August 2010, Bradesco Seguros, ZNT Empreendimentos S.A. ("ZNT") and Odontoprev signed a non-binding memorandum of understanding with BB Seguros S.A. ("BB Seguros"), for developing and marketing products in the dental market.

In February 2010, we entered into a non-binding memorandum of understanding with Banco do Brasil and Banco Santander S.A. ("Santander Brasil") to facilitate consolidation of operations of our respective networks of external self-service terminals (ATMs located outside branches). By concluding this transaction, we hope to have a business model that will facilitate our customers' access to some 11,000 ATMS located outside branches.

Banco Postal

On December 2011, we ceased our partnership with Empresa Brasileira de Correios e Telégrafos, or ECT, (the government owned postal company) and will not continue with the Postal Bank (*Banco Postal*) in January 2012.

However, customers who used the services of the Postal Bank remain Bradesco clients, and will be supported by its extensive network of branches and service centers. The clients have complete and quality service wherever they are.

Bradesco Expresso - Correspondent Bank

Bradesco Expresso is a fundamental part of our strategy to replace the partnership we formerly had with ECT for the Postal Bank. Bradesco Expresso has enabled us to expand our share in the correspondent bank segment through partnerships with supermarkets, drugstores, department stores and other retail chains, with a presence in all Brazilian cities which are not served by the banking branch network.

The main services we offer through Bradesco Expresso are:

- receipt and submission of account applications;
- receipt and submission of loans, financing and credit card applications;
- withdrawals from checking accounts and savings accounts;
- Social Security National Service ("INSS") benefit payments;
- checking and savings account deposits;
- checking accounts, savings accounts and INSS balance statements;
- receipt of consumption bills, bank charges and taxes; and
- prepaid mobile top-up.

On December 31, 2011, the Bradesco Expresso network totaled 34,839 implemented outlets, of which 8,735 were new outlets. During 2011, Bradesco Expresso had an average of 28.2 million monthly transactions or 1.3 million daily transactions.

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Business strategy

The key elements of our strategy are (i) to consolidate and expand our position as one of the leading financial institutions and insurance providers in Brazil, (ii) maximize shareholder value and (iii) maintain high standards of corporate responsibility and sustainability. We intend to pursue the following strategies to reach these goals:

Consolidate and build upon our service network and brand as one of the leading financial institutions and insurance providers in Brazil which offers a complete portfolio of products and services to all levels of society.

We believe that our position as one of the leading financial institutions in Brazil, with a presence in all Brazilian regions through a broad network of distribution channels and with exposure to individuals of all income levels as well as large, mid sized and small businesses, will allow us to maintain the organic growth strategy. We will also continue to expand the insurance, pension and capitalization bonds business segment, in order to consolidate our leadership in this sector. As part of this strategy, we intend to increase the sales of our traditional banking, insurance, pension and capitalization bonds products through our wide branch network, our internet distribution services and other distribution channels. We are committed to investing significantly in our IT platform to support such growth. In addition, we intend to continue to leverage our relationships with corporate clients and high-income individuals to further develop our investment banking, private banking and asset management operations through Bradesco BBI, Banco Bradesco Europa, Bradesco Securities and other subsidiaries in Brazil and other key financial centers such as London, New York, Hong Kong and Tokyo.

Maintain asset quality and operational risk levels.

We are focused on sustainable growth to ensure our standards in relation to our asset quality and risk levels. We intend to maintain the quality of our loan portfolio by continuously improving our delinquency risk models, ensuring better results in credit granting and appropriate provisions for possible incurred losses. Our strategy involves maintaining our existing policy for our insurance business of careful evaluation of risk spreads through robust actuarial analysis, while entering into reinsurance agreements with well-known reinsurers to reduce exposure to large risks.

With respect to risk management, we intend to continue our integrated approach that utilizes a centralized method for identifying, measuring, controlling, monitoring and mitigating credit, market, liquidity and operational risks. We intend to continue to use specialized risk management committees in relation to the adoption of institutional policies, operational guidelines and the establishment of limits for risk exposure in accordance with best international practices, with the aim of maintaining operational risk levels within adequate boundaries.

Complement organic growth with strategic alliances and pursue selective acquisitions.

To complement our organic growth strategy, we constantly seek opportunities for strategic alliances and selective acquisitions to consolidate our position as one of the leading financial institutions in Brazil and to expand our presence in growth markets such as consumer financing, investment banking, broker dealing and insurance. We believe our partnership with Banco do Brasil and Caixa Econômica Federal in relation to credit, debit and pre-paid cards for checking account holders and non-account holders is an example of such a growth opportunity. Similarly, our merger with Odontoprev has increased our presence in the segment of dental care plans enabling us to cement our leadership position in the insurance market. We will continue to focus on asset quality, potential operating synergies, sale and acquisition of know-how to maximize return for our shareholders.

Focus on corporate responsibility and sustainability as core principles of our business.

We believe that corporate responsibility and sustainability are fundamental to our operations and have incorporated the following three principles into our overall strategy: sustainable finance, responsible management and investments in social and environmental projects. We are always seeking to develop and incorporate sustainable finance concepts into the process of designing and managing our products and services and in our relationships with clients and suppliers. We believe our admission to the sustainability indexes of both the New York Stock Exchange and BM&FBovespa represents strong recognition of our success in implementing sustainability principles. As part of this strategy, we will continue to apply social-environmental risk analysis in financing and investment activities in accordance with international practices, including the Equator Principles which we signed up to in 2004. Corporate responsibility has always been one of our core principles as evidenced by the significant investments we have made in education since 1956 through Fundação Bradesco, which is present in every state in Brazil and the Federal District, with 40 schools primarily located in regions of high socioeconomic deprivation. Fundação Bradesco offers quality formal education, free of charge, to children and young people from early childhood to high school as well as professional high school education for young people and adults, as well as initial and continuing education for employment and income.

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4.B. Business Overview

We operate and manage our business through two operational segments: (i) the banking segment and (ii) the insurance, pension and capitalization bonds segment.

The data about these segments were compiled from reports made for Management to assess performance and take decisions on allocating funds for investments and other purposes. Management uses various data, including financial data stated under practices adopted in Brazil and non-financial metrics compiled on different bases. Hence the segment data were prepared under accounting practices adopted in Brazil and the consolidated financial statements were compiled under International Financial Reporting Standards ("IFRS"). For further information on differences between the consolidated results and by segments, see "Item 5.A. Operating Results - Results of operations for the year ended December 31, 2011 compared with the year ended December 31, 2010" and "Item 5.A. Operating Results - Results of operations for the year ended December 31, 2010 compared with the year ended December 31, 2009."

As of December 31, 2011, according to the sources cited in parentheses below, we were:

- one of the leading private-sector banks in terms of savings deposits, with R$59.7 billion in deposits, accounting for 14.2% of Brazil's total savings deposits;

- one of the leaders in BNDES onlending, with R$15.5 billion in disbursements (BNDES);

- one of the leaders in leasing operations in Brazil, with a leasing portfolio of R$11.6 billion at present value (ABEL);

- one of the largest private-sector fund and portfolio managers in Brazil, with R$335.4 billion in total third-party assets under management, representing over 17% of the total Brazilian market (ANBIMA);

- one of the largest credit card issuers in Brazil, with 91.3 million credit cards issued (Visa, American Express, Elo, MasterCard and private label cards) with sales on credit cards and private label of R$89.6 billion (ABECS);

- one of the largest debit card issuers in Brazil, with 64.3 million debit cards issued (ABECS);

- the leader in bank payment processing and collection services in Brazil with a 25.3% market share in November 2011 (Central Bank);

- the leader among private banks in number of customer registrations in the Pre-Authorized Direct Debit (DDA) program, with over 4.2 million registered customers (Central Bank);

- the leader in number of active accounts in managed purchaser consortiums for the following three segments: real estate, with 183,888 active accounts; automobiles, with 408,491 active accounts, and trucks and tractors with 33,384 active accounts (Central Bank);

- one of the leaders in automobile financing loans, with a market share of 16.4% (Central Bank);

- the leading private-sector bank in benefit payments from the Social Security Institute (Instituto Nacional do Seguro Social, or INSS), with over 6 million "INSS" retirees, beneficiaries and other pensioners, accounting for 23.8% of the total number of INSS beneficiaries (INSS); and

- Brazil's largest insurance and open pension fund operator with R$37.7 billion in total premiums and open pension plan contributions (SUSEP and ANS).

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Additionally, Bradesco was rated as Brazil's most valuable brand in 2011 by Superbrands consulting firm and the world's sixth most valuable brand by international banking consultants Brand Finance. It was also rated the "best financial institutions to start a career" in a survey that "Você S/A" magazine conducted in partnership with Fundação Instituto de Administração (FIA) and Cia. de Talentos. This survey is unique worldwide for its assessment of the workplace environment and management policies from the personnel point of view for professionals at the beginning of their careers. Bradesco earned the "Best Company for Personnel Management" award for companies with more than 10,000 employees given by the magazine "Valor Carreira". Bradesco ranked fourth worldwide in a survey conducted by Aon Hewitt for best practices in environmental responsibility, and is the only Brazilian company in "Newsweek's" Top 15 World's Greenest Companies.

Main subsidiaries

The following is a simplified chart of our principal material subsidiaries in the financial and insurance services businesses and our voting and ownership interest in each of them as of December 31, 2011 (all of which are consolidated in our financial statements in "Item 18. Financial Statements"). With the exception of Banco Bradesco Argentina, which was incorporated in Argentina, all of these material subsidiaries were incorporated in Brazil. For more information regarding the consolidation of our material subsidiaries, see Note 2(a) to our consolidated financial statements in "Item 18. Financial Statements."

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Revenues per business segment

The following table summarizes our main gross revenues by business area for the periods indicated.

Years Ended December 31,	R$ in thousands		
	2011	2010	2009
Banking			
Loans and advances [(1)]	52,890,045	43,574,580	38,660,721
Fees and commissions	11,989,868	10,450,714	8,889,004
Insurance and pension plans			
Premiums retained from insurance and pension plans	34,315,543	27,994,116	24,118,550

(1) Includes industrial loans, financing under credit cards, overdraft loans, trade financing and foreign loans.

For more details of our segments, see "Item 5.A. Operating Results" and Note 5 of our consolidated financial statements in "Item 18. Financial Statements."

We do not break down our revenues by geographic regions within Brazil, and less than 10.0% of our revenues come from international operations. For more information on our international operations, see "International banking services."

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Banking

We have a diverse customer base that includes individuals and small, midsized and large companies in Brazil. Historically, we have cultivated a stronger presence among the broadest segment of the Brazilian market, middle- and low-income individuals. In 1999, we set up our corporate department to serve corporate customers with annual revenues of R$250 million or more, and our private banking department to serve our individual customers with minimum net assets of R$2.0 million. In 2002, we created *Bradesco Empresas* (Middle Market) to cater for corporate customers with annual revenues of R$30 to R$250 million, in other to expand our business in the middle corporate market. In 2003, we launched Bradesco Prime, which offers services to individual customers who either have a monthly income of at least R$7,000 or R$80,000 available for immediate investment. Bradesco Varejo is our division for corporate customers with annual revenues of less than R$30 million and individual customers with monthly income of less than R$7,000. For more information, see "Distribution channels" and "Specialized distribution of products and services."

The following diagram shows the breakdown of our banking activities as of December 31, 2011:

Banking

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The following table shows selected financial data for our banking segment for the periods indicated:

Year ended December 31,	R$ in thousands 2011	2010	2009
Statement of Income data			
Net interest income	31,379,722	28,223,501	23,991,700
Impairment of loans and advances	(9,275,421)	(6,354,670)	(11,236,020)
Other income/(expenses) [(1)]	(13,063,262)	(12,497,956)	(5,194,473)
Income before income taxes	**9,041,039**	**9,370,875**	**7,561,207**
Income and social contribution taxes	(1,305,702)	(2,416,284)	(2,319,811)
Net income for the year	**7,735,337**	**6,954,591**	**5,241,396**
Net income attributable to controlling shareholders	7,724,917	6,943,764	5,243,804
Net income attributable to non-controlling interest	10,420	10,827	(2,408)
Statement of Financial Position data			
Total assets	657,903,426	548,664,554	430,753,007
Selected results of operations data			
Interest and similar income			
Loans and advances to banks	8,469,093	6,759,299	5,449,139
Loans and advances to customers	44,420,954	36,815,282	33,211,581
Financial assets	15,913,414	9,828,935	8,909,847
Compulsory deposits with the Central Bank	6,112,337	2,869,307	534,676
Other financial interest income	40,774	35,707	35,338
Interest and similar expenses			
Deposits from banks	(23,215,922)	(14,065,917)	(10,583,071)
Deposits from customers	(14,974,545)	(11,296,932)	(11,413,095)
Funds from securities issued	(2,598,702)	(699,640)	(417,109)
Subordinated debt	(2,787,681)	(2,022,540)	(1,735,606)
Net interest income	**31,379,722**	**28,223,501**	**23,991,700**
Net fee and commission income	**11,989,868**	**10,450,714**	**8,889,004**

Note: Data presented above includes income from related parties of other segments before elimination.
(1) For additional information, see "Item 5.A. Operational Results".

We have a segmented customer base and we offer the following range of banking products and services in order to meet the needs of each segment:

- deposit-taking with clients, including checking accounts, savings accounts and time deposits;

- loans and advances (individuals and companies, real estate financing, microcredit, onlending BNDES funds, rural credit, leasing, among others);

- credit cards, debit cards and pre-paid cards;
- management of receipts and payments;
- asset management;
- services related to capital markets and investment banking activities;
- intermediation and trading services;
- custody, depositary and controllership services;
- international banking services; and

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- purchasing consortiums.

Deposit-taking with clients

We offer a variety of deposit products and services to our customers through our branches, including:

- Non-interest bearing checking accounts, such as:

- Easy Account (*Conta Fácil*) – customers have a checking account and a savings account under the same bank account number, using the same card for both accounts;

- Click Account (*Click Conta*) – no-fee checking account for minors (from 11 to 17 years old), with exclusive website and debit card, automatic pocket money service and free online courses, among other benefits;

- Academic Account (*Conta Universitária*) – low fee checking account for college students, with subsidized credit conditions, exclusive website and free online courses, among other benefits; and

- Cell Phone Bonus Account