

BANK BRADESCO  
Form 6-K  
August 10, 2004

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the month of August, 2004**

**Commission File Number 1-15250**

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

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

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

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

Form 20-F  Form 40-F

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

Yes  No

Report on Economic and  
Financial Analysis

June 2004

## Financial Market Indicators (%)

Index	2003			2004		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
CDI	5.68	5.78	11.79	3.76	3.67	7.56
IBOVESPA - Average	0.04	15.07	15.12	(0.42)	(4.49)	(4.89)
USD - Commercial rate	(5.10)	(14.35)	(18.72)	0.67	6.84	7.56
IGP-M	6.26	(0.35)	5.89	2.72	3.95	6.78
IPCA - IBGE	5.13	1.43	6.64	1.85	1.60	3.48
TJLP	2.63	2.87	5.58	2.41	2.35	4.82
TR	1.28	1.31	2.61	0.35	0.42	0.77
U.S. dollar (closing price - sell)						
USD - Commercial rate (in reais)	3.3531	2.8720	2.8720	2.9086	3.1075	3.1075

## Compulsory Deposit Rates (%)

Deposits	2003		2004	
	1st Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.
Demand deposits <sup>(1)</sup>	60	60	45	45
Additional <sup>(2)</sup>	8	8	8	8
Time deposits <sup>(3)</sup>	15	15	15	15
Additional <sup>(2)</sup>	8	8	8	8
Savings deposits <sup>(4)</sup>	20	20	20	20
Additional <sup>(2)</sup>	10	10	10	10

- (1) Cash deposit - no remuneration.  
(2) Cash deposit - SELIC rate.  
(3) Deposit in Government Securities.  
(4) Cash deposit - Reference Rate (TR) + interest of 6.17% p.a.

## Rates and Limits (%)

Items	2003		2004	
	1st Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.
Income tax	25	25	25	25

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Social contribution	9	9	9	9
PIS <sup>(1)</sup>	0.65	0.65	0.65	0.65
COFINS <sup>(2)</sup>	3	3	4	4
Legal reserve on net income	5	5	5	5
Maximum fixed assets <sup>(3)</sup>	50	50	50	50
Minimum capital - Basel <sup>(4)</sup>	11	11	11	11

(1) The rate applicable to non-financial and similar companies is 1.65% (non-cumulative PIS).

(2) The rate applicable to financial and similar companies was increased to 4% in September 2003 and for other companies to 7.60% in February 2004 (non-cumulative COFINS).

(3) On reference equity.

(4) Reference equity may not be lower than 11% of weighted assets.

### Forward-Looking Statements

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

Factors which could cause actual results to differ materially include, among others, changes in regional, national and international commercial and economic conditions; inflation rates, increases in customer default and any other delays in credit operations; increases in the allowance for loan loss; loss of funding capacity; loss of clientele or revenues; our capacity to sustain and improve performance; changes in interest rates which could, among others, have an adverse effect on our margins; competition in the banking sector, in financial services, credit card services, insurance, asset management and other related sectors; government regulations and fiscal matters; disputes or adverse legal proceedings or ruling; as well as credit risks and other loan and investment activity risks.

Accordingly, the reader should not place undue reliance on these forward-looking statements. In all cases, these forward-looking statements are valid only as at the date they are made. Except as required under applicable legislation, we assume no obligation whatsoever to update these statements, whether as a result of new information, future events or any other motive.

1 - Analysis of Consolidated Results

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- Profitability
- Comparative Statement of Income
- Analysis of the Statement of Income
- Results by Business Segment
- Increase in the Main Statement of Income Items
- Increase in Financial Margin Items plus Exchange Adjustment
- Analysis of the Adjusted Financial Margin and Average Rates
- Provision for Loan Losses
- Commissions and Fees
- Administrative and Personnel Expenses
- Human Resources
- Operating Efficiency
- Expenditure Appraisal Committee
- Activity-Based Costing

2 - Consolidated Equity Analysis

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- Balance Sheet by Currency and Exchange Exposure
- Balance Sheet by Maturities
- Comparative Balance Sheet
- Equity Analysis
- Securities
- Credit Operations
- Funding
- Savings Accounts
- Asset Management

3 - Consolidated Information for the Period and Operating Structure

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- Corporate Organization Chart
- Administrative Body
- Risk Ratings
- Ranking
- Balance Sheet
- Statement of Income for the Period
- Results per Share
- Net Book Value and Market Value
- Cash Generation
- Change in Number of Outstanding Shares
- Performance Ratios
- Historical Data
- Other Ratios
- Added Value
- Checking Accounts
- Market Segmentation
- Retail Bradesco
- Bradesco Corporate Banking
- Bradesco Empresas (middle market)
- Bradesco Private Banking
- Bradesco Prime
- Customer Service Network
- Banco Postal
- Investments in Infrastructure, Information Technology and Telecommunications

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- Risk Management
- Bradesco Day and Night Customer Service Channels
- Cards
- International Area
- Capital Market
- Collection and Tax and Utility Collections
- Bookkeeping of Assets and Qualified Custody Services
- Banco Finasa S.A.
- Bradesco Insurance Group
- Leasing Companies
- Bradesco Consórcios (consortium purchase plans)
- Bradesco S.A. - Corretora de Títulos e Valores Mobiliários
- Bradesco Securities, Inc.
- Awards
- Sociocultural Events
- Fundação Bradesco (The Bradesco Foundation)
- Statement of Social Responsibility
- Independent Auditors Report on Special Review of Supplementary Accounting Information

### 4 - Consolidated Balance Sheets and Statements of Income - 1999 to 2004

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- Consolidated Balance Sheets
- Consolidated Statements of Income

### 5 - Financial Statements, Report of the Fiscal Council and Independent Auditors Report

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- Directors Report
- Balance Sheet
- Statement of Income
- Statement of Changes in Stockholders Equity
- Statement of Changes in Financial Position
- Index of Notes to the Financial Statements
- Notes to the Financial Statements
- Board of Directors, Board of Executive Officers and Disclosure Committee
- Report of the Fiscal Council
- Independent Auditors Report

### Cross Reference Index

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

## 1 Analysis of Consolidated Results

## Profitability

Bradesco reported first-half net income of R\$ 1,250 million, corresponding to R\$ 7.90 per share and an annualized return of 19.2% on closing stockholders' equity and 19.4% on average stockholders' equity.

During the period from January 1 through June 30, 2004, net income increased by 21.7%, compared to the same period in 2003.

The return on total assets was 1.4%, annualized.

## Comparative Statement of Income - In millions of reais

	<b>1st Half 2003</b>	<b>1st Half 2004</b>	<b>% Variation</b>	<b>1st Qtr. 2004</b>	<b>2nd Qtr. 2004</b>	<b>% Variation</b>
<b>INCOME FROM LENDING AND TRADING ACTIVITIES</b>	<b>12,175</b>	<b>14,476</b>	<b>18.9</b>	<b>6,756</b>	<b>7,720</b>	<b>14.3</b>
Credit operations	5,621	6,759	20.2	3,100	3,659	18.0
Leasing operations	143	142	(0.7)	85	57	(32.9)
Securities	2,786	3,801	36.4	1,680	2,121	26.3
Financial income on insurance, private pension plans and savings bonds	2,613	2,426	(7.2)	1,245	1,181	(5.1)
Derivative financial instruments	13	127	876.9	196	(69)	(135.2)
Foreign exchange transactions	268	663	147.4	161	502	211.8
Compulsory deposits	731	558	(23.7)	289	269	(6.9)
<b>EXPENSES</b>	<b>7,593</b>	<b>9,140</b>	<b>20.4</b>	<b>3,987</b>	<b>5,153</b>	<b>29.2</b>
Deposits	4,496	5,484	22.0	2,454	3,030	23.5
Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds	1,658	1,351	(18.5)	652	699	7.2
Borrowings and onlendings	38	1,221	3,113.2	316	905	186.4
Leasing operations	6	9	50.0	4	5	25.0
Provision for loan losses	1,395	1,075	(22.9)	561	514	(8.4)
<b>INCOME FROM FINANCIAL INTERMEDIATION</b>	<b>4,582</b>	<b>5,336</b>	<b>16.5</b>	<b>2,769</b>	<b>2,567</b>	<b>(7.3)</b>
<b>OTHER OPERATING INCOME (EXPENSES)</b>	<b>(2,583)</b>	<b>(3,916)</b>	<b>51.6</b>	<b>(1,970)</b>	<b>(1,946)</b>	<b>(1.2)</b>
Commissions and fees	2,100	2,694	28.3	1,319	1,375	4.2
<b>Income from insurance premiums, private pension plans and savings bonds</b>	<b>5,418</b>	<b>5,983</b>	<b>10.4</b>	<b>2,994</b>	<b>2,989</b>	<b>(0.2)</b>
Insurance premiums retained	2,711	2,990	10.3	1,465	1,525	4.1
Private pension plan contributions	2,157	2,291	6.2	1,223	1,068	(12.7)



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Income on savings bonds	550	702	27.6	306	396	29.4
<b>Variation in technical reserves for insurance, pension plans and savings bonds</b>	<b>(1,663)</b>	<b>(1,571)</b>	<b>(5.5)</b>	<b>(878)</b>	<b>(693)</b>	<b>(21.1)</b>
Variation in technical reserves for insurance	(115)	(48)	(58.3)	22	(70)	(418.2)
Variation in technical reserves for pension plans	(1,535)	(1,467)	(4.4)	(850)	(617)	(27.4)
Variation in technical reserves for savings bonds	(13)	(56)	330.8	(50)	(6)	(88.0)
Claims - insurance operations	(1,994)	(2,514)	26.1	(1,232)	(1,282)	4.1
Savings bond draws and redemptions	(515)	(619)	20.2	(273)	(346)	26.7
<b>Insurance and pension plan selling expenses</b>	<b>(363)</b>	<b>(417)</b>	<b>14.9</b>	<b>(212)</b>	<b>(205)</b>	<b>(3.3)</b>
Insurance product selling expenses	(296)	(343)	15.9	(166)	(177)	6.6
Pension plan selling expenses	(67)	(74)	10.4	(46)	(28)	(39.1)
Expenses with pension plan benefits and redemptions	(851)	(1,123)	32.0	(533)	(590)	10.7
Personnel expenses	(2,201)	(2,411)	9.5	(1,177)	(1,234)	4.8
Other administrative expenses	(2,254)	(2,424)	7.5	(1,208)	(1,216)	0.7
Tax expenses	(506)	(679)	34.2	(336)	(343)	2.1
Equity in the earnings of associated companies	(33)	122	(469.7)	-	122	-
Other operating income	1,532	537	(64.9)	257	280	8.9
Other operating expenses	(1,253)	(1,494)	19.2	(691)	(803)	16.2
<b>OPERATING INCOME</b>	<b>1,999</b>	<b>1420</b>	<b>(29.0)</b>	<b>799</b>	<b>621</b>	<b>(22.3)</b>
<b>NON-OPERATING INCOME</b>	<b>(777)</b>	<b>(213)</b>	<b>(72.6)</b>	<b>(11)</b>	<b>(202)</b>	<b>1,736.4</b>
<b>INCOME BEFORE TAXES AND PROFIT SHARING</b>	<b>1,222</b>	<b>1,207</b>	<b>(1.2)</b>	<b>788</b>	<b>419</b>	<b>(46.8)</b>
PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION	(190)	46	(124.2)	(179)	225	(225.7)
MINORITY INTEREST IN SUBSIDIARIES	(5)	(3)	(40.0)	-	(3)	-
<b>NET INCOME</b>	<b>1,027</b>	<b>1,250</b>	<b>21.7</b>	<b>609</b>	<b>641</b>	<b>5.3</b>
<b>RETURN ON STOCKHOLDERS EQUITY (%) ANNUALIZED</b>	<b>17.1</b>	<b>19.2</b>	<b>-</b>	<b>19.1</b>	<b>20.1</b>	<b>-</b>

Analysis of the Statement of Income In millions of reais

**Income from Credit and Leasing Operations**

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
5,758	6,892	19.7	3,181	3,711	16.7

Income was up, despite falling interest rates, mainly as a result of: (i) the increase in the average volume of the credit portfolio, particularly in auto financings in the consumer segment, up by 46.1% and rural loans in the corporate segment, up by 33.6%, indicating improvements in the Brazilian economy for the period; (ii) positive exchange variation of 7.56% for 1H04 against negative exchange variation of 18.72% in 1H03, impacting foreign-currency indexed and/or denominated operations, which comprise 13.8% of total credit and leasing operations (excluding advances on foreign exchange contracts - ACC).

Income was up mostly as a result of: (i) positive exchange variation of 6.84% in 2Q04, against positive exchange variation of 0.67% in 1Q04, impacting foreign-currency indexed and/or denominated operations; and (ii) increase in average volume of the credit portfolio, particularly rural loans in the corporate and consumer segments, up by 35.2%, and auto financing in the consumer segment, up by 9.2%.

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**Results of Securities (TVM) and Derivative Financial Instrument Operations**

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
2,799	3,928	40.3	1,876	2,052	9.4

The variation for the period is mainly due to: (i) positive exchange variation of 7.56% for 1H04, against negative exchange variation of 18.72% in 1H03, impacting foreign-currency-indexed and or denominated securities, which comprise 16.3% of the total securities portfolio; (ii) increase in the average volume of the securities portfolio, particularly federal government securities; mitigated in part by (iii) decrease in average interest rates, particularly CDI, of 11.79% in 1H03 to 7.56% for 1H04.

This increase reflects mainly:(i) positive exchange variation of 6.84% in 2Q04, against positive exchange variation of 0.67% in 1Q04, impacting foreign currency-indexed and or denominated securities; and (ii) the increase in the average volume of the securities portfolio, particularly federal government securities for the quarter.

**Financial Income on Insurance, Private Pension Plans and Savings Bonds**

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
2,613	2,426	(7.2)	1,245	1,181	(5.1)

During the period, there was an increase in the average volume of the securities portfolio, comprising federal government securities, related to technical reserves, especially VGBL and PGBL products. However, overall results were down mainly due to: (i) the decrease in average interest rates, especially CDI, of 11.79% in 1H03 to 7.56% for 1H04; (ii) decrease in non-interest income following greater gains with variable income in 1H03; partially offset by (iii) variation in the IGP-M index, of 6.78% for 1H04, against 5.89% in 1H03, on which a portion of Federal Treasury Note (NTN) remuneration is based.

The variation for the quarter reflects, substantially: (i) decrease in non-interest income following greater gains with variable income in 1Q04; partially offset by (ii) the increase in the average volume of the securities portfolio, comprising federal government securities, related to technical reserves, especially VGBL and PGBL products; and by (iii) the variation in the IGP-M index, from 3.95% in 2Q04, against 2.72% in 1Q04, on which a portion of Federal Treasury Note (NTN) remuneration is based.

**Results of Foreign Exchange Transactions**

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
268	663	147.4	161	502	211.8

During the period, there was an increase in the average volume of foreign exchange transactions. Considering foreign funding expense adjustments (Note 13a to the financial statements), results would decrease to R\$ 134 for 1H03 and R\$ 98 for 1H04, affected by the decrease in average fx portfolio interest rates.

During the period, there was an increase in the average volume of foreign exchange transactions. Considering foreign funding expense adjustments (Note 13a to the financial statements), results would decrease to R\$ 63 for 1Q04 and R\$ 35 for 2Q04, affected by the decrease in average fx portfolio interest rates.

**Results of Compulsory Deposits**

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
731	558	(23.7)	289	269	(6.9)

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During the period, there was an increase in the average volume subject to compulsory deposit. However, the income derived from the remuneration of the additional compulsory deposits, as well as the compulsory deposit on savings decreased as a result of: (i) the drop in the SELIC rate from 11.81% in 1H03 to 7.60% for 1H04, for additional deposits; and (ii) the decrease in the TR reference rate used to remunerate compulsory savings account deposits, from 2.61% in 1H03 to 0.77% for 1H04.

During the period, the increase in the average volume subject to compulsory deposit and the increase in the TR reference rate (used to remunerate compulsory savings account deposits) from 0.35% in 1Q04 to 0.42% in 2Q04 offset partially the decrease in income, generated by the drop in the SELIC rate (used to remunerate the additional compulsory deposit on demand, time and savings deposits) from 3.78% in 1Q04 to 3.69% in 2Q04.

### Interest and Charges on Deposits

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
4,496	5,484	22.0	2,454	3,030	23.5

The increase mainly reflects: (i) positive exchange variation of 7.56% for 1H04, against negative exchange variation of 18.72% in 1H03, impacting securities and other funds obtained abroad by Bradesco - R\$ 2,310; offset partially by less expense with: (ii) time deposits - R\$ 759; (iii) savings deposits - R\$ 286; (iv) purchase and sale commitments - R\$ 274; mainly as a result of lower average interest rates in 1H04.

The increase mainly reflects: (i) growth in positive exchange variation from 0.67% in 1Q04 to 6.84% in 2Q04, impacting securities and other funds obtained abroad by Bradesco - R\$ 795; (ii) time deposits - R\$ 77, which despite lower average interest rates, increased in average volume in 2Q04; partially offset by (iii) less expense for purchase and sale commitments - R\$ 315; mainly due to decreased average volumes and lower average interest rates in 2Q04.

### Price-level Restatement and Interest on Technical Reserves for Insurance, Private Pension Plans and Savings Bonds

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
1,658	1,351	(18.5)	652	699	7.2

The decrease reflects principally the fall in average interest rates despite the increase in the average volume of technical reserves, particularly for PGBL and VGBL products.

This was up following the increase in the IGP-M index and average volume of technical reserves, particularly for PGBL and VGBL products.

### Expenses for Borrowings and Onlendings

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
38	1,221	3,113.2	316	905	186.4

The increase is directly related to negative exchange variation of 18.72% in 1H03, against positive exchange variation of 7.56% in 1H04, impacting borrowings and onlendings indexed or denominated in foreign currency, offset by the decrease in average interest rates for the period.

The increase is directly related to growth in positive exchange variation from 0.67% in 1Q04 to 6.84% in 2Q04, impacting borrowings and onlendings indexed or denominated in foreign currency for the quarter.

### Financial Margin

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1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
5,977	6,411	7.3	3,330	3,081	(7.5)

The variation for the period was due to: (i) increase in interest income R\$ 640, comprising growth in the average volume of business - R\$ 637 and the increase in spread (interest rate plus exchange variation) - R\$ 3; and (ii) the decrease in non-interest income - R\$ 206, generated mainly by less profit on securities and treasury transactions for 1H04.

The variation for the quarter was due to: (i) increase in interest income operations - R\$ 130, comprising the drop in the average volume of business - R\$ 92 and by the increase in spread R\$ 38; and (ii) the decrease in non-interest income - R\$ 379, generated mainly by less profit on securities and treasury transactions in 2Q04.

**Expenses for Provision for Loan Losses**

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
1,395	1,075	(22.9)	561	514	(8.4)

Excluding: (i) additional provisions - R\$ 312 in 1H03 and R\$ 46 in 1H04; (ii) extraordinary provisions recorded in 1H04 and R\$ 61, as a result of improved determination criteria and (iii) the extraordinary increase in provisions recorded - R\$ 120 for 1H04, reflecting the reclassification of certain customer ratings, including the securitization of rural credit - R\$ 54, expenses decreased by R\$ 235, mainly as a result of our selective credit granting policy, improving our credit portfolio risk ratings.

Excluding: (i) additional provisions - R\$ 20 in 2Q04 and R\$ 26 in 1Q04 and (ii) extraordinary provisions recorded in 1Q04 and R\$ 120, as a result of improved determination criteria, expenses increased by R\$ 79, in line with the growth of the average volume of the credit portfolio in 2Q04.

**Income on Commissions and Fees**

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
2,100	2,694	28.3	1,319	1,375	4.2

Growth for the period is derived substantially from the increase in the average volume of transactions and number of customers, highlighting in particular: (i) fund management - R\$ 177; (ii) checking accounts - R\$ 120; (iii) cards - R\$ 88; and (iv) credit operations - R\$ 100; and (v) consortium purchase plan management fee R\$ 31.

Growth for the quarter was mainly due to an increase in revenues with: (i) credit operations - R\$ 39; (ii) fund management - R\$ 9; and (iii) consortium purchase plan management fee R\$ 5.

**Income from Insurance Premiums, Private Pension Plans and Savings Bonds**

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
5,418	5,983	10.4	2,994	2,989	(0.2)

The variation for the period is detailed below:

The variation for the quarter is detailed below:

**a) Insurance Premiums Retained**

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
2,711	2,990	10.3	1,465	1,525	4.1

During the period, the increase was derived from growth in sales of Auto and Health products in the amounts of R\$ 211 and R\$ 54, respectively.

The increase in 2Q04 was especially due to growing Auto line sales - R\$ 69.

#### b) Private Pension Plan Contributions

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
2,157	2,291	6.2	1,223	1,068	(12.7)

This increase was derived from growth in VGBL and PGBL product sales in the amount of R\$ 237 and R\$ 29, respectively, offset by the fall in sales of traditional pension plan products - R\$ 132.

The variation was substantially due to the decrease in VGBL product sales - R\$ 163.

#### c) Income on Savings Bonds

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
550	702	27.6	306	396	29.4

This variation reflects the increase in sales and re-investment of bonds maturing during the period.

The variation reflects the increase in sales and re-investment of bonds matured in 2Q04.

#### Variation in Technical Reserves for Insurance, Pension Plans and Savings Bonds

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
(1,663)	(1,571)	(5.5)	(878)	(693)	(21.1)

The variation for the period is detailed below:

The variation for the quarter is detailed below:

#### a) Variation in Technical Reserves for Insurance

1st Half/2003	1st Half /2004	% Variation	1st Qtr./2004	2nd Qtr./2004	% Variation
(115)	(48)	(58.3)	22	(70)	(418.2)

Variations in technical reserves for insurance are directly related to the production of premium in their respective effective periods. In 1H04, the majority of reserves were recorded in the Health line - R\$

Variations in technical reserves for insurance are directly related to the production of premium in their respective effective periods. In 2Q04, the majority of reserves were recorded in the Auto line - R\$

33.

30.

**b) Variation in Technical Reserves for Pension Plans**

<b>1st Half/2003</b>	<b>1st Half /2004</b>	<b>% Variation</b>	<b>1st Qtr./2004</b>	<b>2nd Qtr./2004</b>	<b>% Variation</b>
<b>(1,535)</b>	<b>(1,467)</b>	<b>(4.4)</b>	<b>(850)</b>	<b>(617)</b>	<b>(27.4)</b>

Variations in technical reserves are directly related to the production of premium and contributions in diverse selling periods, against benefits and redemptions. The decrease for the period occurred in the VGBL product - R\$ 1,474, offset by the increase in reserves recorded in the PGBL and traditional products in the amounts of R\$ 836 and R\$ 570, respectively.

Variations in technical reserves are directly related to the production of premium and contributions in diverse selling perio