

Brazil's Bradesco Gets R\$ 1.2 Billion Net

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Banco Bradesco posted a net income of R\$ 1,205 billion in the first quarter (equivalent to 2.45 reais per stock), compared to a net income of 609 million reais in last year's first quarter, i.e., up by 97.9%.

The net income posted for this period was 13.9% superior compared to the R\$ 1,058 billion of the fourth quarter of 2004. This result represents a 34.7% annualized Return on the average Stockholders' Equity for the quarter (31.7% in 4Q04).

In the first quarter of 2005, 64% of Bradesco's net income was originated from financial activities and 35% from Insurance, Private Pension Plans and Savings Bonds activities.

The accounted gain related to the sale of the stake in Belgo-Mineira's capital stock, as disclosed in RI Express on February 10, 2005, was fully absorbed by extraordinary provisions constituted in the quarter; therefore, not impacting the result.

Financial margins reached R\$ 3.999 billion in 1Q05, increasing by 20.1% in the last 12 months, and by 13.7% when compared to 4Q04. Fee Income grew by R\$ 342 million between March 2004 and 2005, totaling R\$ 1.661 billion.

In the comparison between 4Q04 and 1Q05, fees evolved by R\$ 33 million (adjusted by the additional month of fees from Visanet, which had impacted 4Q04 by R\$ 47 million).

Bradesco's Efficiency Ratio for the accumulated 12 months keeps presenting a consistent improvement, reaching 59.0% in 1Q04, 55.5% in 4Q04 and, finally, 52.7% in 1Q05.

In line with the policy of adding shareholders value, Bradesco paid, or accrued, R\$ 366.2 million in Interest on Own Capital in 1Q05 (R\$ 326.1 million in 1Q04 and R\$ 340.5 million in 4Q04).

On March 1st, Bradesco increased by 21.12% the monthly amount of Interest on Own Capital paid as from April/2005, as following: R\$0.04706 to R\$0.057 (net of Withholding Income Tax - R\$ 0.04845), for the common stocks and R\$0.051766 to R\$0.0627 (net of Withholding Income Tax - R\$ 0.053295), for the preferred stocks.

Bradesco's Market Capitalization surpassed the R\$ 35.5 billion mark, increasing by 75% between March 2004 and March 2005, against the 20.2% evolution of the Ibovespa in the same period, and by 24.3% in the quarter, vis-à-vis the 1.6% of the Ibovespa.

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