

BANK BRADESCO
Form 6-K
March 17, 2003

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

FORM 6-K

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

For the month of March, 2003

Commission File Number 1-15250

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

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

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

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

Form 20-F Form 40-F

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

Yes No

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Banco Bradesco S.A.

Banco Mercantil de São Paulo S.A.

Boavista S.A. Distribuidora de Títulos e Valores Mobiliários

Relevant Fact

In compliance with the provision of CVM Instruction 319, of December 3, 1999, Banco Bradesco S.A. (Bradesco), CNPJ 60.746.948/0001-12, Banco Mercantil de São Paulo S.A. (Mercantil), CNPJ 61.065.421/0001-95 and Boavista S.A. Distribuidora de Títulos e Valores Mobiliários (Boavista), CNPJ 33.932.138/0001-88, inform the market, their stockholders and clients that in Special Stockholders Meetings to be held on March 31, 2003, the proposal for Boavista incorporation by Mercantil and subsequently the Incorporation of Stocks of the Mercantil Minority Stockholders by Bradesco will be voted, in accordance with provisions in Articles 224, 225, 227, 252 and 264 of Law 6.404/76, as per the Instruments of Protocol and Justification signed, on this date, by the aforementioned companies.

The operations, once authorized, will be characterized as follows:

- 1) a) aim to enable the Mercantil minority stockholders to directly participate in the Corporate Capital of Bradesco, Mercantil's indirect controller;
b) aim to promote the corporate reorganization, rationalizing and consequently reducing operational, administrative and legal costs, as a result of Boavista being a wholly-owned subsidiary of Bradesco, and Mercantil being controlled directly by Boavista, converting Mercantil into a wholly-owned subsidiary of Bradesco;
- 2) Cost of approximately R\$2 million;
- 3) Effective on March 31, 2003;
- 4) Based on the balance sheets of the each company as of January 31, 2003, the following Stockholders' Equity were determined: Mercantil - R\$746,795,105.19; Boavista - R\$1,265,739,678.95; and Bradesco R\$10,913,777,925.36;
- 5) Considering that after acquiring the control of Mercantil in March 2002, Bradesco made accounting adjustments to Mercantil to adapt the latter to its practices, which resulted in a reduction to Mercantil's Stockholders' Equity, the consolidated financial statements of Mercantil and Bradesco at December 31, 2001, duly audited and published, will be adopted as a basis for calculating the ratio for the stock exchange and consequent capital increase of Bradesco. These criteria are more fair and compatible with the acquisition cost of the controlling interest in Mercantil;
- 6) The stocks to be issued by Bradesco and attributed to the minority stockholders of Mercantil shall have the following rights and advantages: Common - voting rights; Preferred - no voting rights, priority in Corporate Capital redemption in the event of the Company's liquidation; dividends and/or interest on own capital 10% (ten percent) higher than those assigned to common stocks;
- 7) There will be no capital increase nor issue of new stocks in Mercantil, as a result of the incorporation of Boavista, with the title to the stocks held by Boavista in Mercantil's Corporate Capital being transferred to Bradesco;

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- 8) Given that the book value of Bradesco and Mercantil stocks were R\$0.00678072 and R\$0.16236021, respectively, at December 31, 2001, the ratio of stock exchange on the incorporation of Mercantil's stocks by Bradesco will be 23.94439086 stocks issued by Bradesco for each of Mercantil's stock, being 12.06279162 common and 11.88159924 preferred, in order to maintain the same proportion between common and preferred stocks currently existing for Bradesco's Corporate Capital;
- 9) For the purposes provided in Article 264 of law 6.404/76, it should be noted that, in the event the stock exchange ratio for Mercantil minority stockholders had been established based on the Stockholders' Equity valued at market prices for both companies on January 31, 2003, each stock in Mercantil would be entitled to 11.337177 stocks of Bradesco;
- 10) Once the operations have been approved;
 - a) there will be an increase Bradesco's Company Capital by the amount of R\$158,734,686.51 (one hundred fifty eight million, seven hundred thirty four thousand, six hundred eighty six reais and fifty one cents), through the issuance of 20,767,712,349 (twenty billion, seven hundred sixty seven million, seven hundred twelve thousand, three hundred forty nine) new nominative book-entry stocks, with no par value, being 10,462,433,059 (ten billion, four hundred sixty two million, four hundred and thirty three thousand, and fifty nine) common and 10,305,279,290 (ten billion, three hundred and five million, two hundred and seventy nine thousand, two hundred and ninety) preferred stocks, to be attributed to the minority stockholders of Mercantil in the proportion established in item 8 above, with the consequent amendment of the main provision of Article 6 of Bradesco's Corporate Bylaws, which will read as follows: "Art. 6) The Company Capital is R\$6,258,734,686.51 (six billion, two hundred fifty eight million, seven hundred thirty four thousand, six hundred eight six reais and fifty one cents), consisting of 1,515,448,014,186 (one trillion, five hundred fifteen billion, four hundred forty eight million, fourteen thousand, one hundred eighty six) nominative book-entry stock, with no par value, of which 763,457,868,465 (seven hundred sixty three billion, four hundred fifty seven million, eight hundred sixty eight thousand, four hundred sixty five) are common stock and 751,990,145,721 (seven hundred fifty one billion, nine hundred ninety million, one hundred forty five thousand, seven hundred twenty one) are preferred stock with no voting rights, but with priority in the redemption of the Company Capital, in the event of the Company's liquidation and with all the rights and advantages granted to common stock, as well as dividends ten percent (10%) higher than those assigned to common stock";
 - b) Mercantil shall be transformed into a wholly-owned subsidiary of Bradesco, with its Bylaws amended and subsequently consolidated highlighting the following alterations: I. Conversion of preferred stocks into common stocks; II. Dissolution of the Board of Directors; III. Alteration in the composition of the Board of Executive Officers, reducing the minimum and maximum number of Officers;
- 11) The stock fractions issued by Bradesco, as a result of the capital increase, which are not attributed to the stockholders of Mercantil, shall be grouped and sold on the São Paulo Stock Market Exchange (Bovespa) at market price, and the value earned shall be credited to the Capital Reserve account in Bradesco, to be used for a future capital increase benefiting all of the stockholders indiscriminately, given the high operational cost of such distribution and the immaterial value that these leftovers would represent for each stockholder;

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- 12) There will be no dissent right on the incorporation of Boavista, since Bradesco is its sole stockholder;
- 13) Upon the incorporation of the stocks of Mercantil's minority stockholders by Bradesco, the common and preferred stockholders of Mercantil and the preferred stockholders of Bradesco, under the terms of Articles 137 and 230 of Law 6.404/76, can exercise their dissent right from the companies, by means of book value reimbursement of R\$116.51772 per lot of one thousand stocks to the stockholders of Mercantil, and R\$7.64334 per lot of one thousand stocks to the stockholders of Bradesco;
- 14) The stocks of Bradesco, to be attributed to the stockholders of Mercantil shall be entitled to the full dividends and/or interest on own capital declared as from the month in which the Central Bank of Brazil approves the respective process. They shall also be entitled, in full, to any advantages attributed to the other stocks as from the month of the aforementioned approval;
- 15) The valuations of the Companies' Stockholders' Equity were performed as follows:
 - a) the book value, based on the companies' balance sheets as of January 31, 2003, duly audited by KPMG Auditores Independentes;
 - b) the market value for Bradesco, by Grant Thornton Auditores Independentes and for Mercantil and Boavista, by BES Investimento do Brasil S.A. - Investment Bank;
 - c) the economic value for Mercantil, by BES Investimento do Brasil S.A. - Investment Bank;
- 16) The above mentioned companies in charge of the Appraisal Reports declare that they do not have any relationship or conflict of interest, current or potential, with the controlling or minority stockholders of Bradesco, Mercantil and Boavista, or relatively to any other entity part of the operation, and its respective partners, including the actual operation object of this Relevant Fact;
- 17) The operations will be submitted for approval of the Central Bank of Brazil;
- 18) The proposals of the Board of Directors and the Board of Executive Officers of the Companies, the Instruments of Protocol and Justification, the Mercantil Bylaws project, Bradesco and Mercantil Balance Sheets as of January 31, 2003, and December 31, 2001, the Appraisal Reports issued by KPMG Auditores Independentes, Grant Thornton Auditores Independentes and BES Investimento do Brasil S.A. - Investment Bank, are available(1) to interested parties at the Company's head office and at Banco Bradesco S.A's Stocks and Custody Department, Depository Financial Institution, at Cidade de Deus, Prédio Amarelo, Vila Yara, Osasco, São Paulo, Brazil.

Osasco, São Paulo, Brazil, March 14, 2003

Banco Bradesco S.A.
Luiz Carlos Trabuco Cappi
Executive Vice President and
Investor Relations Director
www.bradesco.com.br

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(1) Documents are also available at Citibank's head office in New York, USA, Bradesco's ADRs depositary bank (Portuguese version only).

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Banco Bradesco S.A.
CNPJ No 60.746.948/0001-12 - NIRE 35.300.027.795
Publicly Held Company
Special Stockholders' Meetings
Publication of Summons

We invite the stockholders of this Company to meet in Extraordinary General Meeting, to be held on March 31, 2003, at 4:00 p.m., at the head Office at Cidade de Deus, Vila Yara, Osasco, São Paulo, Brazil, in the "Salão Nobre" on the 5th floor, Prédio Novo, in order to:

Ratify the capital increase, determined in the 198th Extraordinary General Meeting held on January 10, 2003, of R\$501,000,000.00, increasing capital from R\$5,599,000,000.00 to R\$6,100,000,000.00, by means of subscription of 66,800,000,000 new nominative- book-entry stocks, with no par value, being 33,652,745,021 common and 33,147,254,979 preferred stocks, whose Meeting minutes were published in the "Diário Oficial do Estado de São Paulo", "Diário do Comércio" and "Jornal do Comercio", on January 18, 2003, with the consequent amendment to the main provision of Article 6 of the Corporate Bylaws.

We invite the stockholders of this Company to meet in Special Stockholders' Meeting, to be held on March 31, 2003, at 4:30 p.m., at the head Office at Cidade de Deus, Vila Yara, Osasco, São Paulo, Brazil, in the "Salão Nobre" on the 5th floor, Prédio Novo, in order to:

- I. Authenticate the purchase of the controlling interest in Banco Mercantil de São Paulo S.A., in accordance with the provision in Article 256 of Law 6.404/76;
- II. Examine the Board of Directors' proposal to:
 1. stock incorporation, by Banco Bradesco, of minority stockholders in Banco Mercantil de São Paulo S.A. (Mercantil), converting Mercantil into a wholly-owned subsidiary of this Company, in accordance with the provision in Article 252 of law 6.404/76, based on:
 - a) examination and approval of the Instrument of Protocol and Justification regarding the Incorporation of Stocks of the Minority Stockholders;
 - b) Ratification of the companies designated to perform the assessment and the Appraisal Reports of Mercantil Stocks;
 - c) increase the Company Capital, by the amount of R\$158,734,686.51, raising it from R\$6,100,000,000.00 to R\$6,258,734,686.51, through the issuance of 20,767,712,349 new nominative book-entry stocks, with no par value, being 10,462,433,059 common and 10,305,279,290 preferred stocks, in the proportion of 23.94439086 Bradesco stocks for each Mercantil stock, being 12.06279162 common and 11.88159924 preferred stocks, to be attributed to the minority stockholders of Mercantil, independent of the type of stocks held in Mercantil, with the consequent amendment of the main provision of Article 6 of the Corporate Bylaws;
 2. increase the Company Capital, by the amount of R\$41,265,313.49, raising it to R\$6,300,000,000.00, by means of capitalization of part of the balance on the "Revenue Reserve - Statutory Reserve from 1996 to 2000" account, without issue of stocks, in accordance with the first paragraph of article 169 of Law 6.404/76, with the consequent amendment of the main provision of Article 6 of the Corporate Bylaws.

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Documents Available to the Public: the proposals of the Board of Directors of the Companies, the Instrument of Protocol and Justification, the Balance Sheets as of December 31, 2001, and January 31, 2003, the Appraisal Reports at book, market and economic values issued by KPMG Auditores Independentes, Grant Thornton Auditores Independentes and BES Investimento do Brasil S.A. - Investment Bank, are available(1) to interested parties at the Company's Stocks and Custody Department at Cidade de Deus, Prédio Amarelo, Vila Yara, Osasco, São Paulo, Brazil; and at the Sao Paulo Stock Exchange (Bovespa) at Rua XV de Novembro, 275, Centro, São Paulo, Brazil.

Osasco, São Paulo, Brazil, March 14, 2003

Lázaro de Mello Brandão
Chairman of the Board of Directors

(1) Documents are also available at Citibank's head office in New York, USA, Bradesco's ADRs depository bank (Portuguese version only).

Proposals of the Board of Directors to be submitted to the Stockholders of Banco Bradesco S.A. (Bradesco), in the Special Stockholders' Meeting of March 31, 2003, regarding stock incorporation of the Minority Stockholders of Banco Mercantil de São Paulo S.A. (Mercantil) by Bradesco.

With the objective to enable the Mercantil minority stockholders to directly participate in the Corporate Capital of Bradesco, Mercantil's indirect controller, and aiming to promote the corporate reorganization, rationalizing and consequently reducing operational, administrative and legal costs, we propose the incorporation of the stocks held by the Mercantil minority stockholders, which will then be its sole stockholder, converting Mercantil into a wholly-owned subsidiary of Bradesco

The operation for the minority stockholders incorporation, once authorized, will be characterized as follows and will be effective on March 31, 2003:

1. Based on the balance sheets of the each company as of January 31, 2003, the following Stockholders' Equity were determined: Mercantil - R\$746,795,105.19; and Bradesco R\$10,913,777,925.36;
2. Considering that after acquiring the control of Mercantil in March 2002, Bradesco made accounting adjustments to Mercantil to adapt the latter to its practices, which resulted in a reduction to Mercantil's Stockholders' Equity, the consolidated financial statements of Mercantil and Bradesco at December 31, 2001, duly audited and published, will be adopted as a basis for calculating the ratio for the stock exchange and consequent capital increase of Bradesco. These criteria are more fair and compatible with the acquisition cost of the controlling interest in Mercantil;
3. The stocks to be issued by Bradesco and attributed to the minority stockholders of Mercantil shall have the following rights and advantages: Common - voting rights; Preferred - no voting rights, priority in Corporate Capital redemption in the event of the Company's liquidation; dividends and/or interest on own capital 10% (ten percent) higher than those assigned to common stocks;

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4. Given that the book value of Bradesco and Mercantil stocks were R\$0.00678072 and R\$0.16236021, respectively, at December 31, 2001, the ratio of stock exchange on the incorporation of Mercantil's stocks by Bradesco will be 23.94439086 stocks issued by Bradesco for each of Mercantil's stock, being 12.06279162 common and 11.88159924 preferred, in order to maintain the same proportion between common and preferred stocks currently existing for Bradesco's Corporate Capital;
5. For the purposes provided in Article 264 of law 6.404/76, it should be noted that, in the event the stock exchange ratio for Mercantil minority stockholders had been established based on the Stockholders' Equity valued at market prices for both companies on January 31, 2003, each stock in Mercantil would be entitled to 11.337177 stocks of Bradesco;
6. Once the operation has been approved:
 - a) there will be an increase Bradesco's Company Capital by the amount of R\$158,734,686.51 (one hundred fifty eight million, seven hundred thirty four thousand, six hundred eighty six reais and fifty one cents), through the issuance of 20,767,712,349 (twenty billion, seven hundred sixty seven million, seven hundred twelve thousand, three hundred forty nine) new nominative book-entry stocks, with no par value, being 10,462,433,059 (ten billion, four hundred sixty two million, four hundred and thirty three thousand, and fifty nine) common and 10,305,279,290 (ten billion, three hundred and five million, two hundred and seventy nine thousand, two hundred and ninety) preferred stocks, to be attributed to the minority stockholders of Mercantil in the proportion established in item 4 above, with the consequent amendment of the main provision of Article 6 of Bradesco's Corporate Bylaws, which will read as follows: "Art. 6) The Company Capital is R\$6,258,734,686.51 (six billion, two hundred fifty eight million, seven hundred thirty four thousand, six hundred eight six reais and fifty one cents), consisting of 1,515,448,014,186 (one trillion, five hundred fifteen billion, four hundred forty eight million, fourteen thousand, one hundred eighty six) nominative book-entry stock, with no par value, of which 763,457,868,465 (seven hundred sixty three billion, four hundred fifty seven million, eight hundred sixty eight thousand, four hundred sixty five) are common stock and 751,990,145,721 (seven hundred fifty one billion, nine hundred ninety million, one hundred forty five thousand, seven hundred twenty one) are preferred stock with no voting rights, but with priority in the redemption of the Company Capital, in the event of the Company's liquidation and with all the rights and advantages granted to common stock, as well as dividends ten percent (10%) higher than those assigned to common stock";
 - b) Mercantil shall be transformed into a wholly-owned subsidiary of Bradesco, with its Bylaws amended and subsequently consolidated highlighting the following alterations: I. Conversion of preferred stocks into common stocks; II. Dissolution of the Board of Directors; III. Alteration in the composition of the Board of Executive Officers, reducing the minimum and maximum number of Officers;
7. The stock fractions issued by Bradesco, as a result of the capital increase, which are not attributed to the stockholders of Mercantil, shall be grouped and sold on the São Paulo Stock Market Exchange (Bovespa) at market price, and the value earned shall be credited to the Capital Reserve account in Bradesco, to be used for a future capital increase benefiting all of the stockholders indiscriminately, given the high operational cost of such distribution and the immaterial value that these leftovers would represent for each stockholder;

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8. The common and preferred stockholders of Mercantil and the preferred stockholders of Bradesco, under the terms of Articles 137 and 230 of Law 6.404/76, can exercise their dissent right from the companies, by means of book value reimbursement of R\$116.51772 per lot of one thousand stocks to the stockholders of Mercantil, and R\$7.64334 per lot of one thousand stocks to the stockholders of Bradesco;
9. The stocks of Bradesco, to be attributed to the stockholders of Mercantil shall be entitled to the full dividends and/or interest on own capital declared as from the month in which the Central Bank of Brazil approves the respective process. They shall also be entitled, in full, to any advantages attributed to the other stocks as from the month of the aforementioned approval;
10. The valuations of the Companies' Stockholders' Equity were performed as follows:
 - a) the book value, based on the companies' balance sheets as of January 31, 2003, duly audited by KPMG Auditores Independentes;
 - b) the market value for Bradesco, by Grant Thornton Auditores Independentes and for Mercantil, by BES Investimento do Brasil S.A. - Investment Bank;
 - c) the economic value for Mercantil, by BES Investimento do Brasil S.A. - Investment Bank;
11. The operation will be submitted for approval of the Central Bank of Brazil.

Osasco, São Paulo, Brazil, March 14, 2003

Board of Directors

Lázaro de Mello Brandão - Chairman
Antônio Bornia - Vice Chairman
Dorival Antônio Bianchi
Mário da Silveira Teixeira Júnior
Márcio Artur Laurelli Cypriano
João Aguiar Alvarez
Denise Aguiar Alvarez Valente

We hereby declare that this is a true copy of an excerpt of the Minutes of Extraordinary Meeting # 912, of the Bank's Board of Directors, held on March 14, 2003, entered in a specific book.

Banco Bradesco S.A.
Milton Almicar Silva Vargas Domingos Figueiredo de Abreu
Executive Vice-President Director Managing Director

Proposals of the Board of Directors to be submitted to the Stockholders of Banco Bradesco S.A. (Bradesco), in the Special Stockholders' Meeting of March 31, 2003.

To increase the Company Capital, by the amount of R\$41,265,313.49 (forty one million, two hundred sixty five thousand, three hundred thirteen reais and forty nine cents), raising it to R\$6,300,000,000.00 (six billion, three

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hundred million reais), by means of capitalization of part of the balance on the "Revenue Reserve - Statutory Reserve from 1996 to 2000" account, without issue of stocks, in accordance with the first paragraph of article 169 of Law 6.404/76, with the consequent amendment of the main provision of Article 6 of the Corporate Bylaws, which will read as follows: "Art. 6) The Company Capital is R\$6,300,000,000.00 (six billion, three hundred million reais), consisting of 1,515,448,014,186 (one trillion, five hundred fifteen billion, four hundred forty eight million, fourteen thousand, one hundred eighty six) nominative book-entry stock, with no par value, of which 763,457,868,465 (seven hundred sixty three billion, four hundred fifty seven million, eight hundred sixty eight thousand, four hundred sixty five) are common stock and 751,990,145,721 (seven hundred fifty one billion, nine hundred ninety million, one hundred forty five thousand, seven hundred twenty one) are preferred stock with no voting rights, but with priority in the redemption of the Company Capital, in the event of the Company's liquidation and with all the rights and advantages granted to common stock, as well as dividends ten percent (10%) higher than those assigned to common stock";

Osasco, São Paulo, Brazil, March 14, 2003

Board of Directors

- Lázaro de Mello Brandão - Chairman
- Antônio Bornia - Vice Chairman
- Dorival Antônio Bianchi
- Mário da Silveira Teixeira Júnior
- Márcio Artur Laurelli Cypriano
- João Aguiar Alvarez
- Denise Aguiar Alvarez Valente

We hereby declare that this is a true copy of an excerpt of the Minutes of Extraordinary Meeting # 912, of the Bank's Board of Directors, held on March 14, 2003, entered in a specific book.

Banco Bradesco S.A.

| | |
|-----------------------------|------------------------------|
| Milton Almicar Silva Vargas | Domingos Figueiredo de Abreu |
| Executive Vice-President | Managing Director |

Proposals of the Board of Directors to be submitted to the Stockholders of Banco Mercantil de São Paulo S.A. (Mercantil), in the Special Stockholders' Meeting of March 31, 2003, regarding stock incorporation of the Mercantil's Minority Stockholders by Banco Bradesco S.A. (Bradesco).

With the objective to enable the Mercantil minority stockholders to directly participate in the Corporate Capital of Bradesco, Mercantil's indirect controller, and aiming to promote the corporate reorganization, rationalizing and consequently reducing operational, administrative and legal costs, we propose the incorporation of the stocks held by the Mercantil minority stockholders to the Bradesco's Stockholders's Equity, converting Mercantil into a wholly-owned subsidiary of Bradesco

The operation for the minority stockholders incorporation, once authorized, will be characterized as follows and will be effective on March 31, 2003:

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1. Based on the balance sheets of the each company as of January 31, 2003, the following Stockholders' Equity were determined: Mercantil - R\$746,795,105.19; and Bradesco R\$10,913,777,925.36;
2. Considering that after acquiring the control of Mercantil in March 2002, Bradesco made accounting adjustments to Mercantil to adapt the latter to its practices, which resulted in a reduction to Mercantil's Stockholders' Equity, the consolidated financial statements of Mercantil and Bradesco at December 31, 2001, duly audited and published, will be adopted as a basis for calculating the ratio for the stock exchange and consequent capital increase of Bradesco. These criteria are more fair and compatible with the acquisition cost of the controlling interest in Mercantil;
3. The stocks to be issued by Bradesco and attributed to the minority stockholders of Mercantil shall have the following rights and advantages: Common - voting rights; Preferred - no voting rights, priority in Corporate Capital redemption in the event of the Company's liquidation; dividends and/or interest on own capital 10% (ten percent) higher than those assigned to common stocks;
4. Given that the book value of Bradesco and Mercantil stocks were R\$0.00678072 and R\$0.16236021, respectively, at December 31, 2001, the ratio of stock exchange on the incorporation of Mercantil's stocks by Bradesco will be 23.94439086 stocks issued by Bradesco for each of Mercantil's stock, being 12.06279162 common and 11.88159924 preferred, in order to maintain the same proportion between common and preferred stocks currently existing for Bradesco's Corporate Capital;
5. For the purposes provided in Article 264 of law 6.404/76, it should be noted that, in the event the stock exchange ratio for Mercantil minority stockholders had been established based on the Stockholders' Equity valued at market prices for both companies on January 31, 2003, each stock in Mercantil would be entitled to 11.337177 stocks of Bradesco;
6. Once the operation has been approved:
 - a) there will be an increase Bradesco's Company Capital by the amount of R\$158,734,686.51 (one hundred fifty eight million, seven hundred thirty four thousand, six hundred eighty six reais and fifty one cents), through the issuance of 20,767,712,349 (twenty billion, seven hundred sixty seven million, seven hundred twelve thousand, three hundred forty nine) new nominative book-entry stocks, with no par value, being 10,462,433,059 (ten billion, four hundred sixty two million, four hundred and thirty three thousand, and fifty nine) common and 10,305,279,290 (ten billion, three hundred and five million, two hundred and seventy nine thousand, two hundred and ninety) preferred stocks, to be attributed to the minority stockholders of Mercantil in the proportion established in item 4 above, with the consequent amendment of the main provision of Article 6 of Bradesco's Corporate Bylaws;
 - b) Mercantil shall be transformed into a wholly-owned subsidiary of Bradesco;
7. The stock fractions issued by Bradesco, as a result of the capital increase, which are not attributed to the stockholders of Mercantil, shall be grouped and sold on the São Paulo Stock Market Exchange (Bovespa) at market price, and the value earned shall be credited to the Capital Reserve account in Bradesco, to be used for a future capital increase benefiting all of the stockholders indiscriminately, given the high operational cost of such distribution and the immaterial value that these leftovers would represent for each stockholder;

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8. The common and preferred stockholders of Mercantil, under the terms of Articles 137 and 230 of Law 6.404/76, can exercise their dissent right from Mercantil, by means of book value reimbursement of R\$116.51772 per lot of one thousand stocks;
9. The stocks of Bradesco, to be attributed to the stockholders of Mercantil shall be entitled to the full dividends and/or interest on own capital declared as from the month in which the Central Bank of Brazil approves the respective process. They shall also be entitled, in full, to any advantages attributed to the other stocks as from the month of the aforementioned approval;
10. The valuations of the Companies' Stockholders' Equity were performed as follows:
 - a) the book value, based on the companies' balance sheets as of January 31, 2003, duly audited by KPMG Auditores Independentes;
 - b) the market value for Bradesco, by Grant Thornton Auditores Independentes and for Mercantil, by BES Investimento do Brasil S.A. - Investment Bank;
 - c) the economic value for Mercantil, by BES Investimento do Brasil S.A. - Investment Bank;
11. The operation will be submitted for approval of the Central Bank of Brazil.

São Paulo, Brazil, March 14, 2003

Board of Directors

Lázaro de Mello Brandão - Chairman
Antônio Bornia - Vice Chairman
Dorival Antônio Bianchi
Mário da Silveira Teixeira Júnior
Márcio Artur Laurelli Cypriano

We hereby declare that this is a true copy of an excerpt of the Minutes of Extraordinary Meeting of the Bank's Board of Directors, held on March 14, 2003, entered in a specific book.

Banco Mercantil de São Paulo S.A.
José Luiz Acar Pedro Ovídio Armelin
President Vice-President Director

