

NUVEEN QUALITY PREFERRED INCOME FUND 2
Form N-CSRS
April 05, 2012

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

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21137

Nuveen Quality Preferred Income Fund 2
(Exact name of registrant as specified in charter)

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy

Nuveen Investments

333 West Wacker Drive

Chicago, IL 60606
(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year July 31
end:

Date of reporting period: January 31, 2012

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

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A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. SS. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed-End Funds

Nuveen Investments

Closed-End Funds

*Seeks High Current Income from a Portfolio of
Investment-Grade Preferred Securities*

Semi-Annual Report

January 31, 2012

Nuveen Quality Preferred Income Fund

JTP

Nuveen Quality Preferred Income Fund 2

JPS

Nuveen Quality Preferred Income Fund 3

JHP

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Chairman's
Letter to Shareholders

Dear Shareholders,

These are perplexing times for investors. The global economy continues to struggle. The solutions being implemented in the eurozone to deal with the debt crises of many of its member countries are not yet seen as sufficient by the financial markets. The political paralysis in the U.S. has prevented the compromises necessary to deal with the fiscal imbalance and government spending priorities. The efforts by individual consumers, governments and financial institutions to reduce their debts are increasing savings but reducing demand for the goods and services that drive employment. These developments are undermining the rebuilding of confidence by consumers, corporations and investors that is so essential to a resumption of economic growth.

Although it is painfully slow, progress is being made. In Europe, the turnover of a number of national governments reflects the realization by politicians and voters alike that leaders who practiced business as usual had to be replaced by leaders willing to face problems and accept the hard choices needed to resolve them. The recent coordinated efforts by central banks in the U.S. and Europe to provide liquidity to the largest European banks indicates that these monetary authorities are committed to facilitating a recovery in the European banking sector.

In the U.S., the failure of the congressionally appointed Debt Reduction Committee was a blow to those who hoped for a bipartisan effort to finally begin addressing the looming fiscal crisis. Nevertheless, Congress and the administration cannot ignore the issue for long. The Bush era tax cuts are scheduled to expire on December 31, 2012, and six months later the \$1.2 trillion of mandatory across-the-board spending cuts under the Budget Control Act of 2011 begin to go into effect. Any legislative modification would require bipartisan support and the prospects for a bipartisan solution are unclear. The impact of these two developments would be a mixed blessing: a meaningful reduction in the annual budget deficit at the cost of slowing the economic recovery.

It is in these particularly volatile markets that professional investment management is most important. Skillful investment teams who have experienced challenging markets and remain committed to their investment disciplines are critical to the success of an investor's long-term objectives. In fact, many long-term investment track records are built during challenging markets when managers are able to protect investors against these economic crosscurrents. Experienced investment teams know that volatile markets put a premium on companies and investment ideas that will weather the short-term volatility and that compelling values and opportunities are opened up when markets overreact to negative developments. By maintaining appropriate time horizons, diversification and relying on practiced investment teams, we believe that investors can achieve their long-term investment objectives.

As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner
Chairman of the Board
March 22, 2012

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Portfolio Managers' Comments

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.

Nuveen Quality Preferred Income Fund (JTP)
Nuveen Quality Preferred Income Fund 2 (JPS)
Nuveen Quality Preferred Income Fund 3 (JHP)

The Funds are sub-advised by a team of specialists at Spectrum Asset Management, a wholly owned subsidiary of Principal Global Investors, LLC. Mark Lieb and Phil Jacoby, who have more than 50 years of combined experience in the preferred securities markets, lead the team. Here Mark and Phil talk about their management strategy and the performance of each Fund for six-month period ended January 31, 2012.

What key strategies were used to manage the Funds during the six-month period ended January 31, 2012?

The investment objective of each Fund is to seek high current income consistent with capital preservation. Each Fund's secondary objective is to enhance portfolio value. Under normal market conditions, the Funds seek to invest at least 80% of their net assets in preferred securities and up to 20% in debt securities, including convertible debt and convertible preferred securities.

Our basic strategy is to stay relatively balanced between the individual investor-oriented \$25 par preferred securities often traded on securities exchanges and the institutional investor-oriented \$1000 par preferred securities traded over-the-counter in the capital markets. Both types of securities offer different performance opportunities, which together with the broad diversification benefits of the combined universe, help to produce potentially attractive risk-adjusted rates of return.

We keep a risk-averse posture toward security structure, which is an important core aspect of our effort to preserve capital and provide attractive income over the long term. We also maintain approximately a 60% weighting to U.S. issued securities and a 40% weighting to foreign names as part of the strategy of all three Funds includes seeking to invest in U.S. versus foreign issuers in approximately the same proportion as the Comparative Benchmark.

During the reporting period, we were equal weight in Germany and underweight in France and Britain versus the benchmark. We also were overweight in a number of other countries, such as Canada, Bermuda

and Switzerland. On a market sector basis, we were overweight in capital securities by about 5% because of what we saw as the potential for better call protection and more upside opportunity.

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Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

For additional information, see the Performance Overview page for your Fund in this report.

* Six-month returns are cumulative; all other returns are annualized.

** Refer to Glossary of Terms Used in this Report for definitions.

How did the Funds perform over this six-month period?

The performance of the Funds, as well as comparative index and benchmark, are presented in the accompanying table.

Average Annual Total Returns on Common Share Net Asset Value

For the periods ended 1/31/12

Fund	6-Month*	1-Year	5-Year
JTP	1.51%	5.98%	-1.95%
JPS	0.87%	5.38%	-1.21%
JHP	0.92%	5.38%	-1.66%
Barclays Capital U.S. Aggregate Bond Index**	4.25%	8.66%	6.70%
Comparative Benchmark**	1.80%	5.30%	1.26%

For the six-month period ended January 31, 2012, all three Funds underperformed the Barclays Capital U.S. Aggregate Bond Index and Comparative Benchmark.

During the reporting period, several factors contributed positively to each Fund's performance. In general, U.S. securities did well, followed by Great Britain. As of January 31, 2012, each Fund had more than 70% of its portfolio in issues of companies domiciled in the U.S. or Great Britain. Several holdings in particular contributed to positive performance, including issues from Firststar Realty, Reliance Capital, Credit Suisse, HSBC Holdings, Weingarten Realty Trust, Barclays Bank, First Union Capital Trust and Lincoln National Corporation.

The Funds were impacted negatively throughout the reporting period from protracted European sovereign debt concerns that revalued financial risk in the foreign bank names of the region, as well as in some of the foreign insurance issues. In particular, the French and the German sectors did poorly. While each Fund's holdings in European securities was relatively modest when compared with its U.S. positions, the overall impact of these European holdings was negative. Several of the individual positions that contributed to the Funds underperformance included AXA, Deutsche Bank, Aegon and Swiss Re Capital.

Fund Leverage
and Other Information

IMPACT OF THE FUNDS' LEVERAGE STRATEGY ON PERFORMANCE

One important factor impacting the return of the Funds relative to their benchmarks was the Funds' use of leverage through the use of bank borrowings. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common share total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a Fund generally are rising. Leverage had a positive impact on the performance of the Funds over this reporting period. During the period, the Funds entered into interest rate swap contracts to partially fix the interest cost of their leverage. This activity detracted modestly from the overall positive impact of leverage, as rates declined slightly while the positions were in place, meaning it would have been better had the interest rates of the leverage floated rather than being partially fixed in the period.

UPDATE ON LITIGATION REGARDING THE FUNDS' REDEMPTION OF AUCTION RATE PREFERRED SHARES

During 2011, certain funds (including these Funds) were named in a consolidated complaint as nominal defendants in a putative shareholder derivative action captioned *Martin Safier, et al. v. Nuveen Asset Management, et al.* that was filed in the Circuit Court of Cook County, Illinois, Chancery Division (the "Cook County Chancery Court") on February 18, 2011 (the "Complaint"). The Complaint, filed on behalf of purported holders of each fund's common shares, also named Nuveen Fund Advisors, Inc. as a defendant, together with current and former Officers and interested Directors/Trustees of each of the funds (together with the nominal defendants, collectively, the "Defendants"). The Complaint contained allegations regarding breaches of fiduciary duties in connection with the redemption of auction rate preferred shares issued by the funds. The Defendants filed a motion to dismiss the suit and on December 16, 2011, the court granted that motion dismissing the Complaint. The plaintiffs failed to file an appeal of the court's decision within the required time period, resulting in the final disposition of the suit.

RISK CONSIDERATIONS

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation.

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Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

Investment Risk. The possible loss of the entire principal amount that you invest.

Price Risk. Shares of closed-end investment companies like these Funds frequently trade at a discount to their net asset value (NAV). Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk. Each Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, distributions and returns. There is no assurance that a Fund's leveraging strategy will be successful.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations.

Issuer Credit Risk. This is the risk that a security in a Fund's portfolio will fail to make dividend or interest payments when due.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Reinvestment Risk. If market interest rates decline, income earned from a Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

Preferred Stock Risk. Preferred stocks are subordinated to bonds and other debt instruments in a company's capital structure, and therefore are subject to greater credit risk.

Call Risk or Prepayment Risk. Issuers may exercise their option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower-yielding securities.

Non-U.S. Securities Risk. Investments in non-U.S securities involve special risks not typically associated with domestic investments including currency risk and adverse political, social and economic developments. These risks often are magnified in emerging markets.

Derivatives Strategy Risk. Derivative securities, such as calls, puts, warrants, swaps and forwards, carry risks different from, and possibly greater than, the risks associated with the underlying investments.

Common Share Distribution and Price Information

Distribution Information

The following information regarding your Fund's distributions is current as of January 31, 2012, and likely will vary over time based on each Fund's investment activities and portfolio investment value changes.

During the six-month reporting period, the Funds did not make any changes to their monthly distributions to common shareholders. Some of the important factors affecting the amount and composition of these distributions are summarized below.

The Funds employ leverage through the use of bank borrowings. Financial leverage provides the potential for higher earnings (net investment income), total returns and distributions over time, but as noted earlier also increases the variability of common shareholders' net asset value (NAV) per share in response to changing market conditions.

During certain periods, the Funds may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Funds during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of earnings, the excess constitutes negative UNII that is likewise reflected in a Funds' NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of January 31, 2012, all three Funds had positive UNII balances, based upon our best estimate, for tax purposes. JTP and JPS had positive UNII balances and JHP had a negative UNII balance for financial reporting purposes.

Common Share Repurchases and Share Price Information

As of January 31, 2012, and since the inception of the Funds' repurchase program, the Funds have not repurchased any of their outstanding common shares.

At January 31, 2012, the Funds' common share prices were trading at (+) premiums/(-) discounts to their common share NAVs as shown in the accompanying table.

Fund	1/31/12 (+) Premium/(-) Discount	Six-Month Average (-) Discount
JTP	(+)0.62%	(-)2.08%
JPS	(-)0.59%	(-)4.19%
JHP	(+)2.31%	(-)2.92%

Nuveen Investments

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Fund Snapshot

Common Share Price	\$ 8.11
Common Share Net Asset Value (NAV)	\$ 8.06
Premium/(Discount) to NAV	0.62%
Latest Dividend	\$ 0.0500
Market Yield	7.40%
Net Assets Applicable to Common Shares (\$000)	\$ 521,220

Leverage

Regulatory Leverage	27.83%
Effective Leverage	27.83%

Average Annual Total Return

(Inception 6/25/02)

	On Share Price	On NAV
6-Month (Cumulative)	11.79%	1.51%
1-Year	17.59%	5.98%
5-Year	-1.32%	-1.95%
Since Inception	2.53%	2.65%

Portfolio Composition(as a % of total investments)^{2,4}

Insurance	31.7%
Commercial Banks	18.5%
Real Estate/Mortgage	9.8%
Capital Markets	7.0%
Diversified Financial Services	6.8%
Multi-Utilities	3.6%
Short-Term Investments	3.7%
Other	18.9%

Country Allocation(as a % of total investments)^{2,4}

United States	65.2%
United Kingdom	8.6%

Netherlands	5.0%
Germany	3.6%
Switzerland	3.3%
Canada	2.9%
Other	11.4%

Top Five Issuers

(as a % of total investments)^{1,2,4}

Firststar Realty LLC	3.2%
Reliance Capital Trust	2.5%
Centaur Funding Corp	2.5%
Aegon NV	2.4%
Kimco Realty Corp	2.4%
JTP	

Performance

OVERVIEW

(Unaudited)

Nuveen Quality Preferred Income Fund

as of January 31, 2012

Portfolio Allocation (as a % of total investments)^{2,4}

2011-2012 Monthly Distributions Per Common Share

Common Share Price Performance Weekly Closing Price

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

1 Excluding short-term investments.

2 Holdings are subject to change.

3 Rounds to less than 0.1%.

4 Excluding investments in derivatives.

Nuveen Investments

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JPS

Performance

OVERVIEW

(Unaudited)

Nuveen Quality Preferred Income Fund 2

as of January 31, 2012

Portfolio Allocation (as a % of total investments)^{2,3}

2011-2012 Monthly Distributions Per Common Share

Common Share Price Performance Weekly Closing Price

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

1 Excluding short-term investments.

2 Holdings are subject to change.

3 Excluding investments in derivatives.

Fund Snapshot

Common Share Price	\$	8.45
Common Share Net Asset Value (NAV)	\$	8.50
Premium/(Discount) to NAV		-0.59%
Latest Dividend	\$	0.0550
Market Yield		7.81%
Net Assets Applicable to Common Shares (\$000)	\$	1,022,239

Leverage

Regulatory Leverage	27.82%
Effective Leverage	27.82%

Average Annual Total Return

(Inception 9/24/02)

	On Share Price	On NAV
6-Month (Cumulative)	9.11%	0.87%
1-Year	14.80%	5.38%
5-Year	-1.06%	-1.21%
Since Inception	3.29%	3.52%

Portfolio Composition(as a % of total investments)^{2,3}

Insurance	31.6%
Commercial Banks	18.7%
Real Estate/Mortgage	11.8%
Diversified Financial Services	7.6%
Capital Markets	6.6%
Short-Term Investments	3.9%
Other	19.8%

Country Allocation(as a % of total investments)^{2,3}

United States	66.0%
United Kingdom	7.4%
Netherlands	5.8%
Germany	4.2%
France	3.4%
Switzerland	2.7%
Other	10.5%

Top Five Issuers(as a % of total investments)^{1,2,3}

Wachovia	3.4%
Aegon NV	2.7%
Centaur Funding Corp	2.6%
Vornado Realty LP	2.2%

Deutsche Bank AG	2.1%
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Nuveen Investments

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Fund Snapshot

Common Share Price	\$ 8.42
Common Share Net Asset Value (NAV)	\$ 8.23
Premium/(Discount) to NAV	2.31%
Latest Dividend	\$ 0.0520
Market Yield	7.41%
Net Assets Applicable to Common Shares (\$000)	\$ 195,204

Leverage

Regulatory Leverage	27.76%
Effective Leverage	27.76%

Average Annual Total Return

(Inception 12/18/02)

	On Share Price	On NAV
6-Month (Cumulative)	13.76%	0.92%
1-Year	15.82%	5.38%
5-Year	-1.47%	-1.66%
Since Inception	2.74%	2.72%

Portfolio Composition(as a % of total investments)^{2,3}

Insurance	31.5%
Commercial Banks	18.6%
Real Estate/Mortgage	11.5%
Diversified Financial Services	8.8%
Capital Markets	7.5%
Short-Term Investments	3.7%
Other	18.4%

Country Allocation(as a % of total investments)^{2,3}

United States	66.8%
United Kingdom	6.6%
Netherlands	5.2%
Germany	3.9%

Australia	3.0%
France	3.0%
Switzerland	3.0%
Other	8.5%

Top Five Issuers

(as a % of total investments)^{1,2,3}

First Union	3.4%
Deutsche Bank AG	3.3%
Centaur Funding Corp	3.2%
Aegon NV	2.6%
XL Group PLC	2.1%
JHP	

Performance

OVERVIEW

(Unaudited)

Nuveen Quality Preferred Income Fund 3

as of January 31, 2012

Portfolio Allocation (as a % of total investments)^{2,3}

2011-2012 Monthly Distributions Per Common Share

Common Share Price Performance Weekly Closing Price

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this Fund's Performance Overview page.

1 Excluding short-term investments.

2 Holdings are subject to change.

3 Excluding investments in derivatives.

Nuveen Investments

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JTP

Nuveen Quality Preferred Income Fund

Portfolio of INVESTMENTS

January 31, 2012 (Unaudited)

Shares	Description (1)	Coupon	Ratings (2)	Value
	\$25 Par (or similar) Preferred Securities		68.9% (49.2% of Total Investments)	
	Capital Markets 7.6%			
137,200	Ameriprise Financial, Inc.	7.750%	A	\$ 3,880,016
52,808	BNY Capital Trust V, Series F	5.950%	A1	1,335,514
5,600	Charles Schwab Corporation	7.000%	BBB+	5,749,632
515,776	Credit Suisse	7.900%	A3	13,544,278
480,382	Deutsche Bank Capital Funding Trust II	6.550%	BBB	10,712,519
86,100	Deutsche Bank Contingent Capital Trust III	7.600%	BBB	2,130,975
37,900	Goldman Sachs Group Inc., Series GSC-3 (PPLUS)	6.000%	A3	866,394
2,200	Goldman Sachs Group Inc., Series GSG-1 (PPLUS)	6.000%	A1	52,888
4,500	Goldman Sachs Group Inc., Series GSG-2 (PPLUS)	5.750%	A1	106,200
43,900	Morgan Stanley Capital Trust IV	6.250%	Baa2	1,030,772
	Total Capital Markets			39,409,188
	Commercial Banks 7.6%			
1,100	ABN AMRO North America Capital Funding, 144A	6.968%	BB+	657,594
323,100	Banco Santander	10.500%	BBB+	8,814,168

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	Finance			
2,100	Barclays Bank PLC	6.625%	BBB	47,544
118,500	BB&T Capital Trust VI	9.600%	Baa1	3,146,175
30,200	BB&T Capital Trust VII	8.100%	Baa1	790,334
700,500	BPCE SA	13.000%	BBB-	658,229
144,700	First Niagara Finance Group	8.625%	BB+	3,896,771
18,400	HSBC Holdings PLC, (4)	8.000%	A3	497,168
13,800	HSBC Holdings PLC	6.200%	A3	342,792
36,000	KeyCorp Capital Trust X	8.000%	BBB-	923,040
3,500,000	National Australia Bank	8.000%	Baa1	3,764,250
7,100	PNC Financial Services Inc.	6.750%	BBB	7,346,157
25,000	Royal Bank of Scotland Group PLC, Series L	5.750%	BB	418,250
4,300,000	Royal Bank of Scotland Group PLC	7.648%	BB	3,332,500
20,400	Wachovia Capital Trust IX	6.375%	BBB+	518,568
60,000	Wells Fargo Capital Trust IX	5.625%	BBB+	1,523,400
120,000	Wells Fargo Capital Trust XII	7.875%	BBB+	3,181,200
	Total Commercial Banks			39,858,140
	Diversified Financial Services	4.5%		
18,000	Bank of America Corporation	6.375%	BB+	386,100
80,549	Citigroup Capital Trust XI	6.000%	Baa3	1,885,652
10,000	Citigroup Capital Trust XII	8.500%	Baa3	257,700
150,514	Citigroup Capital XIII	7.875%	Ba1	4,054,847
1,900	Citigroup Capital XIV	6.875%	Baa3	46,816
36,800	ING Groep N.V	7.375%	BBB	805,184
625,776	ING Groep N.V	7.200%	BBB	13,604,370
80,308	Merrill Lynch Preferred Capital Trust V	7.280%	BB+	1,924,983

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	National Rural Utilities Cooperative Finance Corporation	5.950%	A3	346,599
13,651	Total Diversified Financial Services			23,312,251
	Diversified Telecommunication Services	0.7%		
143,510	Qwest Corporation	7.500%	BBB-	3,800,145
	Electric Utilities	1.2%		
33,000	Alabama Power Company	6.450%	BBB+	902,345
181,800	Entergy Texas Inc.	7.875%	BBB+	5,257,656
	Total Electric Utilities			6,160,001
	Food Products	0.5%		
28,100	Dairy Farmers of America Inc., 144A	7.875%	BBB-	2,669,500

Nuveen Investments

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JTP

Nuveen Quality Preferred Income Fund (continued)

Portfolio of INVESTMENTS January 31, 2012 (Unaudited)

Shares	Description (1)	Coupon	Ratings (2)	Value
	Insurance 20.6%			
795,723	Aegon N.V	6.375%	Baa1	\$ 17,195,574
326,106	Allianz SE	8.375%	A+	8,570,490
479,128	Arch Capital Group Limited	8.000%	BBB	12,318,381
3,250,000	Dai-ichi Mutual Life, 144A	7.250%	A3	3,393,062
228,764	Delphi Financial Group, Inc.	7.376%	BB+	5,645,896
568,382	EverestRe Capital Trust II	6.200%	Baa1	14,578,998
198,951	Markel Corporation	7.500%	BBB	5,087,177
276,263	PartnerRe Limited, Series C	6.750%	BBB+	7,036,419
8,807	PartnerRe Limited, Series D	6.500%	BBB+	223,081
38,600	PLC Capital Trust III	7.500%	BBB	981,598
386,042	PLC Capital Trust IV	7.250%	BBB	9,743,700
166,360	Prudential Financial Inc.	6.750%	A-	4,270,461
4,100,000	Reinsurance Group of America Inc.	6.750%	BBB-	3,692,891
34,500	RenaissanceRe Holdings Limited, Series C	6.080%	BBB+	864,915
232,691	RenaissanceRe Holdings Limited, Series D	6.600%	BBB+	5,921,986
304,651	W. R. Berkley Corporation, Capital Trust II	6.750%	BBB-	7,716,810
	Total Insurance			107,241,439
	Media 3.8%			
131,141	CBS Corporation	6.750%	BBB	3,338,850
612,684	Comcast Corporation	7.000%	BBB+	15,586,681
47,000		6.625%	BBB+	1,194,270

	Comcast Corporation			
	Total Media			20,119,801
	Multi-Utilities 4.1%			
234,700	Dominion Resources Inc.	8.375%	BBB	6,853,240
185,800	DTE Energy Company	6.500%	BBB-	5,016,600
10,000	Scana Corporation	7.700%	BBB-	289,200
341,815	Xcel Energy Inc.	7.600%	BBB	9,297,368
	Total Multi-Utilities			21,456,408
	Oil, Gas & Consumable Fuels 2.3%			
467,481	Nexen Inc.	7.350%	BB+	11,892,717
	Pharmaceuticals 0.1%			
13,552	Bristol Myers Squibb Company (CORTS)	6.250%	A+	347,067
	Real Estate/Mortgage 13.7%			
3,505	CommomWealth REIT	7.500%	Baa2	76,584
164,500	CommomWealth REIT	7.250%	Baa3	4,099,340
1,629	CommomWealth REIT	7.125%	Baa3	40,920
80,607	Duke Realty Corporation, Series L	6.600%	Baa3	2,020,817
145,700	Hospitality Properties Trust, (4)	7.125%	BB	3,635,215
17,861	Kimco Realty Corporation, Series F	6.650%	Baa2	448,311
652,387	Kimco Realty Corporation, Series G	7.750%	Baa2	17,040,348
10,294	Kimco Realty Corporation, Series H	6.900%	Baa2	285,761
134,900	Realty Income Corporation, WI/DD	6.625%	Baa2	3,365,188
92,378	Prologis Inc.	6.750%	BB	2,280,813
12,691	PS Business Parks, Inc.	6.875%	BBB-	328,062
103,607	PS Business Parks, Inc., (4)	6.450%	BBB-	2,599,893
11,699		6.750%	BBB+	294,815

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	Public Storage, Inc., Series E			
4,300	Public Storage, Inc., Series F	6.500%	BBB+	117,992
9,000	Public Storage, Inc., Series M	6.625%	BBB+	228,150
22,544	Public Storage, Inc., Series Q	6.350%	Baa1	600,121
107,100	Public Storage, Inc., Series Y, (4)	6.850%	BBB+	3,055,702
136,000	Public Storage, Inc., (4)	5.900%	A-	3,413,600
70,216	Realty Income Corporation	6.750%	Baa2	1,774,358
8,404	Regency Centers Corporation	7.250%	Baa3	215,731
452,734	Vornado Realty LP	7.875%	BBB	12,676,552

Nuveen Investments

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Shares	Description (1)	Coupon		Ratings (2)	Value
Real Estate/Mortgage (continued)					
165,282	Wachovia Preferred Funding Corporation, (3)	7.250%		BBB+	\$ 4,305,596
32,329	Weingarten Realty Trust	8.100%		BBB	782,685
298,102	Weingarten Realty Trust	6.500%		Baa3	7,541,981
	Total Real Estate/Mortgage				71,228,535
U.S. Agency 2.0%					
119,800	Cobank Agricultural Credit Bank, 144A	7.000%		N/R	5,447,162
46,000	Cobank Agricultural Credit Bank	11.000%		A	2,373,315
48,600	Cobank Agricultural Credit Bank	11.000%		A	2,592,509
	Total U.S. Agency				10,412,986
Wireless Telecommunication Services 0.2%					
18,500	Telephone and Data Systems Inc.	7.000%		Baa2	493,026
28,000	Telephone and Data Systems Inc.	6.875%		Baa2	736,120
	Total Wireless Telecommunication Services				1,229,146
	Total \$25 Par (or similar) Preferred Securities (cost \$347,924,596)				359,137,324
Principal Amount (000)	Description (1)	Coupon	Maturity	Ratings (2)	Value
Corporate Bonds 7.7% (5.5% of Total Investments)					
Capital Markets 1.0%					
\$ 1,000	Man Group PLC	5.000%	8/09/17	Baa3	\$ 838,063
6,300	State Street Capital Trust IV, (3)	1.560%	6/15/77	A3	4,254,308
7,300					5,092,371

Total Capital Markets						
Commercial Banks 2.1%						
2,100	BNP Paribas, 144A	5.186%	6/29/15	BBB+		1,512,000
8,400	LBG Capital I PLC, 144A	7.875%	11/01/20	BB		6,972,000
3,400	Lloyds Banking Group LBG Capital 1, 144A	8.000%	6/15/20	BB-		2,686,000
13,900	Total Commercial Banks					11,170,000
Diversified Financial Services 0.4%						
3,100	Fortis Hybrid Financing	8.250%	8/27/49	BBB		2,170,000
Electric Utilities 0.7%						
3,400	FPL Group Capital Inc.	6.650%	6/15/17	BBB		3,442,500
Insurance 3.0%						
2,500	Prudential PLC., Convertible Bond	11.750%	12/23/14	A-		2,884,375
14,150	QBE Capital Funding Trust II, 144A	7.250%	5/24/41	BBB+		12,513,170
16,650	Total Insurance					15,397,545
Multi-Utilities 0.5%						
2,000	Dominion Resources Inc.	2.881%	9/30/66	BBB		1,731,975
1,000	Wisconsin Energy Corporation, (3)	6.250%	5/15/67	Baa1		1,022,500
3,000	Total Multi-Utilities					2,754,475
\$ 47,350	Total Corporate Bonds (cost \$42,506,908)					40,026,891
Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)		Value
Capital Preferred Securities 54.9% (39.2% of Total Investments)						
Capital Markets 1.2%						
1,000	Credit Suisse Guernsey	1.147%	5/15/17	A3	\$	639,440
1,900	Dresdner Funding Trust I, 144A	8.151%	6/30/31	Ba1		1,415,500

JTP

Nuveen Quality Preferred Income Fund (continued)

Portfolio of INVESTMENTS January 31, 2012 (Unaudited)

Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Capital Markets (continued)				
1,800	Goldman Sachs Capital II	5.793%	6/01/12	Baa2	\$ 1,228,500
5,000	Deutsche Bank Capital Funding Trust	4.901%	12/29/49	Baa2	3,075,000
	Total Capital Markets				6,358,440
	Commercial Banks 16.1%				
4,900	ABN AMRO North America Holding Capital, 144A	6.523%	12/31/49	BB+	3,675,000
2,720	Banco Santander Finace	10.500%	9/29/49	BBB+	2,774,618
900	Barclays Bank PLC, 144A	7.434%	12/15/17	BBB	882,000
2,500	Barclays Bank PLC, Regulation S, 144A	6.860%	6/15/32	BBB	2,175,000
2,800	Barclays Bank PLC	6.278%	12/15/34	BBB	2,270,626
2,500	BB&T Capital Trust IV	6.820%	6/12/77	Baa1	2,525,000
400	First Empire Capital Trust I	8.234%	2/01/27	BBB	399,908
575	First Empire Capital Trust II	8.277%	6/01/27	BBB	594,486
3,500	Fulton Capital Trust I	6.290%	2/01/36	Baa3	2,887,500
300	HBOS Capital Funding LP, 144A	6.071%	6/30/14	BB	216,000
11,650	HSBC Capital Funding LP, Debt	10.176%	6/30/50	A3	14,679,000
4,200	HSBC Financial Capital Trust IX	5.911%	11/30/35	BBB+	3,633,000
2,000	KeyCorp Capital III	7.750%	7/15/29	BBB-	2,037,534
5,000	Nordea Bank AB	8.375%	3/25/15	BBB+	5,255,000

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4,150	Rabobank Nederland, 144A	11.000%	6/30/19	A	5,135,625
17,500	Reliance Capital Trust I, Series B	8.170%	5/01/28	N/R	17,476,568
2,000	Societe Generale, 144A	1.333%	12/31/49	BBB-	976,360
700	Societe Generale, 144A	5.922%	4/05/57	BBB-	518,521
8,900	Societe Generale	8.750%	10/07/49	BBB-	7,342,500
1,200	Sovereign Capital Trust VI	7.908%	6/13/36	BBB+	1,140,000
3,000	Sparebanken Rogaland, Notes, 144A	6.443%	5/01/49	Ba1	2,893,761
2,700	Standard Chartered PLC, 144A	6.409%	1/30/17	BBB+	2,347,520
1,550	Standard Chartered PLC, 144A	7.014%	7/30/37	BBB+	1,497,288
700	Wachovia Capital Trust III	5.570%	3/15/42	BBB+	618,646
	Total Commercial Banks				83,951,461
	Consumer Finance	0.4%			
2,100	American Express Company	6.800%	9/01/66	Baa2	2,121,000
	Diversified Financial Services	4.6%			
200	Bank One Capital III	8.750%	9/01/30	A2	271,308
700	BankAmerica Capital II, Series 2	8.000%	12/15/26	BB+	686,000
4,000	BankAmerica Institutional Capital Trust, Series B, 144A	7.700%	12/31/26	BB+	3,800,000
2,600	Citigroup Capital III	7.625%	12/01/36	Baa3	2,595,271
3,700	CitiGroup Capital XXI	8.300%	12/21/77	Baa3	3,765,860
4,000	JPMorgan Chase Capital Trust XXVII	7.000%	11/01/39	A2	4,050,400
1,140	JPMorgan Chase Capital XXV	6.800%	10/01/37	A2	1,150,105
47,500	JPMorgan Chase Capital Trust XXIX	6.700%	4/02/40	A2	1,221,700
1,800		8.278%	12/01/26	BB+	1,782,000

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	MBNA Corporation, Capital Trust A				
2,509	NB Capital Trust II	7.830%	12/15/26	BB+	2,446,275
2,400	NB Capital Trust IV	8.250%	4/15/27	BB+	2,370,000
	Total Diversified Financial Services				24,138,919
	Electric Utilities 0.3%				
1,500	PPL Capital Funding, Inc.	6.700%	3/30/17	BB+	1,481,250
	Insurance 20.9%				
4,600	Allstate Corporation	6.125%	5/15/67	Baa1	4,338,490
600	AXA S.A., 144A	6.463%	12/14/18	Baa1	441,000
4,880	AXA	6.379%	12/14/36	Baa1	3,647,800
3,700	AXA	8.600%	12/15/30	A3	3,804,270
8,100	Catlin Insurance Company Limited	7.249%	1/19/17	BBB+	7,047,000
9,925	Glen Meadows Pass Through Trust	6.505%	2/15/17	BB+	7,443,750
5,500	Great West Life & Annuity Capital I, 144A	6.625%	11/15/34	A-	5,260,019
3,800	Great West Life and Annuity Insurance Company, 144A	7.153%	5/16/16	A-	3,762,000

Nuveen Investments

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Principal Amount (000)/ Shares	Description (1)	Coupon	Maturity	Ratings (2)	Value
	Insurance (continued)				
3,000	Liberty Mutual Group, 144A	7.800%	3/15/37	Baa3	\$ 2,805,000
2,500	Lincoln National Corporation	6.050%	4/20/17	BBB	2,225,000
5,100	Lincoln National Corporation	7.000%	5/17/66	BBB	4,819,500
6,300	MetLife Capital Trust IV, 144A	7.875%	12/15/67	BBB	6,725,250
600	MetLife Capital Trust X, 144A	9.250%	4/08/68	BBB	709,500
12,650	National Financial Services Inc.	6.750%	5/15/37	Baa2	11,167,420
1,400	Nationwide Financial Services Capital Trust	7.899%	3/01/37	Baa2	1,364,009
7,225	Oil Insurance Limited, 144A	7.558%	12/30/56	Baa1	6,501,055
7,400	Old Mutual Capital Funding, Notes	8.000%	6/22/53	Baa3	7,289,000
1,000	Progressive Corporation, (3)	6.700%	6/15/67	A2	1,025,000
3,200	Prudential Financial Inc.	8.875%	6/15/18	BBB+	3,824,000
1,000	Prudential PLC	6.500%	6/29/49	A-	890,000
1,100	QBE Capital Funding Trust II, 144A	6.797%	6/01/49	BBB+	951,903
3,000	Swiss Re Capital I	6.854%	5/25/16	A	2,698,401
15,800	XL Capital Ltd	6.500%	10/15/57	BBB-	13,173,250
2,536	ZFS Finance USA Trust II 144A	6.450%	12/15/65	A	2,383,840
5,260	ZFS Finance USA Trust V	6.500%	5/09/67	A	4,852,350
	Total Insurance				109,148,807
	Multi-Utilities 0.5%				
2,300	Dominion Resources Inc.	7.500%	6/30/16	BBB	2,415,000
	Real Estate 4.3%				
19	Firstar Realty LLC, 144A	8.875%	12/31/50	A2	22,265,625
7		7.200%	3/30/55	BBB-	174,018

	PS Business Parks, Inc.					
	Total Real Estate					22,439,643
	Road & Rail 2.2%					
	Burlington Northern Santa Fe Funding Trust					
10,900	I	6.613%	12/15/55	BBB		11,227,000
	Thrifts & Mortgage Finance 0.3%					
	Caisse Nationale Des Caisses d'Epargne et de Prevoyance					
2,000		6.750%	1/27/49	BBB-		1,348,856
	U.S. Agency 0.8%					
	Farm Credit Bank of Texas					
3		10.000%	12/15/60	A3		3,930,188
	Wireless Telecommunication Services 3.3%					
	Centaur Funding Corporation, Series B					
15		9.080%	4/21/20	BBB		17,418,357
	Total Capital Preferred Securities (cost \$285,316,604)					285,978,921
Shares	Description (1)	Coupon		Ratings (2)		Value
	Convertible Preferred Securities	0.0% (0.0% of Total Investments)				
	Commerical Banks 0.0%					
	Wells Fargo & Company					
200		7.500%		BBB+	\$	219,000
	Total Convertible Preferred Securities (cost \$203,301)					219,000
Shares	Description (1)					Value
	Investment Companies 3.3% (2.4% of Total Investments)					
	BlackRock Credit Allocation Income Trust II					
315,548					\$	3,281,699
	Flaherty and Crumrine/Claymore Preferred Securities Income Fund Inc.					
415,561						7,550,743
	John Hancock Preferred Income Fund III					
352,012						6,374,937
	Total Investment					17,207,379

Companies
(cost
\$20,807,508)

Nuveen Investments
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Nuveen Quality Preferred Income Fund (continued)

Portfolio of INVESTMENTS January 31, 2012 (Unaudited)

Principal Amount (000)	Description (1)	Coupon	Maturity	Value
	Short-Term Investments	5.2% (3.7% of Total Investments)		
	Repurchase Agreement with Fixed Income Corporation, dated 1/31/12, repurchase price \$27,005,877, collateralized by \$24,400,000, U.S. Treasury Notes, 4.000%, due 2/15/15, value			
\$ 27,006	\$27,549,381	0.010%	2/01/12	\$ 27,005,869
	Total Short-Term Investments (cost \$27,005,869)			27,005,869
	Total Investments (cost \$723,764,786)			729,575,384
	Borrowings (38.6)% (5), (6)			(201,000,000)
	Other Assets Less Liabilities (1.4)% (7)			(7,355,688)
	Net Assets Applicable to Common Shares 100%			\$ 521,219,696

Investments in Derivatives at January 31, 2012

Interest Rates Swaps outstanding:

Counterparty	Fixed Rate*
--------------	-------------

	Notional Amount	Fund Pay/Receive Rate	Floating Rate Index		Fixed Rate Payment Frequency	Termination Date	Unrealized Appreciation (Depreciation)
JPMorgan	\$ 38,718,750	Receive	1-Month USD-LIBOR	0.360%	Monthly	3/21/12	\$ (2,384)
JPMorgan	38,718,750	Receive	1-Month USD-LIBOR	1.193	Monthly	3/21/14	(715,083)
Morgan Stanley	38,718,750	Receive	1-Month USD-LIBOR	2.064	Monthly	3/21/16	(2,222,141)
							\$ (2,939,608)

* Annualized.

For Fund portfolio compliance purposes, the Fund's industry classifications refer to any one or more of the industry sub-classifications used by one or more widely recognized market indexes or ratings group indexes, and/or as defined by Fund management. This definition may not apply for purposes of this report, which may combine industry sub-classifications into sectors for reporting ease.

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.

(2) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(3) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives.

(4) Non-income producing; issuer has not declared a dividend within the past twelve months.

(5) Borrowings as a percentage of Total Investments is 27.6%.

(6) The Fund may pledge up to 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings. As of January 31, 2012, investments with a value of \$586,465,520 have been pledged as collateral for Borrowings.

(7) Other Assets Less Liabilities includes the net Unrealized Appreciation (Depreciation) of derivative instruments as noted within Investments in Derivatives at January 31, 2012.

N/R Not rated.

144A Investment is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These investments may only be resold in transactions exempt from registration, which are normally those transactions with qualified institutional buyers.

CORTS Corporate Backed Trust Securities.

PPLUS PreferredPlus Trust.

WI/DD Purchased on a when-issued or delayed delivery basis.

USD-LIBOR United States Dollar London Inter-Bank Offered Rate.

See accompanying notes to financial statements.

Nuveen Investments

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Nuveen Quality Preferred Income Fund 2

Portfolio of INVESTMENTS

January 31, 2012 (Unaudited)

Shares	Description (1)	Coupon	Ratings (2)	Value
	\$25 Par (or similar) Preferred Securities		66.9% (48.2% of Total Investments)	
	Capital Markets 6.3%			
381,200	Ameriprise Financial, Inc.	7.750%	A	\$ 10,780,336
11,000	Charles Schwab Corporation	7.000%	BBB+	11,293,920
6,400	Credit Suisse	7.900%	A3	168,064
91,430	Deutsche Bank Capital Funding Trust I	7.350%	BBB	2,188,834
1,281,735	Deutsche Bank Capital Funding Trust II	6.550%	BBB	28,582,691
13,800	Deutsche Bank Capital Funding Trust IX	6.625%	BBB	310,500
40,000	Deutsche Bank Capital Funding Trust V	8.050%	BBB	1,010,400
91,791	Deutsche Bank Capital Funding Trust VIII	6.375%	BBB	1,955,148
256,400	Deutsche Bank Contingent Capital Trust III	7.600%	BBB	6,345,900
70,214	Goldman Sachs Group Inc., Series GSC-3 (PPLUS)	6.000%	A3	1,605,092
5,200	Goldman Sachs Group Inc., Series GSC-4 Class A (PPLUS)	6.000%	A3	119,392
1,040	Goldman Sachs Group Inc., Series GSG-1 (PPLUS)	6.000%	A1	25,002

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2,290	Morgan Stanley Capital Trust III	6.250%	Baa2	53,838
2,800	Morgan Stanley Capital Trust V	5.750%	Baa2	64,960
	Total Capital Markets			64,504,077
	Commercial Banks 6.6%			
2,200	ABN AMRO North America Capital Funding, 144A	6.968%	BB+	1,315,188
181,000	Banco Santander Finance	10.500%	BBB+	4,937,680
150,000	Barclays Bank PLC	8.125%	BBB	3,772,500
172,828	BB&T Capital Trust VI	9.600%	Baa1	4,588,583
66,429	BB&T Capital Trust VII	8.100%	Baa1	1,738,447
1,933,500	BPCE SA	13.000%	BBB-	1,816,825
12,630	Fifth Third Capital Trust V	7.250%	Baa3	322,318
2,917	Fifth Third Capital Trust VI	7.250%	Baa3	74,442
146,500	First Niagara Finance Group	8.625%	BB+	3,945,245
10,500,000	HSBC Bank PLC	1.000%	A-	4,725,000
404,800	HSBC Holdings PLC, (4)	8.000%	A3	10,937,696
102,700	HSBC Holdings PLC	6.200%	A3	2,551,068
6,166	KeyCorp Capital Trust X	8.000%	BBB-	158,096
5,600,000	National Australia Bank	8.000%	Baa1	6,022,800
20,000	PNC Financial Services Inc.	6.750%	BBB	20,693,400
	Total Commercial Banks			67,599,288
	Consumer Finance 0.0%			
20,100	HSBC USA Inc., Series H	6.500%	BBB+	493,857
	Diversified Financial Services 4.5%			
139,900	Citigroup Capital Trust XI	6.000%	Baa3	3,275,059
94,800	Citigroup Capital Trust XII	8.500%	Baa3	2,442,996
271,589		7.875%	Ba1	7,316,608

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	Citigroup Capital XIII			
40,000	Citigroup Capital XVI	6.450%	Baa3	957,600
768,094	ING Groep N.V	7.200%	BBB	16,698,364
731,274	ING Groep N.V	7.050%	BBB	15,634,638
	Total Diversified Financial Services			46,325,265
	Diversified Telecommunication Services	0.4%		
163,080	Qwest Corporation	7.500%	BBB-	4,318,358
	Electric Utilities	1.3%		
135,400	Alabama Power Company	6.450%	BBB+	3,702,351
59,650	Entergy Louisiana LLC	5.875%	A-	1,632,024
69,300	Entergy Texas Inc.	7.875%	BBB+	2,004,156
214,808	PPL Capital Funding, Inc.	6.850%	BBB-	5,670,931
	Total Electric Utilities			13,009,462

Nuveen Investments
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Nuveen Quality Preferred Income Fund 2 (continued)

Portfolio of INVESTMENTS January 31, 2012 (Unaudited)

Shares	Description (1)	Coupon
	Food Products 0.5%	
	Dairy	
	Farmers of	
	America Inc.,	
53,400	144A	7.875%
	Insurance 18.4%	
1,717,889	Aegon N.V	6.375%
617,913	Allianz SE	8.375%
	Arch Capital	
	Group	
906,906	Limited	8.000%
	Dai-ichi	
	Mutual Life,	
6,500,000	144A	7.250%
	Delphi	
	Financial	
401,957	Group, Inc.	7.376%
	EverestRe	
	Capital Trust	
310,216	II	6.200%
	Markel	
	Corporation	
450,263		7.500%
	PartnerRe	
	Limited,	
579,002	Series C	6.750%
	PLC Capital	
	Trust III	
106,700		7.500%
	PLC Capital	
	Trust IV	
442,669		7.250%
	Protective	
	Life	
11,153	Corporation	7.250%
	Prudential	
	Financial Inc.	
200,842		9.000%
	Prudential	
	Financial Inc.	
317,875		6.750%
4,000,000		
Balances on		
December 31,		
2007	19,000,000	2,103 53,521 1,477,637 8,485,956 (47,424) 1,517,400 (131,849)

Adjustment
reflected from
previous periods

-									
Law 11,638/07	-	-	-	-	-	-	-	-	-
Capital increase by subscription	1,200,000	-	-	-	-	-	-	-	-
Capital increase with reserves	2,800,000	-	-	-	(2,800,000)	-	-	-	-
Restatement of exchange membership certificates	-	-	116	-	-	-	-	-	-
Premium on share subscription	-	-	6,874	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(4,853)
Cancellation of treasury shares	-	-	-	-	(131,849)	-	-	-	131,849
Asset valuation adjustments	-	-	-	-	-	(6,537)	(2,124,943)	-	-
Net income	-	-	-	-	-	-	-	-	7,6
Allocations: -									
Reserves	-	-	-	376,051	4,452,492	-	-	-	(4,8
- Provisioned interest on shareholders equity	-	-	-	-	-	-	-	-	(1,9
- Paid and/or provisioned dividends	-	-	-	-	-	-	-	-	(7

**Balances on
December 31,
2008**

	23,000,000	2,103	60,511	1,853,688	10,006,599	(53,961)	(607,543)	(4,853)	
Capital increase by merger of shares	1,368,183	-	-	-	-	-	-	-	-
Capital increase with reserves	131,817	-	-	-	(131,817)	-	-	-	-
Capital increase with reserves stock bonus	2,000,000	-	-	-	(2,000,000)	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(184,021)
Asset valuation adjustments	-	-	-	-	-	61,882	956,963	-	-
Net income	-	-	-	-	-	-	-	-	8,0
	-	-	-	400,614	4,893,586	-	-	-	(5,2

Allocations: -									
Reserves									
- Provisioned									
interest on									
shareholders									
equity	-	-	-	-	-	-	-	-	(2,1
- Paid and/or									
provisioned									
dividends	-	-	-	-	-	-	-	-	(5
Balances on									
December 31,									
2009	26,500,000	2,103	60,511	2,254,302	12,768,368	7,921	349,420	(188,874)	

The Notes are an integral part of the Financial Statements.

Value Added Statement – R\$ thousand

Description	2009				2008			
	4 th quarter	%	3 rd quarter	%	December	%	December	%
1 Income	15,204,991	267.3	14,789,940	252.8	62,068,705	265.5	60,171,815	334.0
1.1) Financial intermediation	15,065,016	264.8	15,145,433	258.9	62,899,079	269.1	57,610,974	319.8
1.2) Fee and commission	3,094,465	54.4	2,819,629	48.2	11,611,490	49.7	10,861,633	60.3
1.3) Allowance for loan losses	(2,730,033)	(48.0)	(2,883,456)	(49.3)	(12,937,328)	(55.4)	(7,884,099)	(43.8)
1.4) Other	(224,457)	(3.9)	(291,666)	(5.0)	495,464	2.1	(416,693)	(2.3)
2 Financial intermediation expenses	(6,967,403)	(122.5)	(6,680,967)	(114.2)	(29,587,897)	(126.6)	(33,954,595)	(188.5)
3 Inputs acquired from third-parties	(2,226,927)	(39.1)	(1,874,434)	(32.1)	(7,636,508)	(32.6)	(6,851,969)	(38.1)
Materials and energy	(117,567)	(2.1)	(103,823)	(1.8)	(425,259)	(1.8)	(395,313)	(2.2)
Third-party services	(701,426)	(12.3)	(637,507)	(10.9)	(2,529,453)	(10.8)	(2,191,461)	(12.2)
Other	(1,407,934)	(24.7)	(1,133,104)	(19.4)	(4,681,796)	(20.0)	(4,265,195)	(23.7)
- Communication	(327,884)	(5.8)	(297,811)	(5.1)	(1,227,145)	(5.3)	(1,104,417)	(6.1)
- Financial system services	(88,665)	(1.6)	(66,565)	(1.1)	(278,771)	(1.2)	(214,467)	(1.2)
- Advertising and Marketing	(282,488)	(5.0)	(111,882)	(1.9)	(587,784)	(2.5)	(644,183)	(3.6)
- Transportation	(149,688)	(2.6)	(138,015)	(2.4)	(554,643)	(2.4)	(514,045)	(2.9)
- Data processing	(212,022)	(3.7)	(195,219)	(3.3)	(772,089)	(3.3)	(576,775)	(3.2)
- Maintenance and repairs	(111,485)	(2.0)	(102,819)	(1.8)	(418,387)	(1.8)	(391,982)	(2.2)
- Security and surveillance	(64,083)	(1.1)	(65,110)	(1.1)	(249,782)	(1.1)	(217,280)	(1.2)
- Travel	(22,341)	(0.4)	(20,617)	(0.4)	(78,267)	(0.3)	(89,219)	(0.5)
- Other	(149,278)	(2.5)	(135,066)	(2.3)	(514,928)	(2.1)	(512,827)	(2.8)
4 Gross value added (1-2-3)	6,010,661	105.7	6,234,539	106.5	24,844,300	106.3	19,365,251	107.4
5 Depreciation, amortization and depletion	(463,732)	(8.2)	(422,584)	(7.2)	(1,673,750)	(7.2)	(1,484,701)	(8.2)
6 Net value added produced by the Entity (4-5)	5,546,929	97.5	5,811,955	99.3	23,170,550	99.1	17,880,550	99.2
7 Value added received in transfer	142,011	2.5	39,034	0.7	200,101	0.9	135,356	0.8
Equity in earnings (losses) of unconsolidated companies	142,011	2.5	39,034	0.7	200,101	0.9	135,356	0.8
8 Value added to distribute (6+7)	5,688,940	100.0	5,850,989	100.0	23,370,651	100.0	18,015,906	100.0
9 Value added distributed	5,688,940	100.0	5,850,989	100.0	23,370,651	100.0	18,015,906	100.0

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9.1) Personnel	1,811,705	31.8	1,861,378	31.9	6,949,383	29.7	6,454,594	35.7
Payroll	1,003,676	17.6	976,950	16.7	3,889,273	16.6	3,670,277	20.4
Benefits	396,794	7.0	446,874	7.6	1,569,765	6.7	1,442,364	8.0
FGTS (Government Severance Indemnity Fund for Employees)	94,514	1.7	91,126	1.6	359,410	1.5	348,245	1.9
Other charges	316,721	5.5	346,428	6.0	1,130,935	4.9	993,708	5.4
9.2) Taxes, fees and contributions	1,535,627	26.9	2,032,597	34.7	7,812,833	33.5	3,420,281	18.9
Federal	1,433,606	25.1	1,938,242	33.1	7,425,918	31.9	3,041,621	16.8
State	4,158	0.1	4,267	0.1	11,460	-	16,189	0.1
Municipal	97,863	1.7	90,088	1.5	375,455	1.6	362,471	2.0
9.3) Third-party capital compensation	151,829	2.8	140,364	2.4	571,445	2.4	486,972	2.8
Rentals	145,479	2.6	135,826	2.3	556,333	2.4	481,996	2.7
Asset leasing	99,563	1.8	86,602	1.5	401,304	1.7	351,334	2.0
Asset leasing - Law 11,638/07	(93,213)	(1.6)	(82,064)	(1.4)	(386,192)	(1.7)	(346,358)	(1.9)
9.4) Shareholders' equity remuneration	2,189,779	38.5	1,816,650	31.0	8,036,990	34.4	7,654,059	42.6
Interest on shareholders equity	525,499	9.2	487,484	8.3	2,133,269	9.1	1,956,591	10.9
Dividends	205,259	3.6	127,815	2.2	584,813	2.5	735,885	4.1
Retained earnings	1,450,183	25.5	1,195,690	20.4	5,294,200	22.7	4,927,762	27.4
Interest of minority shareholders in retained earnings	8,838	0.2	5,661	0.1	24,708	0.1	33,821	0.2

The Notes are an integral part of the Financial Statements.

Consolidated Statement of Cash Flows – R\$ thousand

		2009		2008
	4 th quarter	3 rd quarter	December	December
Cash flow from operating activities:				
Net Income before income tax and social contribution	2,758,802	2,887,498	12,119,299	8,172,810
Adjustments to net income before taxes	3,088,603	5,305,322	19,349,333	15,035,068
Allowance for loan losses	2,730,033	2,883,456	12,937,328	7,884,099
Depreciation and amortization	430,261	398,006	1,566,473	1,398,901
Goodwill amortization	33,471	24,578	107,277	85,800
Impairment losses/losses on assets	(108,058)	(26,121)	(137,829)	(8,040)
(Reversal)/expenses with civil, labor and tax provisions	(1,242,946)	1,052,158	1,693,065	1,925,657
Expenses with restatement and interest from technical provisions for insurance, private pension plans and savings bonds	1,171,800	1,245,780	5,128,627	4,007,684
Equity in the earnings (losses) of unconsolidated companies	(142,011)	(39,034)	(200,101)	(135,356)
(Gain)/loss on sale of investments	(44,540)	(456,516)	(2,519,231)	(629,712)
(Gain)/loss on sale of fixed assets	2,352	16,003	15,887	25,113
(Gain)/loss on sale of foreclosed assets	115,987	103,045	315,248	203,634
Other	142,254	103,967	442,589	277,288
Adjusted net income	5,847,405	8,192,820	31,468,632	23,207,878
(Increase) in interbank investments	(14,144,588)	(5,495,735)	(15,664,786)	(7,306,996)
(Increase)/decrease in securities and derivative financial instruments	997,076	(290,788)	(3,301,779)	(17,362,674)
(Increase)/decrease in interbank and interdepartmental accounts	1,338,693	288,634	(159,787)	699,778
(Increase) in loan and leasing operations	(10,768,164)	(5,303,117)	(19,275,069)	(41,928,980)
(Increase) in insurance premiums receivable	(112,447)	(95,106)	(904,766)	(86,213)
Increase in technical provisions for insurance, private pension plans and savings bonds	2,999,357	1,326,393	5,856,162	2,053,183
Increase in deferred income	23,402	24,945	47,119	84,359
(Increase)/decrease in other receivables and other assets	4,638,395	7,034,878	15,018,264	(28,999,736)
Increase/(decrease) in other liabilities	(3,767,119)	(1,860,507)	(7,621,024)	14,554,717
Minority interest	429,017	(368)	451,468	132,266
Income tax and social contribution paid	(629,335)	(1,356,809)	(3,795,917)	(2,982,361)
Net cash provided by/used in operating activities	(13,148,308)	2,465,240	2,118,517	(57,934,779)
Cash flow from investing activities:				
(Increase)/decrease in reserve requirements in the Brazilian Central Bank	(1,650,542)	(1,033,416)	(4,722,952)	10,337,910
(Increase)/decrease in available-for-sale securities	(588,297)	(975,119)	(10,293,530)	10,059,561
(Increase) in held-to-maturity securities	(264,149)	(784,105)	(1,917,677)	(10,880,572)
Proceeds from sale of foreclosed assets	101,028	64,231	324,246	292,627

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Divestments		142,812	519,757	2,878,749	833,298
Proceeds from the sale of premises and equipment and leased assets		46,260	64,520	180,851	86,800
Decrease in intangible assets		-	25,282	40,641	6,492
Acquisition of foreclosed assets		(269,212)	(303,983)	(1,063,447)	(858,046)
Acquisition of investments		(106,408)	(13,619)	(331,018)	(843,698)
Acquisition of premises and equipment and leased assets		(416,625)	(264,028)	(1,241,861)	(1,331,190)
Investment in intangible assets		(1,905,763)	(327,101)	(3,156,166)	(2,083,507)
Dividends and interest on shareholders' equity received		3,792	1,771	58,771	75,781
Net cash provided by/used in investing activities		(4,907,104)	(3,025,810)	(19,243,393)	5,695,456
Cash Flow from financing activities:					
Increase in deposits		3,085,563	475,593	6,579,731	66,169,907
Increase in federal funds purchased and securities sold under agreements to repurchase		10,669,366	2,893,896	33,295,893	6,343,504
Increase/(decrease) in funds from issue of securities		371,750	(583,353)	(1,529,087)	2,523,297
Increase/(decrease) in borrowings and onlendings		303,220	(2,056,539)	(4,619,387)	8,537,576
Increase in subordinated debts		223,300	2,474,821	3,855,411	3,430,334
Capital increase in cash and premium on share subscription		-	-	-	1,206,874
Capital increase by merger of shares		1,368,183	-	1,368,183	-
Dividends and interest on shareholders equity paid		(331,261)	(629,543)	(3,052,306)	(2,903,283)
Acquisition of own shares		(93,924)	(89,770)	(184,021)	(4,853)
Net cash provided by/used in financing activities		15,596,197	2,485,105	35,714,417	85,303,356
Increase/(decrease) in cash and cash equivalents		(2,459,215)	1,924,535	18,589,541	33,064,033
Net increase/	At the beginning of the period	85,180,128	83,255,593	64,131,372	31,067,339
(decrease) in	At the end of the period	82,720,913	85,180,128	82,720,913	64,131,372
cash					
and cash	Net increase/(decrease) in cash and				
equivalents:	cash equivalents	(2,459,215)	1,924,535	18,589,541	33,064,033

The Notes are an integral part of the Financial Statements

Notes to the Consolidated Financial Statements Index

We present below the Notes to the Consolidated Financial Statements of Banco Bradesco S.A. subdivided as follows:

- 1) OPERATIONS**
- 2) PRESENTATION OF THE FINANCIAL STATEMENTS**
- 3) SIGNIFICANT ACCOUNTING PRACTICES**
- 4) INFORMATION FOR COMPARISON PURPOSES**
- 5) ADJUSTED BALANCE SHEET AND STATEMENT OF INCOME BY BUSINESS SEGMENT**
- 6) CASH AND CASH EQUIVALENTS**
- 7) INTERBANK INVESTMENTS**
- 8) SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS**
- 9) INTERBANK ACCOUNTS RESTRICTED DEPOSITS**
- 10) LOAN OPERATIONS**
- 11) OTHER RECEIVABLES**
- 12) OTHER ASSETS**
- 13) INVESTMENTS**
- 14) PREMISES AND EQUIPMENT AND LEASED ASSETS**
- 15) INTANGIBLE ASSETS**
- 16) DEPOSITS, FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE AND FUNDS FROM ISSUANCE OF SECURITIES**
- 17) BORROWING AND ONLENDING
CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES TAX AND**
- 18) SOCIAL SECURITY**
- 19) SUBORDINATED DEBTS**
- 20) OTHER LIABILITIES**
- 21) INSURANCE, PRIVATE PENSION PLANS AND SAVINGS BONDS OPERATIONS**
- 22) MINORITY INTEREST IN SUBSIDIARIES**
- 23) SHAREHOLDERS EQUITY (PARENT COMPANY)**
- 24) FEE AND COMMISSION INCOME**
- 25) PERSONNEL EXPENSES**
- 26) OTHER ADMINISTRATIVE EXPENSES**
- 27) TAX EXPENSES**
- 28) OTHER OPERATING INCOME**
- 29) OTHER OPERATING EXPENSES**
- 30) NON-OPERATING INCOME**
- 31) TRANSACTIONS WITH CONTROLLING SHAREHOLDERS (DIRECT AND INDIRECT)**
- 32) FINANCIAL INSTRUMENTS**
- 33) EMPLOYEE BENEFITS**
- 34) INCOME TAX AND SOCIAL CONTRIBUTION**
- 35) OTHER INFORMATION**

1) OPERATIONS

Banco Bradesco S.A. (Bradesco) is a private-sector publicly traded company that, operating as a Multiple Service Bank, carries out all types of authorized banking activities through its commercial, foreign exchange, consumer financing and housing loan portfolios. The Bank also operates in a number of other activities through its direct and indirect subsidiaries, particularly in leasing, investment banking, brokerage, consortium management, credit cards, insurance, private pension plans and savings bonds. Operations are conducted within the context of the Bradesco Organization companies, working in an integrated manner in the market.

In this context, Bradesco conducted the following operations in 2009:

On June 4, Bradesco entered into an agreement with the controlling shareholders of Banco Ibi S.A. (Banco Ibi) to acquire the totality of its capital stock and its subsidiaries. Concomitantly, as part of the agreement, a partnership agreement was entered into with C&A Modas Ltda. for a twenty-year term to, jointly, exclusively trade financial products and services through the C&A store network. The operation was approved by the Brazilian Central Bank (Bacen) on September 11, 2009, and the Special General Meeting held on October 29, 2009 resolved on the merger of all shares representing the capital stock of Ibi Participações into Bradesco; and

On October 18, an association agreement was signed between Odontoprev and Bradesco Dental, to integrate the sales of dental plans with the merger of Bradesco Dental shares into Odontoprev. Subsequently, Bradesco Dental became a wholly-owned subsidiary of Odontoprev and Bradesco Saúde received shares issued by the latter, holding 43.50% of its capital stock. The operation was previously authorized, on December 2, 2009, by the National Agency for Supplementary Healthcare (ANS) and it is pending the analysis of the Antitrust and Consumer Protection Division of the Brazilian Ministry of Justice.

2) PRESENTATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of Bradesco include the financial statements of Banco Bradesco, its foreign branches and its direct and indirect subsidiaries and jointly-controlled investments, in Brazil and abroad, and SPEs. They were prepared based on accounting practices determined by the Brazilian Corporation Law 6,404/76, with the amendments introduced by Law 11,638/07 and Provisional Measure 449/08 (which became Law 11,941/09) related to the accounting of operations, as well as the rules and instructions of the Monetary National Council (CMN), Bacen, Securities and Exchange Commission of Brazil (CVM), National Private Insurance Council (CNSP), Insurance Superintendence (Susep), ANS and Committee for Accounting Pronouncements (CPC), when applicable, and consider the financial statements of leasing companies based on the finance lease method, whereby leased fixed assets are reclassified to the leasing operations account, less the residual value paid in advance.

Accordingly, for preparation purposes, intercompany investments, asset and liability account balances, revenue, expenses and unrealized profit were eliminated from these financial statements, as well as separate presentation of net income and shareholders' equity referring to the interest of non-controlling shareholders. In the case of investments which are jointly controlled with other shareholders, asset, liability and income components were included in the consolidated financial statements in proportion to the capital stock percentage owned of each investee. Goodwill determined on acquisition of investments in subsidiaries and jointly-controlled companies up to March 31, 2008 was fully amortized. Goodwill ascertained as of that date is presented under investments and intangible assets (Note 15a). The exchange variation arising from transactions of foreign branches and subsidiaries is presented in the income statement together with derivative financial instruments, in order to eliminate the effect of these investment hedge instruments.

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The financial statements include estimates and assumptions, such as the calculation of the allowance for loan losses, estimates of the fair value of certain financial instruments, provision for contingencies, losses from impairment of securities classified as available-for-sale and held-to-maturity and non-financial assets, other provisions, the calculation of technical provisions for insurance, supplementary pension plans and savings bonds and the determination of the useful life of specific assets. Actual results could differ from those estimates and assumptions.

We present below the main direct and indirect investees included in the Consolidated Financial Statements:

	Activity	Total ownership		
		2009	2008	
		December 31	September 30	December 31
Financial Area - Brazil				
Alvorada Cartões, Crédito, Financiamento e Investimento S.A.	Banking	100.00%	100.00%	100.00%
Banco Alvorada S.A. (1)	Banking	99.94%	99.94%	99.88%
Banco Bradesco Financiamentos S.A.(10)	Banking	100.00%	100.00%	100.00%
Banco Bankpar S.A.	Banking	100.00%	100.00%	100.00%
Banco Bradesco BBI S.A.(4)	Investment bank	98.35%	98.33%	98.33%
Banco Boavista Interatlântico S.A.	Banking	100.00%	100.00%	100.00%
Bankpar Arrendamento Mercantil S.A.	Leasing	100.00%	100.00%	100.00%
Banco Bradesco Cartões S.A.	Banking	100.00%	100.00%	100.00%
Bradesco Administradora de Consórcios Ltda.	Consortium management	100.00%	100.00%	100.00%
Bradesco Leasing S.A. Arrendamento Mercantil	Leasing	100.00%	100.00%	100.00%
Bradesco S.A. Corretora de Títulos e Valores Mobiliários	Brokerage	100.00%	100.00%	100.00%
BRAM - Bradesco Asset Management S.A. DTVM	Asset management	100.00%	100.00%	100.00%
Ágora Corretora de Títulos e Valores Mobiliários S.A.	Brokerage	100.00%	100.00%	100.00%
Banco Ibi S.A.(14)	Banking	100.00%	-	-
Cielo S.A. (2) (5) (6) (7) (8) (11)	Services	26.56%	26.56%	39.26%
Financial Area - abroad				
Banco Bradesco Argentina S.A.	Banking	99.99%	99.99%	99.99%
Banco Bradesco Luxembourg S.A.	Banking	100.00%	100.00%	100.00%
Banco Bradesco S.A. Grand Cayman Branch(9)	Banking	100.00%	100.00%	100.00%
Banco Bradesco New York Branch	Banking	100.00%	100.00%	100.00%
Banco BMC S.A. Grand Cayman Branch(3)	Banking	-	-	100.00%
Banco Bradesco S.A. Nassau Branch	Banking	100.00%	100.00%	100.00%
Bradesco Securities, Inc.	Brokerage	100.00%	100.00%	100.00%
Bradesco Securities, Uk.	Brokerage	100.00%	100.00%	100.00%
Insurance, Private Pension Plans and Savings Bonds Area				
Atlântica Capitalização S.A.	Savings bonds	100.00%	100.00%	100.00%
Bradesco Argentina de Seguros S.A.	Insurance	99.90%	99.90%	99.90%

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Bradesco Auto/RE Companhia de Seguros	Insurance	100.00%	100.00%	100.00%
Bradesco Capitalização S.A.	Savings bonds	100.00%	100.00%	100.00%
Bradesco Saúde S.A.	Insurance/health	100.00%	100.00%	100.00%
Bradesco Dental S.A.(12)	Insurance/dental health	-	100.00%	100.00%
Odontoprev S.A.(13)	Insurance/dental health	43.50%	-	-
Bradesco Seguros S.A.	Insurance	100.00%	100.00%	100.00%

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	Activity	Total ownership		
		2009	2008	
		December 31	September 30	December 31
	Private			
Bradesco Vida e Previdência S.A.	pension plans/insurance	100.00%	100.00%	100.00%
Atlântica Companhia de Seguros	Insurance	100.00%	100.00%	100.00%
Other activities				
Átria Participações Ltda.	Holding	100.00%	100.00%	100.00%
Andorra Holdings S.A.	Holding	54.01%	54.01%	54.01%
Bradescor Corretora de Seguros Ltda.	Insurance brokerage	100.00%	100.00%	100.00%
Bradesplan Participações Ltda.	Holding	100.00%	100.00%	100.00%
Cia. Securitizadora de Créditos				
Financeiros Rubi	Credit acquisition	100.00%	100.00%	100.00%
CPM Holdings Limited(6)	Holding	49.00%	49.00%	49.00%
Columbus Holdings S.A.	Holding	100.00%	100.00%	100.00%
Nova Paiol Participações Ltda.	Holding	100.00%	100.00%	100.00%
Scopus Tecnologia Ltda.	Information technology	100.00%	100.00%	100.00%
Tempo Serviços Ltda.	Services	100.00%	100.00%	100.00%
União Participações Ltda.	Holding	100.00%	100.00%	100.00%

- (1) Increase in interest by the total subscription of the capital increase in April 2009;
- (2) Company whose audit services in 2008 were carried out by other independent auditors;
- (3) Branch merged into Banco Bradesco S.A. Grand Cayman Branch in March 2009;
- (4) Increase in ownership interest due to the subscription of the total capital stock increase in December 2009;
- (5) Companies whose audit services in 2009 were carried out by other independent auditors;
- (6) Companies proportionally consolidated, pursuant to CMN Resolution 2,723/00 and CVM Rule 247/96;
- (7) Reduction in interest by partial sale in June and July 2009;
- (8) The special purpose entity Brazilian Merchant Voucher Receivables Limited is being consolidated. The company takes part in the securitization operation of the future flow of credit card bills receivables of clients domiciled abroad (Note 16d);
- (9) The special purpose entity International Diversified Payment Rights Company is being consolidated. The company takes part in the securitization operation of future flow of payment orders received from overseas (Note 16d);
- (10) Current name of Banco Finasa BMC S.A.;
- (11) Current name of Companhia Brasileira de Meios de Pagamento Visanet;
- (12) Company merged into Odontoprev in October 2009;
- (13) Interest received for the merger of Bradesco Dental S.A. in October 2009; and
- (14) Company acquired in October 2009.

3) SIGNIFICANT ACCOUNTING POLICIES

a) Functional and Presentation Currencies

The financial statements are presented in Reais, which is Bradesco's functional currency. Operations of foreign branches and subsidiaries are basically a continuation of the activities in Brazil, and therefore, assets, liabilities and results are adjusted to comply with the accounting practices adopted in Brazil and translated into Reais using the

exchange rate of the applicable currency. Gains and losses arising from this translation process are recorded in the income in the period.

b) Determination of net income

Net income is determined on the accrual basis of accounting which establishes that income and expenses should be included in the determination of the results of the period to which they relate, always simultaneously when they are correlated, regardless of receipt or payment. Transactions with fixed rates are recorded at their redemption value and unearned income and unexpired expenses are recorded as a deduction from the corresponding assets and liabilities. Financial income and expenses are prorated daily and calculated based on the exponential method, except when relating to discounted notes or to foreign transactions which are calculated based on the straight-line method.

Floating rate or foreign-currency-indexed transactions are adjusted up to the balance sheet date.

The insurance and coinsurance premiums and commissions, net of premiums assigned in coinsurance and reinsurance and corresponding commissions are appropriated to income over the period of the corresponding insurance policies and invoices and are deferred for appropriation on a straight-line basis, during the risk coverage period, by means of accrual and reversal of unearned premiums reserve and deferred selling expenses. The accepted coinsurance and retrocession operations are recorded based on the information received from other companies and reinsurance companies, respectively.

The supplementary pension plans contributions and life insurance premiums with a survival clause are recognized in income as they are received.

The revenue from savings bonds is recognized at the time of receipt, except for pre-printed bonds of established amount and lump-sum payment, which are recorded at the time of issue. The expenses for placement of bonds, classified as Selling Expenses, are recognized as they are incurred. Brokerage expenses are recorded when the respective savings bonds contributions are effectively received. Redemptions and drawings are recorded simultaneously to the accounting for the corresponding revenues.

The expenses for technical provisions for private pension plans and savings bonds are recorded at the same time as the corresponding revenues thereof are recognized.

c) Cash and cash equivalents

Cash and Cash Equivalents are represented by: cash in domestic and foreign currency, investments in gold, open market investments and deposits in other banks, with maturities on the application date of 90 days or less and present an insignificant risk of change in fair value, used by the Bank to manage its short-term commitments.

d) Interbank investments

Purchase and sale commitments with unrestricted movement agreements are adjusted to market value. Other investments are recorded at acquisition cost, plus income earned up to the balance sheet date, net of loss accrual, when applicable.

e) Securities

Trading securities securities acquired for the purpose of being actively and frequently traded, adjusted to market value against the income in the period;

Available-for-sale securities securities which are not specifically intended for trading purposes or as held to maturity. They are adjusted to market value against a specific account in shareholders' equity, net of tax effects; and

Held-to-maturity securities securities for which there is intention and financial capacity to hold in the portfolio up to maturity. They are recorded at acquisition cost, plus earnings recognized against income for the period.

The securities classified in the trading and available-for-sale categories, as well as derivative financial instruments are stated at its estimated fair value in the consolidated balance sheet. The fair value generally is based on market prices or quotations for assets or liabilities with similar characteristics. If market prices are not available, fair values are based on traders quotations, pricing models, discounted cash flows or similar techniques for which the determination of fair value may require judgment or significant estimates by the Management.

f) Derivative financial instruments (assets and liabilities)

These are classified based on Management's intended use thereof on the date of the contracting of the operation and whether it was carried out for hedging purposes or not.

Operations involving derivative financial instruments are designed to meet the Bank's own needs in order to manage the overall exposure, as well as for meeting clients requests for the management of their positions. Gains and losses are recorded in income or expenses accounts of the respective financial instruments.

Derivative financial instruments used to mitigate risks deriving from exposure to variations in the market value of financial assets and liabilities are designated as hedges and are classified according their nature as:

Market risk hedge: for financial instruments classified in this category as well as the hedge-related financial assets and liabilities, gains and losses, realized or not, are recorded in income statement; and

Cash flow hedge: for financial instruments classified in this category, the effective valuation or devaluation portion is recorded, net of tax effects, in a specific account in shareholders' equity. The non-effective portion of the respective hedge is directly recognized in the income statement

g) Loan and leasing operations, advances on foreign exchange contracts, other receivables with credit characteristics and allowance for loan losses.

Loan and leasing operations, advances on foreign exchange contracts and other receivables with credit characteristics are classified in their corresponding risk levels in compliance with: (i) the parameters established by CMN Resolution 2,682/99, at nine levels from AA (minimum risk) to H (maximum risk); and (ii) Management's assessment risk. This assessment, which is carried out on a periodic basis, considers current economic conditions and past loan loss experience, as well as specific and general risks relating to operations, borrowers and guarantors. Moreover, the length of the delay in payment defined in CMN Resolution 2,682/99 is also taken into account for client risk rating purposes as follows:

Past-due period (1)	Client rating
from 15 to 30 days	B
from 31 to 60 days	C
from 61 to 90 days	D
from 91 to 120 days	E
from 121 to 150 days	F
from 151 to 180 days	G
more than 180 days	H

(1) For operations unexpired term of over 36 months, the periods are doubled, as allowed by CMN Resolution 2,682/99.

The accrual of revenue on operations past due up to 59 days is recorded in income and subsequent to the 60th day, in unearned income.

H-rated past-due operations remain at this level for six months, after which they are written-off against the existing allowance and controlled in memorandum accounts for at least five years, no longer being recognized in the balance sheet.

Renegotiated operations are maintained, at least, at the same classification as their prior rating. Renegotiations already charged-off against the allowance and which are recorded in memorandum accounts are rated as H level and any possible revenues derived from their renegotiation are recognized as revenue only when they are effectively received. When there is a significant payment on the operation or when new material facts justify a change in risk level, the operation may be reclassified to a lower risk category.

The allowance for loan losses is calculated at an amount sufficient to cover probable losses and takes into consideration CMN and Bacen rules and instructions, together with assessments carried out by the Management, in the determination of credit risk.

h) Income tax and social contribution (assets and liabilities)

Income tax and social contribution credits, calculated on tax losses, negative basis of social contribution and temporary additions are recorded in Other Receivables - Sundry and the provision for deferred tax liabilities on tax difference in leasing depreciation and mark-to-market adjustments of securities is recorded in Other Liabilities Tax and Social Security . Only income tax rate is applied on tax difference in leasing depreciation.

Tax credits on temporary additions will be realized upon use and/or reversal of the corresponding provisions to which they refer. Tax credits on tax losses and negative basis of social contribution will be realized as taxable income is generated, considering the 30% limit of the taxable profit of the reference period. Such tax credits are recorded based on the current expectations for realization, taking into account the technical studies and analyses carried out by the Management.

The provision for income tax is recorded at the base rate of 15% of taxable income, plus a 10% surcharge. As of May 1, 2008, social contribution is calculated at a 15% rate for financial institutions and insurance companies and at 9% for other companies (up to April 30, 2008, this rate was 9% for all companies and for fiscal year 2008 it was calculated pursuant to specific rules issued by the tax authorities).

Tax credits brought forward from previous periods, resulting from the increase of the social contribution rate to 15% are recorded up to the limit of the corresponding consolidated tax liabilities (Note 34).

Provisions were recorded for other income and social contribution taxes in accordance with specific applicable legislation.

Pursuant to Provisional Measure 449/08 (which became Law 11,941/09), the changes in the determination criteria for income, costs and expenses included in the net income for the year, enacted by Law 11,638/07 and by Articles 37 and 38 of Law 11,941/09, shall not have effect taxable income for corporate entities opting for the Transitional Tax Regime (RTT), and, for tax purposes, the accounting methods and criteria in force on December 31, 2007 will be considered. For accounting purposes, the tax effects of adopting Law 11,638/07 are recorded in the corresponding deferred tax assets and liabilities.

i) Prepaid expenses

These represent payments for future benefits or services recorded in assets according to the accrual method of accounting.

This group is basically represented by: insurance selling expenses, insurance expenses and advertising and marketing expenses, as described in note 12b.

j) Investments

The investments in subsidiaries, jointly-controlled companies and affiliates, with significant influence over the investee or ownership of 20% or more in the voting capital, are evaluated by the equity accounting method.

Tax incentives and other investments are assessed at acquisition cost, net of the provision for impairment, when applicable.

k) Fixed assets

These correspond to tangible assets used in the Bank's activities or acquired with this purpose, including those deriving from operations which transfer risks, benefits and controls of the assets.

Fixed assets are stated at acquisition cost, net of the respective accumulated depreciations, calculated on the straight-line method according to the estimated economic useful life of assets, being: premises 4% p.a.; furniture and fixtures, machinery and equipment 10% p.a.; transport systems 20% p.a.; and data processing systems 20% to 50% p.a. and impairment, when applicable.

l) Intangible assets

Intangible assets are intangible rights acquired for business activities or exercised with that purpose. Intangible assets with established useful lives are amortized over the estimated period of economic benefit.

Intangible assets comprise:

Future profitability of client portfolio acquired and acquisition of the right to provide banking services;

These are recorded and amortized over the period in which the asset will directly and indirectly contribute to the future cash flow and adjusted by the impairment, when applicable; and

Software

Software is recorded at cost less amortization on the straight-line method during the estimated useful life (20% to 50% p.a.), as from the date it is available for use and adjusted by *impairment*, when applicable. Internal software development expenses are recognized as assets when it is possible to demonstrate the intention and ability to complete such development, as well as reliably measuring costs directly attributable to the software, which will be amortized during its estimated useful life, considering the future economic benefits generated.

m) Asset impairment

The book value of securities classified as available-for-sale and held-to-maturity and non-financial assets, except other assets and tax credits, are tested, at least annually, for impairment, which is recognized in the income statement for the year if the book value of an asset or its cash-generating unit exceeds its recoverable value.

A cash generating unit is the smallest identifiable group of assets that generates cash flows materially independent from other assets and groups.

n) Deposits and federal funds purchased and securities sold under agreements to repurchase

These are recorded at the amount of the liabilities and include, when applicable, related charges up to the balance sheet date, on a daily prorated basis.

o) Technical provisions related to insurance, private pension plans and savings bonds activities

Technical provisions are calculated according to actuarial technical notes approved by Susep and ANS, and criteria set forth by CNSP Resolutions 162/06, 181/07, 195/08 and 204/09.

Basic, life and health insurance lines:

- Unearned Premiums Provision (PPNG) comprises retained premiums (except reinsurance assignment) which are deferred during the term of effectiveness of the insurance policies, determining the daily prorated value of the unearned premium of the unexpired risk period (future risk of policies in effect);

- The provision for claims Incurred but not reported (IBNR) is calculated on an actuarial basis to quantify the amount of claims occurred and not reported by policyholders/beneficiaries. Pursuant to CNSP Resolution 195/08, as of 2009, insurance companies cannot to deduct from calculation of provisions the amounts transferred to third parties through reinsurance operations;

- The provision for unsettled claims is recorded based on the indemnity estimates for notices of claims received from policyholders up to the balance sheet date. The provision is monetarily restated and includes all claims under litigation. In the case of health insurance, according to the technical note approved by ANS, the provision for unsettled claims complements the IBNR provision;

- The Supplementary Premium Provision (PCP) is recorded on a monthly basis to complement the PPNG, considering the effective risks issued or not. The amount of the PCP is the difference, if positive, between the average of the sum of the daily PPNG and the recorded PPNG;

- The provision for insufficient premiums is recorded when there is insufficiency of the unearned premium provision to cover incurred claims, considering expected indemnities and related expenses, throughout periods to be incurred related to risks in effect on the reference date of calculation;

- Other technical provisions refer to provision for future readjustments of premiums and those required for the technical balance of the individual health plan portfolio, adopting a method included in the actuarial technical note approved by ANS;

- The provision for benefits to be granted, of the individual health plan portfolio, refers to a 5-year coverage for dependents if the policyholder is deceased, adopting a formulation included in the actuarial technical note approved by ANS; and

- The provision for benefits granted, of the individual health plan portfolio, is comprised by liabilities arising from payment release contractual clauses referring to the health plan coverage, and its accounting complies with Resolution - RN 75/04 of ANS, and by premiums for the payment release of Bradesco Saúde policyholders - Plano GBS .

Supplementary private pension plans and life insurance covering survival:

- The mathematical provision for benefits to be granted refers to participants whose benefits have not yet begun. In the private pension plans known as traditional , the provision represents the difference between the current value of the future benefits and the current value of the future contributions, corresponding to the obligations assumed under retirement, disability, pension and regular income plans. The provision related to Long-term Life Insurance (VGBL) covering survival and to Unrestricted Benefits Generating private pension Plans (PGBL) represents the amount of the contributions made by the participants, net of carrying costs and other contractual charges, plus financial earnings generated by the investment of resources in Exclusive Investment Funds (FIEs);

- The mathematical provision for benefits granted refers to participants already using the benefits and corresponds to the present value of future obligations related to the payment of ongoing benefits;

- The contribution insufficiency provision is recorded to complement the mathematical provisions for benefits granted and to be granted, should they not be sufficient to guarantee future commitments. In plans covering survival, the provision is calculated on an actuarial basis and takes into consideration the actuarial table AT-2000 (normalized), increased by 1.5% p.a. (improvement), considering males separately from females, who have higher life expectancy, and the actual interest rate of 4.0% p.a.. In disability plans, the provision is also calculated on an actuarial basis and takes in consideration the biometric AT-49 table (male) and the real interest rate of 4.0% p.a.;

- The financial fluctuation provision is recorded up to the limit of 15% of the mathematical provision for benefits to be granted related to the private pension plans in the category of variable contribution with guarantee of earnings to meet possible financial fluctuations; and

- The administrative expenses provision is recorded to cover administrative expenses of the defined benefit and variable contribution plans. It is calculated in conformity with the methodology set forth in the actuarial technical note.

Savings bonds:

- The mathematical provision for redemptions is recorded for each active or suspended savings bonds during the estimated term set forth in the general conditions of the plan. It is calculated according to the methodology set forth in the actuarial technical notes approved by Susep;

- The provisions for redemptions are established for the expired savings bonds and unexpired plans where early redemption has been required by the clients. The provisions are monetarily restated based on the indexes determined in each plan; and

- The provisions for unrealized and payable drawings are recorded to cover prizes in future drawings (unrealized) and also for prizes in drawings where clients have already been selected (payable).

p) Contingent assets and liabilities and legal liabilities tax and social security

The recognition, measurement and disclosure of contingent assets and liabilities and legal liabilities are in accordance with the criteria defined in CMN Resolution 3,535/08 and CVM Resolution 489/05.

Contingent Assets: are not recognized in the financial statements, except when Management has total control over the situation or when there are real guarantees or favorable judicial decisions, to which no further appeals are applicable, characterizing the gain as practically certain and confirmed expectations of receipt or compensation with another liability. The contingent assets with probable chances of success is probable are disclosed in the notes to the financial statements (Note 18a);

Contingent Liabilities: are recorded taking into consideration the opinion of the legal advisors, the nature of the lawsuits, the similarity with previous processes, the complexity and positioning of courts, whenever the loss is evaluated as probable, which would cause a probable outflow of funds for the settlement of liabilities and when the amounts involved are measurable with sufficient reliability. The contingent liabilities classified as possible losses are not recognized in the financial statements, and they must only be disclosed in the notes, when individually material, and those classified as remote do not require provision nor disclosure (Notes 18b and 18c); and

Legal Liabilities Tax and Social Security: result from judicial proceedings related to tax liabilities, being contested on the grounds of legality or constitutionality, which, regardless of the assessment of the probability of success, are fully recognized in the financial statements (note 18b).

q) Funding expenses

Expenses related to funding transactions involving the issue of securities are recorded as reduction of the liability and are allocated to income over the term of the transaction.

r) Other assets and liabilities

The assets are stated at their realizable amounts, including, when applicable, related income and monetary and exchange variations (on a daily prorated basis), and less provision for loss, when deemed appropriate. The liabilities comprise known or measurable amounts, including related charges and monetary and exchange variations (on a daily prorated basis).

4) INFORMATION FOR COMPARISON PURPOSES

As from November 2009, Bradesco started to consolidate in its financial statements Banco Ibi and its subsidiaries.

a) Below we present the main balance sheet balances and income statement as of December 31, 2009:

	R\$ thousand
	Banco Ibi
Assets	
Current and long-term assets	5,747,895
Cash and cash equivalents	17,594
Interbank investments	416,654
Securities and derivative financial instruments	1,694,885
Interbank accounts	8,286
Loan and leasing operations	1,749,578
Other receivables	1,835,761
Other assets	25,137
Permanent assets	196,552
- Premises and equipment	11,196
- Deferred charges	95,359
- Intangible assets	89,997
Total	5,944,447
Liabilities	
Current and long-term liabilities	3,900,520
Demand, time and other deposits	1,219,658
Federal funds purchased and securities sold under agreements to repurchase	12,502
Interdepartmental accounts	1,368
Other liabilities	2,666,992
Shareholders equity	2,043,927
Total	5,944,447

	R\$ thousand
	Banco Ibi
	From November
	1 to
	December 31,
	2009

Revenues from financial intermediation	280,173
Expenses from financial intermediation	139,106
Gross income from financial intermediation	141,067
Other operating revenues/expenses	(133,148)
Operating income	7,919
Non-operating income	(793)
Income before taxes on income and interest	7,126

Income tax and social contribution	5,188
Net income	12,314

b) Reclassifications

For a better comparison of the financial statements, reclassifications were made in the balances for the period ended December 31, 2008, to comply with the accounting procedures/classifications adopted in 2009.

Balance Sheet

	As previously reported	Reclassifications	R\$ thousand Reclassified balance
Liabilities			
Current liabilities	248,474,344	-	248,474,344
Other liabilities	34,045,924	-	34,045,924
Subordinated debts (1)	12,147	402,222	414,369
Sundry (1)	14,877,709	(402,222)	14,475,487
Long-term liabilities	171,087,150	-	171,087,150
Other liabilities	30,543,493	-	30,543,493
Subordinated debts (1)	19,236,419	35,874	19,272,293
Sundry (1)	2,595,072	(35,874)	2,559,198
Total	454,413,043	-	454,413,043

Statement of Income

	As previously reported	Reclassifications	R\$ thousand Reclassified balance
Other operating revenues/expenses	(7,983,440)	-	(7,983,440)
Fee and Commission Income (2)	11,215,095	(353,462)	10,861,633
Other Revenues from Fees and Commissions	9,163,687	(355,170)	8,808,517
Income from Banking Fees	2,051,408	1,708	2,053,116
Personnel Expenses (3)	(7,166,253)	(222,768)	(7,389,021)
Other Administrative Expenses (2) (3)	(8,144,272)	(115,064)	(8,259,336)
Tax Expenses (3)	(1,948,768)	(18,335)	(1,967,103)
Other Operating Expenses (2) (3)	(5,995,457)	709,629	(5,285,828)
Net Income	7,620,238	-	7,620,238

(1) Reclassification of Other Liabilities – Sundry to Subordinated Debts related to CDB issue;

(2) Reclassification of Fee and Commission Income and Other Administrative Expenses to Other Operating Expenses, related to interbank fees, which now is named Reimbursement of Operating Costs; and

(3) Reclassification of Other Operating Expenses to Personnel Expenses, Other Administrative Expenses and Tax Expenses, related to the breakdown of sale of non-financial companies.

5) ADJUSTED BALANCE SHEET AND STATEMENT OF INCOME BY BUSINESS SEGMENT a) Balance sheet

	R\$ thousand						
	Financial (1) (2)		Insurance group (2) (3)		Other activities (2)	Eliminations (4)	Total consolidated
	Brazil	Abroad	Brazil	Abroad			
Assets							
Current and long-term assets							
Cash and cash equivalents	384,516,285	27,770,119	89,973,762	17,240	1,047,572	(7,296,683)	496,028,295
Interbank investments	5,819,962	1,054,732	68,813	9,818	27,864	(34,626)	6,946,563
Securities and derivative financial instruments	109,956,011	840,769	-	-	100,098	(100,065)	110,796,813
Interbank and interdepartmental accounts	56,438,562	6,834,941	83,648,149	5,809	412,186	(720,912)	146,618,735
Loan and leasing operations	18,349,807	373,409	-	-	-	-	18,723,216
Other receivables and other assets	144,650,802	18,031,836	-	-	-	(5,224,394)	157,458,244
Permanent assets	49,301,141	634,432	6,256,800	1,613	507,424	(1,216,686)	55,484,724
Investments	30,137,755	8,778	2,112,967	37	138,817	(22,203,557)	10,194,797
Premises and equipment and leased assets	22,363,915	1,917	1,029,844	-	68,700	(22,203,557)	1,260,819
Intangible assets	3,124,425	6,772	228,241	37	58,479	-	3,417,954
Total on December 31, 2009	4,649,415	89	854,882	-	11,638	-	5,516,024
Total on December 31, 2009	414,654,040	27,778,897	92,086,729	17,277	1,186,389	(29,500,240)	506,223,092
Total on September 30, 2009	399,963,594	28,162,964	87,589,702	16,604	879,381	(30,926,555)	485,685,690
Total on December 31, 2008	369,586,421	29,807,072	77,953,752	21,877	995,911	(23,951,990)	454,413,043
Liabilities							
Current and long-term liabilities							
Deposits	372,250,391	17,379,601	80,357,392	7,851	652,489	(7,296,683)	463,351,041
	166,239,378	4,909,250	-	-	-	(75,544)	171,073,084

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Federal funds purchased and securities sold under agreements to repurchase	112,937,514	435,597	-	-	-	(100,065)	113,273,046
Funds from issuance of securities	4,095,776	4,257,577	-	-	-	(870,769)	7,482,584
Interbank and interdepartmental accounts	2,949,317	837	-	-	-	-	2,950,154
Borrowing and onlending	28,879,782	3,481,483	82	-	-	(5,033,611)	27,327,736
Derivative financial instruments	428,193	103,001	-	-	-	-	531,194
Technical provisions from insurance, private pension plans and savings bonds	-	-	75,570,227	1,694	-	-	75,571,921
Other liabilities:							
- Subordinated debts	19,324,696	3,779,281	-	-	-	-	23,103,977
- Other	37,395,735	412,575	4,787,083	6,157	652,489	(1,216,694)	42,037,345
Deferred income	320,625	-	-	-	-	-	320,625
Shareholders equity/minority interest in subsidiaries	329,273	10,399,296	11,729,337	9,426	533,900	(22,203,557)	797,675
Shareholders equity - parent company	41,753,751	-	-	-	-	-	41,753,751
Total on December 31, 2009	414,654,040	27,778,897	92,086,729	17,277	1,186,389	(29,500,240)	506,223,092
Total on September 30, 2009	399,963,594	28,162,964	87,589,702	16,604	879,381	(30,926,555)	485,685,690
Total on December 31, 2008	369,586,421	29,807,072	77,953,752	21,877	995,911	(23,951,990)	454,413,043

b) Statement of income

	R\$ thousand						
	Financial (1) (2)		Insurance group (2) (3)		Other activities (2)	Eliminations (4)	Total consolidated
	Brazil	Abroad	Brazil	Abroad			
Revenues from financial intermediation	53,533,061	1,404,378	8,035,175	3,417	29,347	(106,299)	62,899,079
Expenses from financial intermediation	36,584,153	919,594	5,128,517	-	-	(107,039)	42,525,225
Gross income from financial intermediation	16,948,908	484,784	2,906,658	3,417	29,347	740	20,373,854
Other operating income/expenses	(11,682,102)	(127,784)	1,297,024	843	136,421	(553)	(10,376,151)
Operating income	5,266,806	357,000	4,203,682	4,260	165,768	187	9,997,703
Non-operating income	1,786,901	375,723	(18,571)	3	(22,403)	(57)	2,121,596
Income before taxes and minority interest	7,053,707	732,723	4,185,111	4,263	143,365	130	12,119,299
Income tax and social contribution	(2,569,530)	(2,492)	(1,461,454)	(1,888)	(46,815)	(130)	(4,082,309)
Minority interest in subsidiaries	(20,637)	-	(3,390)	-	(681)	-	(24,708)
Net income for 2009	4,463,540	730,231	2,720,267	2,375	95,869	-	8,012,282
Net income for 2008	5,182,600	(239,906)	2,653,310	(4,578)	28,812	-	7,620,238
Net income for 4Q09	1,276,139	50,465	826,483	949	26,905	-	2,180,941
Net income for 3Q09	1,245,309	(61,694)	608,904	(1,975)	20,445	-	1,810,989

(1) The Financial segment comprises: financial institutions; holding companies (which are mainly responsible for managing financial resources); as well as credit card and asset management companies;

(2) The balances of equity accounts, income and expenses among companies from the same segment are being eliminated;

(3) The Insurance Group segment comprises insurance, private pension plans and savings bonds companies; and

(4) Amounts eliminated among companies from different segments, as well as operations carried out in Brazil and abroad.

6) CASH AND CASH EQUIVALENTS

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Funds available in domestic currency	5,507,300	6,455,160	5,822,653
Funds available in foreign currency	1,439,198	2,115,883	3,472,821
Investments in gold	65	60	67
Total funds available (cash)	6,946,563	8,571,103	9,295,541
Short-term interbank investments (1)	75,774,350	76,609,025	54,835,831
Total cash and cash equivalents	82,720,913	85,180,128	64,131,372

(1) Refers to operations with maturities on the application date of 90 days or less and with insignificant risk of change in fair value.

7) INTERBANK INVESTMENTS

a) Breakdown and maturities

	2009				2008		
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	December 31	September 30	December 31
R\$ thousand							
Investments in the open market:							
Own portfolio position	13,315,320	20,011,434	-	-	33,326,754	21,367,113	19,446,068
Financial treasury bills	780,904	-	-	-	780,904	3,923,045	3,609,090
National treasury notes	5,396,749	13,788,938	-	-	19,185,687	11,480,297	11,858,081
National treasury bills	7,128,311	6,222,496	-	-	13,350,807	5,879,848	3,948,556
Other	9,356	-	-	-	9,356	83,923	30,341
Funded position	65,908,415	2,007,839	41,527	-	67,957,781	66,368,579	39,750,183
Financial treasury bills	20,945,416	-	-	-	20,945,416	23,155,621	38,054,546
National treasury notes	28,496,153	-	41,527	-	28,537,680	31,830,038	171,531
National treasury bills	16,466,846	2,007,839	-	-	18,474,685	11,382,920	1,524,106
Short position	223,194	329,962	-	-	553,156	539,301	2,238,365
National treasury bills	223,194	329,962	-	-	553,156	539,301	2,238,365
Subtotal	79,446,929	22,349,235	41,527	-	101,837,691	88,274,993	61,434,616
Deposits in other banks:							
Deposits in other banks	4,568,492	1,112,106	2,201,944	1,077,439	8,959,981	9,212,766	12,759,752
Provisions for losses	(426)	-	(433)	-	(859)	(436)	(3,143)
Subtotal	4,568,066	1,112,106	2,201,511	1,077,439	8,959,122	9,212,330	12,756,609
Total on December 31, 2009	84,014,995	23,461,341	2,243,038	1,077,439	110,796,813		
%	75.8	21.2	2.0	1.0	100.0		
Total on September 30, 2009	77,980,746	16,476,087	2,076,473	954,017		97,487,323	
%	80.0	16.9	2.1	1.0		100.0	
Total on December 31, 2008	64,738,498	5,828,352	2,895,589	728,786			74,191,225
%	87.3	7.9	3.9	0.9			100.0

b) Income from interbank investments

Classified in the statement of income as income on securities transactions

R\$ thousand

	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Income from investments in purchase and sale commitments:				
Own portfolio position	580,234	398,249	2,129,798	1,011,378
Funded position	1,574,524	1,429,115	5,952,209	4,751,974
Short position	17,333	39,749	357,153	690,080
Unrestricted securities	-	-	-	12,672
Subtotal	2,172,091	1,867,113	8,439,160	6,466,104
Income from interest-earning deposits in other banks	142,215	159,348	666,280	770,070
Total (Note 8h)	2,314,306	2,026,461	9,105,440	7,236,174

8) SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

Information on securities and derivative financial instruments is as follows:

a) Summary of the consolidated classification of securities by business segment and issuer

	R\$ t								
	2009								
	Financial	Insurance/ Savings bonds	Private pension plans	activities	December 31	%	September 30	%	December 31
Trading securities	38,510,735	1,990,690	29,906,576	304,302	70,712,303	59.5	77,403,145	62.2	80,383,883
- Government securities	21,882,031	720,766	227,382	265,419	23,095,598	19.5	28,297,787	22.7	34,649,213
- Corporate bonds	15,270,131	1,269,924	224,597	38,883	16,803,535	14.2	17,147,380	13.8	15,389,377
- Derivative financial instruments (1)	1,358,573	-	-	-	1,358,573	1.1	2,500,268	2.0	2,364,140
- PGBL / VGBL restricted bonds	-	-	29,454,597	-	29,454,597	24.8	29,457,710	23.7	27,981,153
Available-for-sale securities	19,615,769	1,349,829	1,110,114	8,206	22,083,918	18.6	21,368,525	17.1	10,796,270
- Government securities	13,194,105	121,523	294,535	-	13,610,163	11.5	12,763,392	10.2	2,964,736
- Corporate bonds	6,421,664	1,228,306	815,579	8,206	8,473,755	7.1	8,605,133	6.9	7,831,534
Held-to-maturity securities (4)	869,354	7,494,856	17,574,374	-	25,938,584	21.9	25,674,435	20.7	24,020,907
- Government securities	869,354	7,494,856	16,902,612	-	25,266,822	21.3	24,988,030	20.1	23,325,817
- Corporate bonds	-	-	671,762	-	671,762	0.6	686,405	0.6	695,090
Subtotal	58,995,858	10,835,375	48,591,064	312,508	118,734,805	100.0	124,446,105	100.0	115,201,060
Purchase and sale commitments (2)	3,656,410	4,045,712	20,181,808	-	27,883,930		23,278,214		16,396,613
Overall total	62,652,268	14,881,087	68,772,872	312,508	146,618,735		147,724,319		131,597,673
- Government securities	35,945,490	8,337,145	17,424,529	265,419	61,972,583	52.2	66,049,209	53.1	60,939,766
- Corporate bonds	23,050,368	2,498,230	1,711,938	47,089	27,307,625	23.0	28,939,186	23.2	26,280,141
- PGBL / VGBL restricted bonds	-	-	29,454,597	-	29,454,597	24.8	29,457,710	23.7	27,981,153
Subtotal	58,995,858	10,835,375	48,591,064	312,508	118,734,805	100.0	124,446,105	100.0	115,201,060
Purchase and sale commitments (2)	3,656,410	4,045,712	20,181,808	-	27,883,930		23,278,214		16,396,613
Overall total	62,652,268	14,881,087	68,772,872	312,508	146,618,735		147,724,319		131,597,673

b) Breakdown of consolidated portfolio by issuer

Securities (3)	2009									
	December 31					September 30				
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Market/ book value (5) (6) (7)	Restated cost	Mark-to-market	Market/ book value (5) (6) (7)	Market/ book value (5) (6) (7)	Market/ book value (5) (6) (7)
Government securities	1,847,240	575,289	1,215,741	58,334,313	61,972,583	61,548,757	423,826	66,049,209	67,000,000	67,000,000
Financial treasury bills	28,840	495,414	430,995	13,419,386	14,374,635	14,380,563	(5,928)	12,710,466	(6,000,000)	(6,000,000)
National treasury bills	1,416,359	392	52,112	2,867,148	4,336,011	4,345,797	(9,786)	5,080,022	(5,000,000)	(5,000,000)
National treasury notes	397,598	-	722,945	39,000,749	40,121,292	40,091,311	29,981	43,677,529	25,000,000	25,000,000
Brazilian foreign debt notes	-	1,198	604	2,811,348	2,813,150	2,414,969	398,181	2,782,405	42,000,000	42,000,000
Privatization currencies	-	-	-	94,143	94,143	79,550	14,593	95,275	14,000,000	14,000,000
Foreign government securities	556	77,029	4,941	129,239	211,765	215,435	(3,670)	1,691,365		
Other	3,887	1,256	4,144	12,300	21,587	21,132	455	12,147		
Corporate bonds	10,257,389	859,740	2,606,048	13,584,448	27,307,625	26,929,244	378,381	28,939,186	27,000,000	27,000,000
Bank deposit certificates	161,478	63,280	111,795	760,843	1,097,396	1,097,396	-	1,801,111		
Shares	3,294,980	-	-	-	3,294,980	3,179,760	115,220	3,818,518	(6,000,000)	(6,000,000)
Debentures	235,956	160,712	372,694	8,264,159	9,033,521	8,893,843	139,678	8,357,129	13,000,000	13,000,000
Promissory notes	102,661	296,898	1,648,104	117	2,047,780	2,048,201	(421)	3,845,227		
Foreign corporate bonds	16,647	2,166	12,458	2,196,740	2,228,011	2,150,756	77,255	1,859,755	8,000,000	8,000,000
Derivative financial instruments										
(1)	302,621	254,844	94,675	706,433	1,358,573	1,241,014	117,559	2,500,268	10,000,000	10,000,000
Other	6,143,046	81,840	366,322	1,656,156	8,247,364	8,318,274	(70,910)	6,757,178	(3,000,000)	(3,000,000)
PGBL / VGBL restricted bonds	2,969,516	4,845,951	7,495,328	14,143,802	29,454,597	29,454,597	-	29,457,710	29,000,000	29,000,000

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Subtotal	15,074,145	6,280,980	11,317,117	86,062,563	118,734,805	117,932,598	802,207	124,446,105	95
Purchase and sale commitments (2)	26,126,110	1,194,914	480,240	82,666	27,883,930	27,883,930	-	23,278,214	
Hedge cash flow (Note 8g)	-	-	-	-	-	-	150,089	-	(80)
Overall total	41,200,255	7,475,894	11,797,357	86,145,229	146,618,735	145,816,528	952,296	147,724,319	87

c) Consolidated classification by category, maturity and business segment

I) Trading securities

Securities (3)	2009								
	December 31					September 30			
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Market/ book value (5) (6) (7)	Restated cost	Mark-to- market	Market/ book value (5) (6) (7)	Mark-to- market
- Financial	6,947,034	908,645	2,327,184	28,327,872	38,510,735	38,150,619	360,116	45,144,465	530,178
National treasury bills	912,870	392	33,236	1,389,956	2,336,454	2,337,354	(900)	2,838,288	110
Financial treasury bills	26,647	110,320	154,466	12,033,961	12,325,394	12,331,646	(6,252)	10,846,407	(6,965)
Bank deposit certificates	14,112	60,365	11,780	732,325	818,582	818,582	-	1,528,617	-
Derivative financial instruments (1)	302,621	254,844	94,675	706,433	1,358,573	1,241,014	117,559	2,500,268	100,961
Debentures	235,956	105,641	104,007	6,858,001	7,303,605	7,167,665	135,940	6,569,220	133,635
Promissory notes	102,661	296,353	1,648,104	117	2,047,235	2,047,656	(421)	3,844,828	(765)
Brazilian foreign debt notes	-	-	-	35,278	35,278	31,601	3,677	35,853	3,768
National treasury notes	369,980	-	268,168	6,445,675	7,083,823	6,972,817	111,006	11,742,027	295,880
Foreign corporate securities	2,378	2,166	2,590	53,834	60,968	57,471	3,497	67,345	3,636
Foreign government securities	-	77,029	4,941	50	82,020	82,656	(636)	1,558,316	3,125
Shares	60,023	-	-	-	60,023	60,023	-	54,131	-
Other	4,919,786	1,535	5,217	72,242	4,998,780	5,002,134	(3,354)	3,559,165	(3,207)
- Insurance companies and savings bonds	843,183	123,602	511,126	512,779	1,990,690	1,990,690	-	2,014,210	-
Financial treasury bills	-	123,602	135,487	385,139	644,228	644,228	-	681,411	-
National treasury bills	-	-	18,857	51,327	70,184	70,184	-	75,505	-
Bank deposit certificates	-	-	68,909	10,119	79,028	79,028	-	93,091	-
	-	-	-	6,354	6,354	6,354	-	8,234	-

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National treasury notes									
Shares	38,556	-	-	-	38,556	38,556	-	34,651	-
Debentures	-	-	714	4,201	4,915	4,915	-	4,384	-
Foreign private bonds	-	-	5,073	-	5,073	5,073	-	47,730	-
Promissory notes	-	-	-	-	-	-	-	-	-
Other	804,627	-	282,086	55,639	1,142,352	1,142,352	-	1,069,204	-

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Securities (3)	2009								
	September 30					Restated cost	Mark-to-market	Ju	
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Market/book value (5) (6) (7)			Market/book value (5) (6) (7)	Market/book value (5) (6) (7)
- Private pension plans	3,194,113	4,846,455	7,508,993	14,357,015	29,906,576	29,906,607	(31)	29,916,6	
Financial treasury bills	-	504	13,665	192,646	206,815	206,815	-	200,0	
National treasury notes	-	-	-	11,246	11,246	11,277	(31)	16,5	
Bank deposit certificates	-	-	-	-	-	-	-	3,0	
National treasury bills	-	-	-	9,321	9,321	9,321	-	9,1	
Shares	2,715	-	-	-	2,715	2,715	-	2,5	
Debentures	-	-	-	-	-	-	-	-	
PGBL / VGBL restricted bonds	2,969,516	4,845,951	7,495,328	14,143,802	29,454,597	29,454,597	-	29,457,7	
Other	221,882	-	-	-	221,882	221,882	-	227,6	
- Other activities	34,530	2,958	42,137	224,677	304,302	304,302	-	327,8	
Financial treasury bills	2,193	960	20,380	204,872	228,405	228,405	-	185,8	
Bank deposit certificates	56	614	4,027	11,284	15,981	15,981	-	33,3	
National treasury bills	3,654	-	-	4,866	8,520	8,520	-	19,2	
Debentures	-	-	16,509	2,368	18,877	18,877	-	16,5	
National treasury notes	27,618	-	-	876	28,494	28,494	-	70,9	
Promissory notes	-	545	-	-	545	545	-	3	
Other	1,009	839	1,221	411	3,480	3,480	-	1,5	
Subtotal	11,018,860	5,881,660	10,389,440	43,422,343	70,712,303	70,352,218	360,085	77,403,1	
Purchase and sale commitments (2)	26,126,110	1,194,914	480,240	82,666	27,883,930	27,883,930	-	23,278,2	
- Financial	2,491,269	1,019,713	62,762	82,666	3,656,410	3,656,410	-	3,864,3	
- Insurance companies and savings bonds	3,672,294	175,201	198,217	-	4,045,712	4,045,712	-	3,787,3	
- Private pension plans	19,962,547	-	219,261	-	20,181,808	20,181,808	-	15,626,4	
- PGBL/VGBL	17,235,533	-	219,261	-	17,454,794	17,454,794	-	13,948,6	
- Funds	2,727,014	-	-	-	2,727,014	2,727,014	-	1,677,8	
Overall total	37,144,970	7,076,574	10,869,680	43,505,009	98,596,233	98,236,148	360,085	100,681,3	
Derivative financial instruments (liabilities)	(183,601)	(101,867)	(149,707)	(96,019)	(531,194)	(561,704)	30,510	(1,668,6	

II) Available -for-sale securities

Securities (3) (8)	2009									
	December 31					September 30				
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Market/ book value (5) (6) (7)	Restated cost	Mark-to- market	Market/ book value (5) (6) (7)	Mark-to- market	Market/ book value (5) (6) (7)
- Financial	2,243,008	321,757	576,633	16,474,371	19,615,769	19,154,112	461,657	17,781,093	567,255	6,9
National treasury bills	499,835	-	19	1,411,678	1,911,532	1,920,418	(8,886)	1,870,005	(5,626)	
Brazilian foreign debt securities	-	1,198	604	1,920,467	1,922,269	1,527,765	394,504	1,884,130	417,882	2,3
Foreign corporate securities	14,269	-	4,795	2,142,906	2,161,970	2,088,212	73,758	1,744,680	79,892	1,7
National treasury notes	-	-	454,777	8,139,130	8,593,907	8,674,901	(80,994)	7,727,621	(44,518)	
Financial treasury bills	-	182,465	7,417	350,102	539,984	540,072	(88)	344,345	(27)	1
Bank deposit certificates	139,248	2,301	27,079	7,115	175,743	175,743	-	141,940	-	2
Debentures	-	55,071	-	813,349	868,420	869,572	(1,152)	916,878	(1,326)	8
Shares	1,439,018	-	-	-	1,439,018	1,295,915	143,103	1,134,294	146,985	4
Privatization currencies	-	-	-	94,143	94,143	79,550	14,593	95,275	14,852	
Foreign governments bonds	556	-	-	129,189	129,745	132,779	(3,034)	133,049	(2,200)	
Other	150,082	80,722	81,942	1,466,292	1,779,038	1,849,185	(70,147)	1,788,876	(38,659)	9
- Insurance companies and savings bonds	1,062,364	26,282	30,367	230,816	1,349,829	1,336,843	12,986	1,971,412	(68,235)	1,9
Financial treasury bills	-	26,282	30,335	64,906	121,523	121,460	63	127,511	79	
Shares	1,012,817	-	-	-	1,012,817	1,007,830	4,987	1,362,038	(78,819)	1,0
Debentures	-	-	32	165,910	165,942	161,052	4,890	163,656	6,640	5
Promissory notes	-	-	-	-	-	-	-	-	-	1
National treasury bills	-	-	-	-	-	-	-	267,858	460	
Other	49,547	-	-	-	49,547	46,501	3,046	50,349	3,405	
	741,707	51,281	55,494	261,632	1,110,114	1,142,761	(32,647)	1,614,805	(74,649)	1,9

**- Private
pension
plans**

Shares	741,707	-	-	-	741,707	774,703	(32,996)	1,230,760	(75,007)	1,3
Financial treasury bills	-	51,281	55,494	187,760	294,535	294,186	349	311,463	358	
Promissory notes	-	-	-	-	-	-	-	-	-	3
Other	-	-	-	73,872	73,872	73,872	-	72,582	-	

**- Other
activities**

8,206	-	-	-	-	8,206	8,080	126	1,215	119	
Bank deposit certificates	8,062	-	-	-	8,062	8,062	-	1,078	-	
Shares	144	-	-	-	144	18	126	137	119	
Subtotal	4,055,285	399,320	662,494	16,966,819	22,083,918	21,641,796	442,122	21,368,525	424,490	10,7
Hedge cash flow (Note 8g)	-	-	-	-	-	-	150,089	-	(80,784)	
Overall total	4,055,285	399,320	662,494	16,966,819	22,083,918	21,641,796	592,211	21,368,525	343,706	10,7

III) Held-to-maturity securities

Securities	R\$ thousand						
	2009					2008	
	December 31					September 30	December 31
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Restated cost (5) (6)	Restated cost value (5) (6)	Restated cost value (5) (6)
Financial	-	-	13,751	855,603	869,354	875,878	1,160,149
Brazilian foreign debt notes	-	-	-	855,603	855,603	862,422	1,147,682
Financial treasury bills	-	-	13,751	-	13,751	13,456	12,467
Insurance companies and savings bonds	-	-	-	7,494,856	7,494,856	7,385,646	6,313,953
Debentures	-	-	-	-	-	-	84,320
National treasury notes	-	-	-	7,494,856	7,494,856	7,385,646	6,229,633
Private pension plans	-	-	251,432	17,322,942	17,574,374	17,412,911	16,546,805
Debentures	-	-	251,432	420,330	671,762	686,405	610,770
National treasury notes	-	-	-	16,902,612	16,902,612	16,726,506	15,935,908
Financial treasury bills	-	-	-	-	-	-	127
Overall total (4)	-	-	265,183	25,673,401	25,938,584	25,674,435	24,020,907

d) Breakdown of the portfolios by financial statements classification

Securities (3)	R\$ thousand						
	2009				2008		
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Total on December 31 (3) (5) (6) (7)	Total on September 30 (3) (5) (6) (7)	Total on December 31 (3) (5) (6) (7)
Own portfolio	39,171,137	7,131,120	10,842,415	58,994,607	116,139,279	120,606,363	104,052,123
Fixed income securities	35,876,157	7,131,120	10,842,415	58,994,607	112,844,299	116,787,845	100,688,934
Financial treasury bills	28,840	405,484	319,078	3,325,422	4,078,824	5,390,531	5,834,518
Purchase and sale commitments (2)	26,126,110	1,194,914	480,240	82,666	27,883,930	23,278,214	16,396,613
National treasury notes	28,174	-	563	25,047,279	25,076,016	28,156,064	23,555,145
Brazilian foreign debt securities	-	1,198	604	2,360,691	2,362,493	2,717,781	2,184,648
Bank deposit certificates	161,478	63,280	111,795	760,843	1,097,396	1,801,111	2,032,302
National treasury bills	59,286	392	26,144	1,051,707	1,137,529	3,505,679	2,457,439
Foreign corporate securities	16,647	2,166	12,458	2,160,226	2,191,497	1,817,709	1,869,597
Debentures	235,956	160,712	372,694	8,264,159	9,033,521	8,357,129	7,235,211
Promissory notes	102,661	296,898	1,648,104	117	2,047,780	3,845,227	4,915,118
Foreign government securities	556	77,029	4,941	129,239	211,765	1,691,365	1,755,595
PGBL/VGBL restricted bonds	2,969,516	4,845,951	7,495,328	14,143,802	29,454,597	29,457,710	27,981,153
Other	6,146,933	83,096	370,466	1,668,456	8,268,951	6,769,325	4,471,595
Equity securities	3,294,980	-	-	-	3,294,980	3,818,518	3,363,189
Shares of listed companies (technical provision)	676,452	-	-	-	676,452	911,749	1,282,595
Shares of listed companies (other) (4)	2,618,528	-	-	-	2,618,528	2,906,769	2,080,594
Restricted securities	1,726,497	89,930	860,267	24,897,870	27,574,564	24,573,299	25,139,356
Repurchase agreements	-	12,506	461,697	6,927,696	7,401,899	1,491,258	4,265,370
National treasury bills	-	-	1,465	180,644	182,109	7,725	248,442
Brazilian foreign debt securities	-	-	-	450,657	450,657	64,624	671,665
	-	12,506	-	3,143,421	3,155,927	1,376,863	1,147,476

Financial treasury bills							
National treasury notes	-	-	460,232	3,116,460	3,576,692	-	2,166,659
Foreign corporate securities	-	-	-	36,514	36,514	42,046	30,145
Debentures	-	-	-	-	-	-	983
Brazilian Central Bank	1,726,455	16	208,504	12,837,265	14,772,240	17,510,958	13,183,184
National treasury bills	1,357,031	-	-	978,073	2,335,104	1,101,362	2,767,761
National treasury notes	369,424	-	208,504	8,293,595	8,871,523	12,187,976	10,415,423

Securities (3)	R\$ thousand							
	2009				2008			
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Total on December 31 (3) (5) (6) (7)	Total on September 30 (3) (5) (6) (7)	Total on December 30 (3) (5) (6) (7)	
Financial treasury bills	-	16	-	3,565,597	3,565,613	4,221,620	-	
Privatization currencies	-	-	-	94,143	94,143	95,275	99,658	
Guarantees provided	42	77,408	190,066	5,038,766	5,306,282	5,475,808	7,591,144	
National treasury bills	42	-	24,503	656,724	681,269	465,256	914,576	
Financial treasury bills	-	77,408	111,917	1,838,627	2,027,952	1,677,063	966,942	
National treasury notes	-	-	53,646	2,543,415	2,597,061	3,333,489	5,001,724	
Brazilian foreign debt securities	-	-	-	-	-	-	707,902	
Derivative financial instruments (1)	302,621	254,844	94,675	706,433	1,358,573	2,500,268	2,364,140	
Securities subject to repurchase agreements but not restricted	-	-	-	1,546,319	1,546,319	44,389	42,054	
National treasury bills	-	-	-	-	-	-	22,295	
Financial treasury bills	-	-	-	1,546,319	1,546,319	44,389	19,759	
Overall total	41,200,255	7,475,894	11,797,357	86,145,229	146,618,735	147,724,319	131,597,673	
%	28.1	5.1	8.0	58.8	100.0	100.0	100.0	

(1) Consistent with the criterion adopted by Bacen Circular Letter 3,068/02 and due to the characteristics of the securities, we are considering the derivative financial instruments, except those considered as cash flow hedge under the category Trading Securities ; (2) These refer to investment funds resources and managed portfolios applied on purchase and sale commitments with Bradesco, whose owners are consolidated subsidiaries, except those considered as cash flow hedge;

(3) The investment fund quotas were distributed according to the instruments composing their portfolios and preserving the category classification of the funds;

(4) In compliance with the provisions of Article 8 of Bacen Circular Letter 3,068/02, Bradesco declares that it has both the financial capacity and the intention to hold to maturity the securities classified as held-to-maturity . This financial capacity is evidenced in Note 32a, which presents the maturities of asset and liability operations as of December 31, 2009;

(5) The number of days to maturity was based on the maturity of the securities, regardless of their accounting

classification;

(6) This column reflects book value subsequent to mark-to-market according to item (7), except for held-to-maturity securities, whose market value is higher than the restated cost in the amount of R\$3,082,780 thousand (September 30, 2009 R\$3,604,723 thousand and December 31, 2008 R\$1,550,399 thousand);

(7) The market value of securities is determined based on the market price available on the balance sheet date. Should there be no market prices available, amounts are estimated based on the prices quoted by dealers, on price definition models, quotation models or price quotations for instruments with similar characteristics; in case of investment funds, the restated cost reflects the market value of the respective quotas; and

(8) In 4Q09, non-temporary losses totaled R\$24,726 thousand, for securities classified as available -for-sale.

e) Derivative financial instruments

Bradesco carries out transactions involving derivative financial instruments, which are recorded in the balance sheet or memorandum accounts, to meet its own needs in managing its global exposure, as well as to meet its clients requests, in order to manage their exposures. These operations involve a series of derivatives, including interest rate swaps, currency swaps, futures and options. Bradesco's risk management policy is based on the utilization of derivative financial instruments with a view to mitigating risks of the operations carried out by the Bank and its subsidiaries.

Securities classified in the trading and available-for-sale categories, as well as derivative financial instruments are stated in the consolidated balance sheet at its estimated fair value. The fair value is generally based on market prices or quotations for assets or liabilities with similar characteristics. Should market prices not be available, fair values are based on dealer quotations, pricing models, discounted cash flows or similar techniques for which the determination of fair value may require judgment or significant estimates by the management.

Market price quotations are used to determine the fair value of derivative financial instruments. The fair value of swaps is determined by using discounted cash flows modeling techniques that use yield curves, reflecting adequate risk factors. The information to build yield curves is mainly obtained at BM&FBovespa (Futures and Commodities Exchange) and in the domestic and international secondary market. These yield curves are used to determine the fair value of currency swaps, interest rate and other risk factors swaps. The fair value of forward and futures contracts is also determined based on market price quotations for derivatives traded at the stock exchange or using methodologies similar to those outlined for swaps. Fair Value of loan derivative instruments is determined based on market price quotation or from specialized entities. The fair value of options is determined based on mathematical models, such as Black & Scholes, using yield curves, implied volatilities and the fair value of corresponding assets. Current market prices are used to price the volatilities.

Derivative financial instruments in Brazil mainly refer to swap and futures operations and are recorded at Cetip (OTC Clearing House) and BM&FBovespa.

Operations involving forward contracts of indexes and currencies are contracted to manage and hedge Bradesco's overall exposures and to meet client needs.

Derivative financial instruments abroad refer to swap, forward, options, credit and futures operations and are mainly carried out at the stock exchanges of Chicago and New York, as well as the over-the-counter markets.

D) Amount of derivative financial instruments recorded in equity and memorandum accounts

	R\$ thousand					
	2009				2008	
	December 31		September 30		December 31	
	Overall amount	Net amount	Overall amount	Net amount	Overall amount	Net amount
Futures contracts						
Purchase commitments:	32,437,198	-	20,300,706	-	43,251,570	-
- Interbank market	28,801,451	-	14,966,795	-	39,325,772	22,614,663
- Foreign currency	3,507,063	-	5,121,842	-	3,900,193	-
- Other	128,684	128,684	212,069	212,069	25,605	25,605
Sale commitments:	85,907,008		83,643,484		34,483,872	
- Interbank market (1)	69,821,858	41,020,407	66,115,070	51,148,275	16,711,109	-
- Foreign currency (2)	16,085,150	12,578,087	17,528,414	12,406,572	17,772,763	13,872,570
Option contracts						
Purchase commitments:	12,642,784		6,190,748		12,892,510	
- Interbank market	9,823,400	-	3,486,101	-	7,165,403	7,165,403
- Foreign currency	2,042,627	-	1,877,220	1,291,432	3,435,644	2,033,044
- Other	776,757	-	827,427	-	2,291,463	1,313,475
Sale commitments:	24,421,386		7,739,967		2,380,588	
- Interbank market	19,664,000	9,840,600	6,079,200	2,593,099	-	-
- Foreign currency	2,258,586	215,959	585,788	-	1,402,600	-
- Other	2,498,800	1,722,043	1,074,979	247,552	977,988	-
Forward contracts						
Purchase commitments:	2,823,597		4,558,877		7,449,901	
- Foreign currency	2,804,582	-	4,347,947	-	7,449,901	2,651,278
- Other	19,015	19,015	210,930	-	-	-
Sale commitments:	4,713,011		5,560,076		4,798,623	
- Foreign currency	4,713,011	1,908,429	4,811,137	463,190	4,798,623	-
- Other	-	-	748,939	538,009	-	-
Swap contracts						
Beneficiary:	15,361,965		15,269,952		21,324,069	
- Interbank market	5,092,790	1,281,946	5,550,665	1,669,062	5,761,712	-
- Prefixed	1,955,635	1,285,261	1,916,135	1,573,162	939,787	431,618
- Foreign currency (3)	5,857,812	-	6,241,120	-	12,933,946	-
- Reference Interest Rate - TR	1,775,100	1,625,242	867,749	712,555	740,917	537,669

	R\$ thousand					
	2009				2008	
	December 31		September 30		December 31	
	Overall amount	Net amount	Overall amount	Net amount	Overall amount	Net amount
- Special Clearance and Custody System (Selic)	86,506	369	207,293	113,692	338,774	229,609
- General Price Index Market (IGP-M)	143,628	-	84,443	-	247,383	-
- Other (3)	450,494	-	402,547	-	361,550	-
Guarantor:	14,614,579		14,469,958		21,148,166	
- Interbank market	3,810,844	-	3,881,603	-	5,844,816	83,104
- Fixed rate	670,374	-	342,973	-	508,169	-
- Foreign currency (3)	8,744,116	2,886,304	8,934,516	2,693,396	13,273,100	339,154
- TR	149,858	-	155,194	-	203,248	-
- Selic	86,137	-	93,601	-	109,165	-
- IGP-M	531,326	387,698	488,901	404,458	695,213	447,830
- Other (3)	621,924	171,430	573,170	170,623	514,455	152,905

(1) Includes cash flow hedges to protect CDI-related funding in the amount of R\$66,380,865 thousand (September 30, 2009 R\$59,850,104 thousand) (note 8g);

(2) Includes specific hedges to protect investments abroad that totaled R\$10,469,740 thousand (September 30, 2009 R\$10,645,246 thousand and December 31, 2008 R\$9,094,833 thousand) (note 13a); and

(3) Includes derivative credit operations (note 8f).

Derivatives include operations maturing in D+1.

II) Breakdown of derivative financial instruments (assets and liabilities) stated at restated cost and market value

	2009						2008	
	December 31			September 30			December 31	
	Restated cost	Mark-to-market adjustment	Market value	Restated cost	Mark-to-market adjustment	Market value	Restated cost	Mark-to-market adjustment
Adjustment receivables swaps	943,315	93,692	1,037,007	969,656	121,659	1,091,315	1,138,346	170,000
Receivable forward purchases	22,409	(5)	22,404	214,202	(65)	214,137	569,229	
Receivable forward sales	194,527	-	194,527	1,094,887	(244)	1,094,643	31,684	
Premiums on exercisable options	80,763	23,872	104,635	120,562	(20,389)	100,173	222,960	222,960
Total assets	1,241,014	117,559	1,358,573	2,399,307	100,961	2,500,268	1,962,219	400,000
Adjustment payables swaps	(293,739)	4,118	(289,621)	(298,782)	7,461	(291,321)	(1,158,107)	18,000
Payable forward purchases	(115,357)	5	(115,352)	(347,173)	65	(347,108)	(17,529)	
Payable forward sales	(12,252)	-	(12,252)	(776,234)	244	(775,990)	(204,208)	
Premiums on written options	(140,356)	26,387	(113,969)	(297,067)	42,790	(254,277)	(477,323)	(203,000)
Total liabilities	(561,704)	30,510	(531,194)	(1,719,256)	50,560	(1,668,696)	(1,857,167)	(184,000)

III) Futures, option, forward and swap contracts

	R\$ thousand	
	2009	2008

	1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Total on December 31	Total on September 30	Total on December 31
Futures contracts	63,730,543	12,454,998	11,234,415	30,924,250	118,344,206	103,944,190	77,735,442
Option contracts	5,249,598	27,284,952	2,677,234	1,852,386	37,064,170	13,930,715	15,273,098
Forward contracts	5,429,052	988,817	886,502	232,237	7,536,608	10,118,953	12,248,524
Swap contracts	4,920,751	716,883	3,055,910	5,631,414	14,324,958	14,178,637	20,008,911
Total on December 31, 2009	79,329,944	41,445,650	17,854,061	38,640,287	177,269,942		
Total on September 30, 2009	45,530,146	52,896,670	12,871,694	30,873,985		142,172,495	
Total on December 31, 2008	65,188,440	12,551,254	12,458,741	35,067,540			125,265,975

IV) Types of guarantee margin for derivative financial instruments, mainly futures contracts

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Government securities			
National treasury notes	2,215,179	2,592,397	3,539,081
Financial treasury bills	132,009	14,157	23,326
National treasury bills	412,045	87,332	11,580
Total	2,759,233	2,693,886	3,573,987

V) Revenues and expenses, net

	R\$ thousand			
	2009			2008
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Swap contracts	67,588	173,679	683,334	615,770
Forward contracts	(6,981)	68,302	276,543	2,908
Option contracts	21,647	10,995	615,484	138,787
Futures contracts	239,818	1,280,883	3,099,003	(4,753,103)
Foreign exchange variation of investments abroad	(179,358)	(886,898)	(2,517,428)	3,095,816
Total	142,714	646,961	2,156,936	(899,822)

VI) Overall amounts of derivative financial instruments, broken down by trading place and counter-parties

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Cetip - OTC Clearing House (over-the-counter)	9,994,562	8,312,354	5,032,857
BM&FBovespa (stock exchange)	158,252,596	124,804,629	102,832,089
Foreign (over-the-counter) (1)	3,895,521	5,250,044	14,103,568
Foreign (stock exchange) (1)	5,127,263	3,805,468	3,297,461
Total	177,269,942	142,172,495	125,265,975

(1) Comprise operations carried out on the Stock Exchanges of Chicago and New York and the over-the-counter markets.

On December 31, 2009, counter parties are distributed among corporate entities with 92%, financial institutions with 7% and individuals/others with 1%. Specifically regarding currency financial instruments, Bradesco does not enter into any exotic operations, so called target forward swaps, or any other leveraged derivatives.

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f) Credit Default Swaps (CDS)

In general these represent a bilateral agreement in which one of the parties purchases protection against credit risk of a certain financial instrument (the risk is transferred) . The selling counterparty receives a remuneration that is usually paid in a linear manner during the operation effectiveness.

In case of a default, the purchasing counterparty will receive a payment to offset the loss incurred on the financial instrument. In such case, the selling counterparty usually receives the asset object of the agreement in exchange for the payment.

		R\$ thousand					
		Credit risk amount			Effect on the calculation of the required shareholders equity		
		2009		2008	2009		2008
		December 31	September 30	December 31	December 31	September 30	December 31

Transferred

Credit swaps whose underlying assets are:

Securities	Brazilian public debt	(548,478)	(560,102)	(780,653)	-	-	-
Derivatives with companies		(3,482)	(3,556)	(4,674)	(192)	(196)	(257)

Received

Credit swaps whose underlying assets are:

Securities	Brazilian public debt	7,810,152	8,784,703	12,831,299	-	-	-
Derivatives with companies		13,930	14,225	219,306	1,532	1,565	24,124

Total **7,272,122** **8,235,270** **12,265,278** **1,340** **1,369** **23,867**

Deposited margin 428,565 456,399 1,733,378

Bradesco carries out operations involving credit derivatives with the purpose of better managing its risk exposure and assets. Contracts related to the credit derivatives operations described above have several maturities up to 2017, 97.0% of which mature by 2010. The mark-to-market of protection rates that remunerate the counterparty selling protection amount to R\$(2,067) thousand (September 30, 2009 R\$(7,553) thousand and December 31, 2008 R\$(393,264) thousand) . During the period, there was no credit event related to triggering events as defined in the contracts.

g) Cash flow hedge

Bradesco uses cash flow hedges to protect its cash flows from variable interest risk of the debt in Bank Deposit Certificates (CDB) indexed to the Interbank Deposit Rate (DI CETIP), converting variable payments into fixed payments.

Bradesco traded DI Future contracts at BM&FBovespa as from 2009, used as a cash flow hedge for funding linked to DI CETIP. The following table presents the DI Future position, where:

	R\$ thousand	
	2009	
	December 31	September 30
DI Future with maturity between 2010 and 2017	66,380,865	59,850,104
Funding indexed to CDI	66,068,498	59,537,114
Mark-to-market adjustment recorded in shareholders' equity (1)	150,089	(80,784)
Non-effective market value recorded in result	(16,167)	2,666

(1) The adjustment in the shareholders' equity is R\$90,053 thousand net of tax effects (R\$(48,470) thousand on September 30, 2009).

The effectiveness of the hedge portfolio was assessed in conformity with Bacen Circular Letter 3,082/02.

h) Income from securities, insurance, private pension plans and savings bonds financial activities and derivative financial instruments

	R\$ thousand			
	2009			
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
	2008			
Fixed income securities	1,425,923	1,483,983	6,369,220	7,109,827
Interbank investments (Note 7b)	2,314,306	2,026,461	9,105,440	7,236,174
Equity securities	(11,289)	11,918	(34,175)	260,732
Subtotal	3,728,940	3,522,362	15,440,485	14,606,733
Financial result of insurance, private pension plans and savings bonds	1,998,812	1,939,020	8,042,187	6,477,152
Income from derivative financial instruments (Note 8e V)	142,714	646,961	2,156,936	(899,822)
Total	5,870,466	6,108,343	25,639,608	20,184,063

9) INTERBANK ACCOUNTS RESTRICTED DEPOSITS**a) Restricted credit**

			R\$ thousand		
			2009		2008
			December 31	September 30	December 31
Remuneration					
Reserve requirements	demand deposits	not remunerated	8,961,995	7,919,537	5,661,716
Reserve requirements	savings deposits	savings index	8,961,634	8,353,550	7,538,961
Restricted deposits	National Housing System (SFH)	TR + interest rate	490,150	474,572	466,689
Funds from rural loan		not remunerated	578	578	578
Total			18,414,357	16,748,237	13,667,944

Additional reserve requirement

			R\$ thousand		
			2009		2008
			December 31	September 30	December 31
Restricted to securities (1)					
Demand deposits			1,460,936	1,209,933	1,183,706
Time deposits			4,580,724	4,704,712	3,927,443
Savings deposits			4,124,301	3,842,771	3,408,547
Total			10,165,961	9,757,416	8,519,696

(1) Classified in item securities and interbank investments .

b) Result from compulsory deposits

				R\$ thousand		
				2009		2008
				4 th quarter	3 rd quarter	December 31 YTD
				December 31 YTD		
Compulsory deposits - Bacen (reserves requirement)				134,309	130,539	534,677
						1,499,215

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Restricted deposits - SFH	5,573	6,195	26,089	28,116
Total	139,882	136,734	560,766	1,527,331

10) LOAN OPERATIONS

The information relating to loan operations, including advances on foreign exchange contracts, leasing operations and other receivables with characteristics of credit, is as follows:

a) By type and maturity

	Performing loans						Total on December 31 (A)	2009 %	S
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days			
Discounted trade receivables and loans (2)	13,800,518	9,706,661	6,389,390	9,274,988	10,944,854	27,686,812	77,803,223	36.9	
Financing	2,887,155	2,824,065	2,555,562	5,359,059	7,305,358	27,447,875	48,379,074	22.9	
Agricultural and agribusiness financing	445,106	525,415	555,514	2,053,201	3,556,515	4,319,064	11,454,815	5.4	
Subtotal	17,132,779	13,056,141	9,500,466	16,687,248	21,806,727	59,453,751	137,637,112	65.2	1
Leasing operations	843,081	717,630	632,120	1,882,205	3,377,792	11,028,919	18,481,747	8.8	
Advances on foreign exchange contracts (1)	1,334,333	1,284,335	571,467	1,329,581	1,061,101	-	5,580,817	2.6	
Subtotal	19,310,193	15,058,106	10,704,053	19,899,034	26,245,620	70,482,670	161,699,676	76.6	1
Other receivables (3)	4,735,593	1,953,710	1,034,064	1,779,702	1,462,803	1,305,072	12,270,944	5.8	
Total loan operations	24,045,786	17,011,816	11,738,117	21,678,736	27,708,423	71,787,742	173,970,620	82.4	1
Sureties and guarantees	2,333,616	1,005,519	895,410	2,777,201	3,028,855	24,627,108	34,667,709	16.4	
Credit assignment (4)	26,673	25,823	25,021	70,087	110,202	116,374	374,180	0.2	
Credit assignment Real estate receivables certificate	31,293	31,292	31,290	90,054	134,397	451,851	770,177	0.4	
Advances of credit card receivables	340,233	151,736	108,086	281,237	318,450	76,997	1,276,739	0.6	
Overall total on December 31, 2009	26,777,601	18,226,186	12,797,924	24,897,315	31,300,327	97,060,072	211,059,425	100.0	
Overall total on September 30, 2009	23,703,267	15,071,548	12,782,836	26,475,532	29,988,263	90,407,306			1
Overall total on December 31, 2008	26,352,140	15,070,402	12,990,205	23,033,603	31,236,630	91,128,744			

	R\$ thou									
	Non-performing loans									
	Installments past due									
						2009		2008		
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 540 days	Total on December 31 (B)	% (5)	Total on September 30 (b)	% (5)	Total on December 31 (B)
Discounted trade receivables and loans (2)	658,622	614,500	626,914	1,272,896	2,095,663	5,268,595	76.8	4,739,096	73.7	3,963,361
Financing Agricultural and agribusiness financing	214,828	157,341	93,076	192,805	190,297	848,347	12.4	897,607	14.0	793,655
Subtotal	897,515	799,211	740,284	1,501,624	2,327,654	6,266,288	91.4	5,822,348	90.6	4,985,234
Leasing operations	101,359	86,553	50,733	107,010	117,009	462,664	6.7	423,489	6.6	172,503
Advances on foreign exchange contracts (1)	2,000	8,462	3,386	7,621	660	22,129	0.3	93,878	1.5	38,726
Subtotal	1,000,874	894,226	794,403	1,616,255	2,445,323	6,751,081	98.4	6,339,715	98.7	5,196,463
Other receivables (3)	7,487	8,112	2,186	12,991	76,715	107,491	1.6	81,384	1.3	171,562
Overall total on December 31, 2009	1,008,361	902,338	796,589	1,629,246	2,522,038	6,858,572	100.0			
Overall total on September 30, 2009	1,063,637	850,070	767,356	1,634,774	2,105,262			6,421,099	100.0	
Overall total on December 31, 2008	1,007,868	782,486	774,301	1,245,838	1,557,532					5,368,025

	Non-performing loans						Total on December 31 (C)	2009		Total on December 31 (C)	
	Outstanding Installments							% (5)	Total on September 30 (C)		% (5)
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days					
Discounted trade receivables and loans (2)	360,894	308,597	243,630	563,548	783,715	1,475,700	3,736,084	36.8	3,957,260	37.0	2,700,000
Financing (2)	201,098	201,491	179,969	494,676	784,872	1,640,356	3,502,462	34.5	3,810,600	35.7	3,700,000
Agricultural and agribusiness financing	8,303	2,782	1,992	22,979	30,111	298,130	364,297	3.6	396,221	3.7	500,000
Subtotal	570,295	512,870	425,591	1,081,203	1,598,698	3,414,186	7,602,843	74.9	8,164,081	76.4	7,000,000
Leasing operations	84,563	75,740	71,386	209,458	408,452	1,674,009	2,523,608	24.8	2,490,178	23.3	1,300,000
Subtotal	654,858	588,610	496,977	1,290,661	2,007,150	5,088,195	10,126,451	99.7	10,654,259	99.7	8,300,000
Other receivables (3)	631	630	613	2,254	12,504	16,847	33,479	0.3	31,446	0.3	0
Overall total on December 31, 2009	655,489	589,240	497,590	1,292,915	2,019,654	5,105,042	10,159,930	100.0			
Overall total on September 30, 2009	684,111	563,458	578,349	1,387,970	2,123,027	5,348,790			10,685,705	100.0	
Overall total on December 31, 2008	676,797	460,554	475,904	1,129,134	1,717,502	3,961,719					8,400,000

	R\$ thousand					
	Overall total					
	2009			2008		
	Total on December 31 (A+B+C)	%	Total on September 30 (A+B+C)	%	Total on December 31 (A+B+C)	%
		(5)		(5)		(5)
Discounted trade receivables and loans (2)	86,807,902	38.1	78,977,606	36.5	77,540,850	36.3
Financing	52,729,883	23.1	50,891,233	23.7	51,701,644	24.2
Agricultural and agribusiness financing	11,968,458	5.2	11,620,054	5.4	10,719,964	5.0
Subtotal	151,506,243	66.4	141,488,893	65.6	139,962,458	65.5
Leasing operations	21,468,019	9.4	22,210,413	10.3	20,537,862	9.6
Advances on foreign exchange contracts (1)	5,602,946	2.5	7,635,297	3.5	9,846,204	4.6
Subtotal	178,577,208	78.3	171,334,603	79.4	170,346,524	79.7
Other receivables (3)	12,411,914	5.4	9,634,602	4.5	9,608,527	4.5
Total loan operations	190,989,122	83.7	180,969,205	83.9	179,955,051	84.2
Sureties and guarantees	34,667,709	15.2	32,404,121	15.0	31,794,764	14.9
Credit assignment (4)	374,180	0.2	352,424	0.2	495,491	0.2
Credit assignment – real estate receivable certificate	770,177	0.3	799,143	0.4	314,525	0.2
Advance of credit card receivables	1,276,739	0.6	1,010,663	0.5	1,041,528	0.5
Overall total on December 31, 2009	228,077,927	100.0				
Overall total on September 30, 2009			215,535,556	100.0		
Overall total on December 31, 2008					213,601,359	100.0

(1) Advances on foreign exchange contracts are classified as a deduction from Other Liabilities ;

(2) It includes loans of credit card operations and operations for advances of credit card receivables in the amount of R\$10,848,139 thousand (September 30, 2009 – R\$8,523,846 thousand and December 31, 2008 – R\$8,372,206 thousand);

(3) Item Other Receivables comprises receivables on sureties and guarantees honored, receivables on sale of assets, securities and credit instruments receivable, income from foreign exchange contracts and export contracts receivables and credit card receivables (cash and credit purchases from merchants) in the amount of R\$9,753,006 thousand (September 30, 2009 – R\$6,866,291 thousand and December 31, 2008 – R\$6,531,856 thousand);

(4) Restated amount of the credit assignment up to December 31, 2009, net of installments received; and

(5) Ratio between each type and the total loan portfolio including sureties and guarantee.

b) By type and risk level

Loan operations	Risk levels							
	AA	A	B	C	D	E	F	G
Discounted trade receivables and loans	17,795,576	36,905,784	7,409,283	13,876,339	1,997,897	1,151,332	928,839	857,650
Financings	8,456,005	24,596,186	6,594,733	10,144,069	682,930	334,095	337,195	202,500
Agricultural and agribusiness financings	1,536,714	3,112,723	1,605,471	4,706,961	465,789	86,166	245,202	62,800
Subtotal	27,788,295	64,614,693	15,609,487	28,727,369	3,146,616	1,571,593	1,511,236	1,123,050
Leasing operations	158,519	10,269,234	2,956,537	5,878,898	526,875	298,115	251,972	197,800
Advances on foreign exchange contracts	2,505,997	1,463,869	975,365	523,339	27,054	8,823	2,698	0
Subtotal	30,452,811	76,347,796	19,541,389	35,129,606	3,700,545	1,878,531	1,765,906	1,320,900
Other receivables	215,825	9,807,797	477,354	1,394,123	76,822	37,785	25,365	18,500
Overall total on December 31, 2009	30,668,636	86,155,593	20,018,743	36,523,729	3,777,367	1,916,316	1,791,271	1,339,450
%	16.1	45.1	10.5	19.1	2.0	1.0	0.9	0.7
Overall total on September 30, 2009	31,675,559	78,391,884	20,236,087	34,257,005	3,924,884	1,840,154	1,628,602	1,447,000
%	17.5	43.3	11.2	18.9	2.2	1.0	0.9	0.7
Overall total on December 31, 2008	39,956,766	76,077,474	22,462,522	29,997,415	2,800,084	1,351,400	1,217,123	830,500
%	22.2	42.2	12.5	16.7	1.6	0.7	0.7	0.5

c) Maturity ranges and risk level

	Risk levels									Total Decem 31
	AA	A	B	C	D	E	F	G	H	
Outstanding installments	-	-	1,665,419	2,149,022	1,259,751	857,285	771,014	541,757	2,915,682	10,155,680
1 to 30	-	-	121,487	180,473	70,993	47,704	35,536	29,220	170,076	655,489
31 to 60	-	-	103,450	131,908	65,044	47,079	37,490	30,306	173,963	589,279
61 to 90	-	-	85,994	111,481	56,985	39,457	30,903	25,705	147,065	497,580
91 to 180	-	-	207,979	282,927	146,408	106,773	83,203	67,932	397,693	1,292,785
181 to 360	-	-	325,992	446,962	234,411	168,729	133,246	108,585	601,729	2,019,700
More than 360	-	-	820,517	995,271	685,910	447,543	450,636	280,009	1,425,156	5,105,037
Past due installments	-	-	312,421	592,884	537,870	516,334	512,495	436,570	3,949,998	6,858,472
1 to 14	-	-	13,497	71,950	33,543	21,202	15,999	13,417	73,617	243,125
15 to 30	-	-	275,061	177,906	92,611	41,173	28,118	19,871	130,396	765,035
31 to 60	-	-	23,863	325,456	150,162	89,790	53,853	37,841	221,373	902,378
61 to 90	-	-	-	13,183	242,251	118,187	82,314	48,779	291,875	790,606
91 to 180	-	-	-	4,389	19,303	236,777	315,329	297,111	756,337	1,629,606
181 to 360	-	-	-	-	-	9,205	16,882	19,551	2,400,103	2,445,741
More than 360	-	-	-	-	-	-	-	-	76,297	76,297
Subtotal	-	-	1,977,840	2,741,906	1,797,621	1,373,619	1,283,509	978,327	6,865,680	17,018,488
Specific provision	-	-	19,778	82,258	179,762	412,085	641,755	684,829	6,865,680	8,880,807

	Risk levels							
	Performing loan opera							
	AA	A	B	C	D	E	F	G
Outstanding installments	30,668,636	86,155,593	18,040,903	33,781,823	1,979,746	542,697	507,762	361,14
1 to 30	4,089,397	13,690,077	1,546,116	3,963,044	249,169	69,657	48,895	34,61
31 to 60	2,093,339	9,842,667	1,493,888	3,098,693	123,776	40,066	28,640	19,29
61 to 90	1,814,303	5,966,963	1,233,687	2,465,108	84,403	25,901	18,530	12,54
91 to 180	3,491,229	10,556,732	2,362,120	4,591,773	188,533	57,875	39,350	68,83
181 to 360	3,377,039	14,427,081	2,975,821	6,193,928	271,285	91,064	63,529	37,06
More than 360	15,803,329	31,672,073	8,429,271	13,469,277	1,062,580	258,134	308,818	188,78
Generic provision	-	430,778	180,409	1,013,454	197,974	162,809	253,880	252,79
Overall total on December 31, 2009	30,668,636	86,155,593	20,018,743	36,523,729	3,777,367	1,916,316	1,791,271	1,339,46
Existing provision	-	546,212	211,991	2,333,157	995,662	923,226	1,202,470	1,302,52
Minimum required provision	-	430,778	200,187	1,095,712	377,736	574,894	895,635	937,62
Additional provision	-	115,434	11,804	1,237,445	617,926	348,332	306,835	364,89
Overall total on September 30, 2009	31,675,559	78,391,884	20,236,087	34,257,005	3,924,884	1,840,154	1,628,602	1,447,05
Existing provision	-	392,857	205,483	2,373,211	1,034,547	886,987	1,094,992	1,396,55
Minimum required provision	-	391,957	202,360	1,027,711	392,488	552,046	814,302	1,012,93
Additional provision	-	900	3,123	1,345,500	642,059	334,941	280,690	383,61
Overall total on December 31, 2008	39,956,766	76,077,474	22,462,522	29,997,415	2,800,084	1,351,400	1,217,123	830,52
Existing provision	-	380,935	227,137	1,354,904	757,093	654,606	819,260	806,92
Minimum required provision	-	380,386	224,625	899,922	280,008	405,420	608,562	581,36
Additional provision	-	549	2,512	454,982	477,085	249,186	210,698	225,55

d) Concentration of loan operations

	R\$ thousand					
	2009			2008		
	December 31	%	September 30	%	December 31	%
Largest borrower	1,872,135	1.0	1,846,509	1.0	2,218,337	1.2
10 largest borrowers	11,633,663	6.1	11,792,334	6.5	11,266,030	6.3
20 largest borrowers	17,667,906	9.3	18,164,443	10.0	17,990,038	10.0
50 largest borrowers	29,175,990	15.3	29,281,027	16.2	29,273,786	16.3
100 largest borrowers	37,046,603	19.4	37,585,869	20.8	38,273,678	21.3

e) By economic activity sector

	R\$ thousand					
	2009			2008		
	December 31	%	September 30	%	December 31	%
Public sector	1,620,709	0.8	1,162,052	0.6	941,224	0.6
Federal Government	1,155,865	0.6	689,719	0.3	465,757	0.3
Petrochemical	1,109,345	0.6	622,396	0.3	364,300	0.2
Financial intermediaries	46,520	-	67,323	-	101,457	0.1
State Government	464,844	0.2	472,333	0.3	475,467	0.3
Production and distribution of electricity	464,844	0.2	472,333	0.3	475,467	0.3
Private sector	189,368,413	99.2	179,807,153	99.4	179,013,827	99.4
Manufacturing	40,552,747	21.2	40,520,666	22.4	44,260,472	24.5
Food products and beverages	11,802,641	6.2	11,028,645	6.1	12,169,626	6.7
Steel, metallurgy and mechanics	6,274,416	3.3	6,002,139	3.3	6,181,657	3.4
Chemical	4,618,977	2.4	4,978,364	2.8	5,769,057	3.2
Light and heavy vehicles	2,474,375	1.3	2,672,850	1.5	2,512,943	1.4
Pulp and paper	2,273,538	1.2	2,533,580	1.4	3,136,460	1.7
Textiles and apparel	2,142,666	1.1	2,110,189	1.2	2,096,359	1.2
Extraction of metallic and non-metallic ores	1,662,010	0.9	1,682,747	0.9	1,912,397	1.1
Rubber and plastic articles	1,635,557	0.8	1,648,208	0.9	1,915,389	1.1
Electric and electronic products	1,401,477	0.7	1,243,280	0.7	1,356,096	0.8
Oil refining and production of alcohol	1,060,446	0.5	980,065	0.5	1,021,857	0.6
Furniture and wood products	979,708	0.5	1,004,115	0.6	1,487,425	0.8
Non-metallic materials	884,084	0.5	922,687	0.5	694,890	0.4
Automotive parts and accessories	869,898	0.5	870,652	0.5	977,944	0.5

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Leather articles	757,589	0.4	1,348,714	0.7	1,660,416	0.9
Publishing, printing and reproduction	561,224	0.3	583,163	0.3	608,927	0.3
Other industries	1,154,141	0.6	911,268	0.5	759,029	0.4

	R\$ thousand					
	2009			2008		
	December 31	%	September 30	%	December 31	%
Commerce	26,105,890	13.7	24,883,828	13.7	23,547,096	13.2
Merchandise in specialty stores	6,874,473	3.6	6,529,768	3.6	6,011,003	3.3
Food products, beverages and tobacco	3,461,074	1.8	3,438,360	1.9	3,387,854	1.9
Automobile	2,379,051	1.2	1,978,029	1.1	1,895,554	1.1
Grooming and household articles	1,840,253	1.0	1,809,350	1.0	1,808,749	1.0
Non-specialized retailer	1,814,541	1.0	1,837,194	1.0	1,741,341	1.0
Clothing and footwear	1,693,136	0.9	1,641,491	0.9	1,382,664	0.8
Wholesale of goods in general	1,606,205	0.8	1,383,539	0.8	1,111,882	0.6
Motor vehicle repairs, parts and accessories	1,584,195	0.8	1,504,800	0.8	1,418,375	0.8
Waste and scrap	1,237,097	0.6	1,195,672	0.7	1,246,229	0.7
Fuel	1,146,721	0.6	1,096,775	0.6	994,014	0.6
Trade intermediary	1,059,899	0.6	1,124,469	0.6	1,137,819	0.6
Agricultural products	725,484	0.4	753,107	0.4	737,923	0.4
Other commerce	683,761	0.4	591,274	0.3	673,689	0.4
Financial intermediaries	827,993	0.5	699,045	0.4	1,236,337	0.7
Services	38,520,712	20.1	37,028,446	20.5	35,121,672	19.5
Transportation and storage	9,414,237	4.9	9,312,557	5.1	9,105,567	5.0
Civil construction	8,751,163	4.6	8,627,846	4.8	7,225,592	4.0
Real estate activities, rentals and corporate services	6,360,599	3.3	6,258,636	3.5	5,563,360	3.1
Production and distribution of electric power, gas and water	3,016,352	1.6	2,538,552	1.4	2,295,679	1.3
Social services, education, health, defense and social security	1,880,502	1.0	1,788,244	1.0	1,816,866	1.0
Hotels and catering	1,409,053	0.7	1,361,675	0.8	1,121,937	0.6
Clubs, leisure, cultural and sport activities	892,189	0.5	865,668	0.5	905,195	0.5
Holding companies, legal, accounting and business advisory services	544,503	0.3	1,016,170	0.6	889,223	0.5
Telecommunications	623,452	0.3	627,183	0.3	813,527	0.5
Other services	5,628,662	2.9	4,631,915	2.5	5,384,726	3.0
Agriculture, cattle raising, fishing, forestry and timber industry	2,439,250	1.3	2,446,808	1.4	2,245,627	1.2
Individuals	80,921,821	42.4	74,228,360	41.0	72,602,623	40.3
Total	190,989,122	100.0	180,969,205	100.0	179,955,051	100.0

f) Breakdown of loan operations and allowance for loan losses

R\$ thousand									
Risk level	Portfolio balance						2009		2008
	Non-performing loans			Performing loans	Total	%	%	%	%
	Past due	Outstanding	Total non-performing loans				December 31 YTD	September 30 YTD	December 31 YTD
AA	-	-	-	30,668,636	30,668,636	16.1	16.1	17.5	22.0
A	-	-	-	86,155,593	86,155,593	45.1	61.2	60.8	64.0
B	312,421	1,665,419	1,977,840	18,040,903	20,018,743	10.5	71.7	72.0	76.0
C	592,884	2,149,022	2,741,906	33,781,823	36,523,729	19.1	90.8	90.9	93.0
Subtotal	905,305	3,814,441	4,719,746	168,646,955	173,366,701	90.8			
D	537,870	1,259,751	1,797,621	1,979,746	3,777,367	2.0	92.8	93.1	95.0
E	516,334	857,285	1,373,619	542,697	1,916,316	1.0	93.8	94.1	95.0
F	512,495	771,014	1,283,509	507,762	1,791,271	0.9	94.7	95.0	96.0
G	436,570	541,757	978,327	361,141	1,339,468	0.7	95.4	95.8	97.0
H	3,949,998	2,915,682	6,865,680	1,932,319	8,797,999	4.6	100.0	100.0	100.0
Subtotal	5,953,267	6,345,489	12,298,756	5,323,665	17,622,421	9.2			
Overall total on December 31, 2009	6,858,572	10,159,930	17,018,502	173,970,620	190,989,122	100.0			
%	3.6	5.3	8.9	91.1	100.0				
Overall total on September 30, 2009	6,421,099	10,685,705	17,106,804	163,862,401	180,969,205				
%	3.6	5.9	9.5	90.5	100.0				
Overall total on December 31, 2008	5,368,025	8,421,610	13,789,635	166,165,416	179,955,051				
%	3.0	4.7	7.7	92.3	100.0				

Risk level	Minimum required provision	Minimum required					Allowance			% December 31 YTD (1)
		Past due	Specific Outstanding	Total specific	Generic	Total	Additional	Existing		
AA	-	-	-	-	-	-	-	-	-	-
A	0.5	-	-	-	430,778	430,778	115,434	546,212	0.6	
B	1.0	3,124	16,654	19,778	180,409	200,187	11,804	211,991	1.1	
C	3.0	17,787	64,471	82,258	1,013,454	1,095,712	1,237,445	2,333,157	6.4	
Subtotal		20,911	81,125	102,036	1,624,641	1,726,677	1,364,683	3,091,360	1.8	
D	10.0	53,787	125,975	179,762	197,974	377,736	617,926	995,662	26.4	
E	30.0	154,900	257,185	412,085	162,809	574,894	348,332	923,226	48.2	
F	50.0	256,248	385,507	641,755	253,880	895,635	306,835	1,202,470	67.1	
G	70.0	305,599	379,230	684,829	252,798	937,627	364,899	1,302,526	97.2	
H	100.0	3,949,998	2,915,682	6,865,680	1,932,319	8,797,999	-	8,797,999	100.0	
Subtotal		4,720,532	4,063,579	8,784,111	2,799,780	11,583,891	1,637,992	13,221,883	75.0	
Overall total on December 31, 2009		4,741,443	4,144,704	8,886,147	4,424,421	13,310,568	3,002,675	16,313,243	8.5	
%		29.1	25.4	54.5	27.1	81.6	18.4	100.0		
Overall total on September 30, 2009		4,325,395	4,096,917	8,422,312	3,539,466	11,961,778	2,990,827	14,952,605		
%		28.9	27.4	56.3	23.7	80.0	20.0	100.0		
Overall total on December 31, 2008		3,301,524	2,626,847	5,928,371	2,713,660	8,642,031	1,620,570	10,262,601		
%		32.2	25.6	57.8	26.4	84.2	15.8	100.0		

(1) Ratio between allowance and total portfolio by risk level.

g) Breakdown of allowance for loan losses

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Opening balance	14,952,605	13,870,608	10,262,601	7,825,816
- Specific provision (1)	8,422,312	7,479,684	5,928,371	4,412,783
- Generic provision (2)	3,539,466	3,399,099	2,713,660	2,284,956
- Additional provision (3)	2,990,827	2,991,825	1,620,570	1,128,077
Additions	2,730,033	2,883,456	12,937,328	7,884,099
Reductions	(2,399,580)	(1,801,459)	(7,916,871)	(5,447,314)
Balance from the acquired institution (4)	1,030,185	-	1,030,185	-
Closing balance	16,313,243	14,952,605	16,313,243	10,262,601
- Specific provision (1)	8,886,147	8,422,312	8,886,147	5,928,371
- Generic provision (2)	4,424,421	3,539,466	4,424,421	2,713,660
- Additional provision (3)	3,002,675	2,990,827	3,002,675	1,620,570

(1) For operations with installments overdue for more than 14 days;

(2) Recorded based on the client/transaction classification and, accordingly, not included in the preceding item;

(3) The additional provision is recorded based on Management's experience and expected realization of the loan portfolio, to determine the total provision deemed sufficient to cover specific and general loan risks, together with the provision calculated based on risk level ratings and the corresponding minimum percentage of provision established by CMN Resolution 2,682/99. The additional provision per client was classified according to the corresponding risk levels (Note 10f); and

(4) Represented by Banco Ibi.

h) Recovery and renegotiation

Expenses of the allowance for loan losses, net of recoveries of written-off credits, are as follows:

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Amount recorded	2,730,033	2,883,456	12,937,328	7,884,099
Amount recovered (1)	(616,201)	(428,285)	(1,694,877)	(1,241,660)
Expense net of amounts recovered	2,113,832	2,455,171	11,242,451	6,642,439

(1) Classified in income from loan operations (Note 10j).

i) Changes in renegotiated portfolio

	R\$ thousand			
	2009		2008	
	4th quarter	3rd quarter	December 31 YTD	December 31 YTD
Opening balance	4,916,023	4,344,917	3,089,034	2,682,997
Amount renegotiated	1,286,826	1,384,735	4,939,106	2,843,998
Amount received	(167,413)	(444,499)	(1,269,166)	(1,610,467)
Reductions	(489,259)	(369,130)	(1,212,797)	(827,494)
Closing balance	5,546,177	4,916,023	5,546,177	3,089,034
Allowance for loan losses	3,420,258	2,928,976	3,420,258	1,987,576
Percentage on portfolio	61.7%	59.6%	61.7%	64.3%

j) Income on loan and leasing operations

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Discounted trade receivables and loans	5,419,643	5,184,672	21,085,010	18,794,330
Financings	1,878,953	1,882,256	7,679,012	8,812,781
Agribusiness and agribusiness loans	225,960	212,663	845,838	1,013,621
Subtotal	7,524,556	7,279,591	29,609,860	28,620,732
Recovery of credits charged-off as loss	616,201	428,285	1,694,877	1,241,660
Subtotal	8,140,757	7,707,876	31,304,737	29,862,392
Leasing net of expenses	758,553	889,224	3,447,860	2,392,751
Total	8,899,310	8,597,100	34,752,597	32,255,143

11) OTHER RECEIVABLES a) Foreign exchange portfolio Balance sheet accounts

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Assets other receivables			
Exchange purchases pending settlement	6,369,274	9,449,972	15,533,842
Foreign exchange acceptances and term documents in foreign currencies	374	15	1,417
Exchange sale receivables	2,669,759	2,926,463	9,320,005
(-) Advances in local currency received	(241,384)	(322,170)	(235,166)
Income receivable on advances granted	171,229	240,295	216,727
Total	8,969,252	12,294,575	24,836,825
Liabilities other liabilities			
Exchange sales pending settlement	2,665,162	2,904,922	9,419,852
Exchange purchase payables	6,850,570	10,543,684	13,947,097
(-) Advances on foreign exchange contracts	(5,602,946)	(7,635,297)	(9,846,204)
Other	5,248	6,179	17,494
Total	3,918,034	5,819,488	13,538,239
Net foreign exchange portfolio	5,051,218	6,475,087	11,298,586
Memorandum accounts			
Loans available for imports	1,385,155	1,476,988	1,242,498
Confirmed exports loans	74,938	59,452	103,708

Foreign exchange results**Breakdown of foreign exchange transactions result adjusted to facilitate presentation**

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Foreign exchange operations result	134,943	277,026	1,875,335	3,639,003
Adjustments:				
- Income on foreign currency financing (1)	3,662	2,871	13,912	548,159
- Income on export financing (1)	79,510	103,293	412,518	400,100
- Income on foreign investments (2)	496	2,712	7,043	172,071
- Expenses of liabilities with foreign bankers (3) (Note 17c)	(16,493)	37,569	89,072	(4,992,838)
- Funding expenses (4)	(61,574)	(71,529)	(334,384)	(407,805)
- Other	(7,776)	(183,263)	(1,374,170)	1,250,220
Total adjustments	(2,175)	(108,347)	(1,186,009)	(3,030,093)
Adjusted foreign exchange operations result	132,768	168,679	689,326	608,910

(1) Classified in item Income from loan operations ;

(2) Demonstrated in item Income on securities transactions ;

(3) Relates to funds for financing advances on foreign exchange contracts and import financing, classified in item Expenses of borrowing and onlending ; and

(4) Refers to funding expenses of resources applied on foreign exchange transactions.

b) Sundry

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Tax credits (Note 34c)	15,692,042	16,547,709	13,703,293
Credit card operations	11,029,745	7,876,954	7,573,384
Borrowers by escrow deposits	5,846,298	6,972,173	6,320,163
Prepaid taxes	2,292,796	1,542,558	2,091,073
Sundry borrowers	1,774,571	1,409,209	1,621,656
Trade and credit receivables (1)	3,131,826	3,052,740	3,382,447
Advances to <i>Fundo Garantidor de Crédito</i> (Deposit Guarantee Fund FGC)	715,422	761,087	898,083
Payments to be reimbursed	458,128	516,979	461,746

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Receivables from sale of assets	72,703	74,515	93,482
Other	234,868	288,279	109,429
Total	41,248,399	39,042,203	36,254,756

(1) Includes receivables from the sale of financial assets from loan operations without substantial transfer of risks and benefits.

12) OTHER ASSETS**a) Foreclosed assets/others**

	R\$ thousand				
	Cost	Provision for losses	Residual value		
			December 31	September 30	December 31
			2009	2008	2008
Real estate	159,998	(33,540)	126,458	134,170	113,396
Goods subject to special conditions	60,747	(60,747)	-	-	-
Vehicles and similar	468,816	(145,642)	323,174	334,041	207,502
Inventories/warehouse	21,829	-	21,829	16,746	14,583
Machinery and equipment	10,938	(5,710)	5,228	3,970	4,216
Others	7,998	(6,961)	1,037	1,045	1,015
Total on December 31, 2009	730,326	(252,600)	477,726		
Total on September 30, 2009	749,949	(259,977)		489,972	
Total on December 31, 2008	545,589	(204,877)			340,712

b) Prepaid expenses

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Commission on the placement of financing (1)	811,301	882,862	1,038,744
Insurance selling expenses (2)	383,420	324,389	293,478
Advertising and publicity expenses (3)	79,375	71,017	73,591
Other	164,922	147,815	52,219
Total	1,439,018	1,426,083	1,458,032

(1) Commissions paid to merchants and car dealers. As of 2Q08, commission on the placement of financings are included in the respective financing/leasing operations balance;

(2) Commissions paid to brokers for the sale of insurance, private pension plans and savings bonds products; and

(3) Prepaid expenses for future advertising and marketing.

13) INVESTMENTS**a) Changes in the main investments in branches and direct and indirect subsidiaries abroad, which were fully eliminated in the consolidated financial statements**

Investments in branches and subsidiaries abroad	R\$ thousand			
	Balance on 12.31.2008	Changes in the period (1)	Balance on 12.31.2009	Balance on 9.30.2009
Banco Bradesco S.A. Grand Cayman Branch	7,032,014	1,269,336	8,301,350	8,419,391
Bradport SGPS, Sociedade Unipessoal, Lda.	423,898	351,219	775,117	835,048
Banco Bradesco S.A. New York Branch	421,485	(71,563)	349,922	346,275
Banco Bradesco Luxembourg S.A.	380,726	(73,910)	306,816	302,845
Other	836,710	(100,175)	736,535	741,687
Total	9,094,833	1,374,907	10,469,740	10,645,246

(1) Comprised of the negative foreign exchange variation in the amount of R\$2,517,428 thousand, positive equity in the earnings of affiliates in the amount of R\$730,231 thousand, positive mark-to-market adjustment of available-for-sale securities in the amount of R\$264,442 thousand and capital increase in the amount of R\$2,897,662 thousand.

b) Changes in investments in the consolidated financial statements

Affiliates	R\$ thousand		
	2009	2008	2008
	December 31	September 30	December 31
- IRB-Brasil Resseguros S.A.	445,171	415,125	453,326
- Serasa S.A.	84,651	87,744	79,291
- BES Investimento do Brasil S.A.	85,663	62,097	51,176
- Integritas Participações S.A. (1)	122,620	62,423	-
- NovaMarlim Participações S.A.(2)	-	-	7,040
- Marlim Participações S.A. (2)	-	-	699
- Other	177	185	1,123
Total in affiliates	738,282	627,574	592,655
- Tax incentives	209,093	257,541	328,178
- Other investments	543,292	498,199	477,864
Provision for:			
- Tax incentives	(179,918)	(228,067)	(294,307)
- Other investments	(49,930)	(51,106)	(55,893)
Overall total of investments	1,260,819	1,104,141	1,048,497

- (1) Company acquired in January 2009; and
- (2) Companies no longer evaluated by the equity method due to the changes set forth by Bacen Resolution 3,619/08 and reclassified to other investments.

c) The adjustments resulting from the equity accounting for investments were recorded in income accounts, under Equity in the Earnings (losses) of Unconsolidated Companies and correspond to R\$200,101 thousand in the period ended December 31, 2009 (December 31, 2008 - R\$135,356 thousand), R\$142,011 thousand in 4Q09 (3Q09 - R\$39,034 thousand) .

Companies	Capital stock	Adjusted shareholders equity	Number of shares/quotas held		Consolidated ownership on capital stock	Adjusted net income (loss)	Equity Accounting A		
			(thousands)				2009		
			Common	Preferred			4th quarter	3rd quarter	Dec
IRB-Brasil Resseguros S.A. (3)	1,030,000	2,095,908	-	212	21,24%	317,933	55,318	24,909	6
NovaMarlim Participações S.A. (2)	-	-	-	-	-	-	-	-	-
Marlim Participações S.A. (2)	-	-	-	-	-	-	-	-	-
BES Investimento do Brasil S.A. Banco de Investimento (3)	300,000	428,316	10,524	10,524	20,00%	90,575	3,566	2,453	1
Serasa S.A. Integritas Participações S.A. (3)(4)	145,000	1,024,831	909	-	8,26%	275,956	2,577	4,798	2
98,779	596,981	12,284	-	20,54%	446,266	80,550	6,874	9	
Equity in the earnings of unconsolidated companies							142,011	39,034	20

(1) Equity adjustments comprise participation in the results recorded by the companies as from their acquisition and include equity variations in the investees not derived from results, as well as adjustments arising from the equalization of accounting practices, when applicable;

(2) Companies no longer evaluated by the equity accounting method due to the changes set forth by Bacen Resolution 3,619/08;

(3) Data related to November 30, 2009 unaudited; and

(4) Company acquired in January 2009.

14) PREMISES AND EQUIPMENT AND LEASED ASSETS

These assets are stated at acquisition cost. Depreciation is calculated based on the straight -line method at annual rates which take into consideration their economic useful lives.

				R\$ thousand		
				Residual value		
	Annual rate	Cost	Depreciation	2009 December 31	2009 September 30	2008 December 31
Premises and equipment:						
- Buildings	4%	678,038	(371,696)	306,342	311,219	279,362
- Land	-	346,231	-	346,231	347,815	411,868
Facilities, furniture and equipment in use	10%	3,139,274	(1,705,069)	1,434,205	1,426,574	1,344,131
Security and communication systems	10%	187,934	(113,053)	74,881	73,269	67,520
Data processing systems	20 a 50%	1,403,882	(922,593)	481,289	475,198	317,234
Transportation systems	20%	32,488	(19,253)	13,235	13,915	11,449
Financing lease of data processing systems	20 a 50%	2,237,099	(1,486,974)	750,125	610,152	805,080
Subtotal		8,024,946	(4,618,638)	3,406,308	3,258,142	3,236,644
Leased assets		27,854	(16,208)	11,646	13,950	12,741
Total on December 31 , 2009		8,052,800	(4,634,846)	3,417,954		
Total on September 30, 2009		7,784,833	(4,512,741)		3,272,092	
Total on December 31, 2008		7,532,252	(4,282,867)			3,249,385

Bradesco Organization's premises and equipment present an unrecorded surplus value of R\$1,876,842 thousand (September 30, 2009 - R\$1,861,043 thousand and December 31, 2008 - R\$1,570,878 thousand) based on appraisal reports prepared by independent experts in 2009, 2008 and 2007.

The Bank has entered into lease agreements, for data processing systems (hardware), which are included in premises and equipment. Under this accounting policy, assets and liabilities are classified in the financial statements and depreciation is calculated according to the depreciation policy adopted for the Bank's own assets. Interest on the liability is also recognized.

The fixed assets to reference shareholders' equity ratio in the economic-financial consolidated is 18.63% (September 30, 2009 - 15.44% and December 31, 2008 - 13.55%), and in the financial consolidated is 45.68% (September 30, 2009 - 44.34% and December 31, 2008 - 48.02%), whereas the maximum limit is 50%.

The difference between the fixed assets to shareholders' equity ratio in the economic-financial consolidated and of the financial consolidated is due to non-financial subsidiaries which have high liquidity and low fixed assets to shareholders' equity ratio, with the consequent increase in the fixed assets to shareholders' equity ratio of the financial consolidated. Whenever necessary, we may reallocate the funds to the financial companies through the payment of dividends/interest on shareholders' equity to financial companies or a corporate reorganization between the financial and non-financial companies, thus improving the ratio.

15) INTANGIBLE ASSETS

a) Goodwill

Goodwill from investment acquisitions amounted to R\$2,541,359 thousand, of which R\$203,114 thousand represents the difference between book value and market value of shares recorded in Permanent Assets (BM&FBovespa shares), to be amortized upon their realization and R\$2,338,245 thousand representing future profitability/client portfolio, which will be amortized over twenty years. In the period, goodwill amortization totaled R\$107,277 thousand.

Goodwill assessed in the acquisition of investments up to March 31, 2008 in subsidiaries and jointly-controlled companies was fully amortized in the amount of R\$53,030 thousand on March 31, 2008.

b) Intangible assets

Acquired intangible assets have defined useful lives and comprise:

				R\$ thousand		
	Amortization rate (1)	Cost	Amortization	2009 December 31	Residual value September 30	2008 December 31
Acquisition of banking services rights	Contract	2,792,896	(1,189,123)	1,603,773	1,653,619	1,594,666
Software (2)	20% to 50%	3,604,271	(1,923,188)	1,681,083	1,438,701	1,242,599
Future profitability/client portfolio (3)	5% to 20%	2,338,245	(140,047)	2,198,198	709,162	458,778
Other	20%	44,153	(11,183)	32,970	50,175	16,790
Total on December 31, 2009		8,779,565	(3,263,541)	5,516,024		
Total on September 30, 2009		6,800,079	(2,948,422)		3,851,657	
Total on December 31, 2008		5,832,703	(2,519,870)			3,312,833

(1) Intangible assets are amortized over the estimated period of economic benefit and charged to other administrative expenses and other operating expenses;

(2) Software acquired and/or developed by specialized companies; and

(3) Mainly, goodwill on the acquisition of shareholders' interest of Banco Ibi - R\$1,061,750 thousand, Odontoprev - R\$360,926 thousand, Ágora Corretora - R\$360,469 thousand, Integritas Participações - R\$287,998 thousand and in Europ Assistance Serviços de Assistência Personalizados - R\$31,696 thousand, net of accrued amortization.

Intangible assets impairment losses were recorded in the year of acquisition of banking services right in the amount of R\$36,511 thousand and software in the amount of R\$3,125 thousand, according to an internal evaluation (note 29).

Expenses with research and development of systems corresponded to R\$77,940 thousand for the fiscal year ended on December 31, 2009 (December 31, 2008 - R\$69,741 thousand); 4Q09 - R\$24,894 thousand (3Q09 - R\$19,510 thousand)

c) Change in intangible assets by type:

	R\$ thousand				
	Acquisition of banking service rights	Software	Future profitability/client portfolio	Other	Total
Balance on December 31, 2008	1,594,666	1,242,599	458,778	16,790	3,312,833
Additions	390,606	753,946	1,846,697	24,046	3,015,295
Reversal of amortization (1)	146,801	-	-	-	146,801
Expenses with impairment analysis	(36,511)	(3,125)	-	-	(39,636)
Amortization for the period	(491,789)	(312,337)	(107,277)	(7,866)	(919,269)
Balance on December 31, 2009	1,603,773	1,681,083	2,198,198	32,970	5,516,024

(1) As from April 2009, Bradesco changed the amortization calculation methodology for acquisition of banking services rights from the straight -line-method amortization to a calculation based on the Pay-back of each agreement. The revised calculation considered all outstanding agreements and creating a reversal of previous amortizations.

16) DEPOSITS, FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE AND FUNDS FROM ISSUANCE OF SECURITIES

a) Deposits

	R\$ thousand						
	2009					2008	
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	December 31	September 30	December 31
Demand deposits (1)	34,627,064	-	-	-	34,627,064	29,298,424	27,610,162
Savings deposits (1)	44,162,309	-	-	-	44,162,309	40,922,202	37,768,508
Interbank deposits	506,170	122,171	113,014	10,704	752,059	738,859	698,194
Time deposits (2)	3,230,157	9,250,568	11,434,433	66,580,818	90,495,976	96,033,325	97,413,781
Other investment deposits	1,035,676	-	-	-	1,035,676	994,711	1,002,708
Overall total on December 31, 2009	83,561,376	9,372,739	11,547,447	66,591,522	171,073,084		
%	48.8	5.5	6.8	38.9	100.0		
Overall total on September 30, 2009	75,363,310	8,263,406	10,437,826	73,922,979		167,987,521	
%	44.9	4.9	6.2	44.0		100.0	
Overall total on December 31, 2008	73,097,654	8,810,407	9,837,282	72,748,010			164,493,353
%	44.4	5.4	6.0	44.2			100.0

- (1) Classified as 1 to 30 days , not considering average historical turnover; and
- (2) Considers the maturities established in investments.

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b) Federal funds purchased and securities sold under agreements to repurchase

	R\$ thousand						
	2009					2008	
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	December 31	September 30	December 31
Own portfolio	4,409,552	3,062,710	8,601,847	26,682,866	42,756,975	35,495,790	38,218,690
Government securities	3,955,184	277,420	1,081,997	45,060	5,359,661	1,378,731	3,513,488
Debentures of own issuance	127,674	2,686,857	7,519,850	26,627,336	36,961,717	33,992,601	34,651,178
Foreign	326,694	98,433	-	10,470	435,597	124,458	54,024
Third-party portfolio							
(1)	68,417,064	-	-	-	68,417,064	66,524,357	39,359,625
Unrestricted portfolio							
(1)	1,723,668	332,645	42,694	-	2,099,007	583,533	2,398,838
Overall total on							
December 31, 2009 (2)	74,550,284	3,395,355	8,644,541	26,682,866	113,273,046		
%	65.8	3.0	7.6	23.6	100.0		
Overall total on							
September 30, 2009							
(2)	67,211,244	2,573,771	6,675,677	26,142,988		102,603,680	
%	65.5	2.5	6.5	25.5		100.0	
Overall total on							
December 31, 2008 (2)	44,009,866	2,040,073	2,461,059	31,466,155			79,977,153
%	55.0	2.6	3.1	39.3			100.0

(1) Represented by government securities; and

(2) Includes R\$27,883,930 thousand (September 30, 2009 R\$23,278,214 thousand and December 31, 2008 R\$16,396,613 thousand) of investment fund applications purchase and sale commitments with Bradesco, whose quotaholders are subsidiaries included in the consolidated financial statements (Notes 8a, b, c and d).

c) Funds from issuance of securities

	R\$ thousand						
	2009				2008		
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	December 31	September 30	December 31
Securities - domestic:							
- Exchange acceptances	-	-	-	-	-	21	249
- Mortgage bonds	94,185	305,365	492,126	6,922	898,598	893,039	969,789
- Letters of credit for agribusiness	39,724	372,333	1,153,868	20,032	1,585,957	1,402,033	1,352,626
- Debentures (1)	-	10,287	-	730,165	740,452	758,319	1,486,643
Subtotal	133,909	687,985	1,645,994	757,119	3,225,007	3,053,412	3,809,307
Securities - foreign:							
- MTN Program Issues (2)	260,295	-	-	-	260,295	251,865	265,123
- Securitization of future flow of money orders received from abroad (d)	8,871	166,737	386,840	3,343,686	3,906,134	3,695,094	4,718,563
- Securitization of future flow of credit card bill receivables from cardholders resident abroad (d)	575	44,140	37,306	32,579	114,600	138,562	266,897
- Issuance costs	(1,478)	(1,155)	(2,368)	(18,451)	(23,452)	(28,099)	(48,219)
Subtotal	268,263	209,722	421,778	3,357,814	4,257,577	4,057,422	5,202,364
Overall total on December 31, 2009	402,172	897,707	2,067,772	4,114,933	7,482,584		
%	5.4	12.0	27.6	55.0	100.0		
Overall total on September 30, 2009	562,011	1,083,882	1,223,781	4,241,160		7,110,834	
%	7.9	15.2	17.2	59.7		100.0	
Overall total on December 31, 2008	355,243	608,522	1,626,637	6,421,269			9,011,671
%	3.9	6.8	18.1	71.2			100.0

(1) Refers to Bradesco Leasing S.A. Arrendamento Mercantil's issuances of simple debentures not convertible into shares, maturing on May 1, 2011 with 104% of CDI remuneration, respective interest is classified in the short term; and

(2) Issuance of securities in the international market for costumers' foreign exchange operations, through purchase and sale of foreign currencies, related to discounts of export bills, pre-financing of exports and financing of imports, substantially in the short term.

d) Since 2003, Bradesco Organization has been entering into certain agreements designed to optimize its funding and liquidity management activities through the use of SPEs. These SPEs, named International Diversified Payment Rights Company and Brazilian Merchant Voucher Receivables Limited, are financed with long-term debts and settled through future cash flows of the underlying assets, which basically include:

(i) Current and future flows of money orders remitted by individuals and corporate entities located abroad to beneficiaries in Brazil for which the Bank acts as paying agent; and

(ii) Current and future flows of credit card receivables arising from expenditures in Brazil by holders of credit cards issued outside Brazil.

Long-term notes issued by the SPEs and sold to investors are settled through funds derived from the money order flows and credit card bills. Bradesco is obliged to redeem these securities in specific cases of delinquency or if SPEs operations are discontinued.

Funds from the sale of current and future money orders flows and credit card receivables, received by the SPEs, must be maintained in a specific bank account until a minimum limit is attained.

We present below the main features of the notes issued by SPEs:

	Date of Issue	Transaction amount	Maturity	Total			R\$ thousand
				2009		2008	
				December 31	September 30	December 31	
	8.20.2003	595,262	8.20.2010	39,748	40,849	116,273	
	7.28.2004	305,400	8.20.2012	75,862	92,955	150,366	
	6.11.2007	481,550	5.20.2014	434,789	444,854	586,113	
	6.11.2007	481,550	5.20.2014	435,347	445,019	586,113	
Securitization of future flow of money orders received from abroad	12.20.2007	354,260	11.20.2014	330,357	356,055	468,944	
	12.20.2007	354,260	11.20.2014	330,357	356,055	468,944	
	3.06.2008	836,000	5.20.2015	871,859	890,184	1,172,293	
	12.19.2008	1,168,500	2.20.2015	869,356	890,730	1,169,517	
	3.20.2009	225,590	2.20.2015	173,433	178,393	-	
	12.17.2009	133,673	11.20.2014	128,851	-	-	
	12.17.2009	133,673	2.20.2017	129,719	-	-	
	12.17.2009	89,115	2.20.2020	86,456	-	-	
Total		5,158,833		3,906,134	3,695,094	4,718,563	
Securitization of future flow of credit card bill receivables from cardholders resident abroad	7.10.2003	800,818	6.15.2011	114,600	138,562	266,897	
Total		800,818		114,600	138,562	266,897	

e) Expenses with funding and monetary restatement and interest on technical provisions for insurance, private pension plans and savings bonds

		2009		2008	
		4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
					R\$ thousand
Savings deposits		610,611	598,371	2,449,921	2,442,137
Time deposits		2,292,038	2,461,423	10,694,347	8,892,095
Federal funds purchased and securities sold under agreements to repurchase		2,346,777	2,168,294	9,515,148	9,898,503
Funds from issuance of securities		151,457	54,513	417,109	1,220,587
Other funding expenses		90,101	86,250	375,312	308,638
Subtotal		5,490,984	5,368,851	23,451,837	22,761,960
Expenses for monetary restatement and interest on technical provisions from insurance, private pension plans and savings bonds		1,171,800	1,245,780	5,128,627	4,007,684
Total		6,662,784	6,614,631	28,580,464	26,769,644

17) BORROWING AND ONLENDING**a) Borrowing**

	2009				December 31	September 30	December 31	R\$ thousand
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days				
Local	540	-	-	-	540	8,692	553	
- Official institutions	-	-	-	-	-	-	114	
- Other institutions	540	-	-	-	540	8,692	439	
Foreign	1,262,553	3,995,373	2,424,607	322,063	8,004,596	8,216,047	14,204,052	
Overall total on December 31, 2009	1,263,093	3,995,373	2,424,607	322,063	8,005,136			
%	15.8	49.9	30.3	4.0	100.0			
Overall total on September 30, 2009	873,349	5,025,250	1,963,658	362,482		8,224,739		
%	10.6	61.1	23.9	4.4		100.0		
Overall total on December 31, 2008	1,756,011	6,654,003	4,713,721	1,080,870			14,204,605	
%	12.4	46.8	33.2	7.6			100.0	

b) Onlending

	2009				December 31	September 30	December 31	R\$ thousand
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days				
Local	1,066,510	2,617,105	2,838,139	12,800,052	19,321,806	18,797,835	17,742,336	
- National Treasury	-	-	124,020	-	124,020	143,388	114,608	
- BNDES	337,211	1,029,236	908,051	5,864,982	8,139,480	8,296,368	7,140,886	
- CEF	1,620	7,001	8,402	74,101	91,124	90,512	99,197	
- FINAME	727,031	1,580,868	1,797,666	6,860,969	10,966,534	10,266,883	10,386,890	
- Other institutions	648	-	-	-	648	684	755	
Foreign	794	-	-	-	794	1,942	182	
Overall total on December 31, 2009	1,067,304	2,617,105	2,838,139	12,800,052	19,322,600			
%	5.5	13.5	14.7	66.3	100.0			
Overall total on September 30, 2009	1,052,624	2,789,984	3,068,915	11,888,254		18,799,777		

<i>%</i>	5.6	14.8	16.3	63.3	100.0
Overall total on					
December 31, 2008	1,117,602	2,332,321	3,290,947	11,001,648	17,742,518
<i>%</i>	6.3	13.2	18.5	62.0	100.0

c) Borrowing and onlending expenses

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Borrowing:				
- Local	(562)	665	1,076	674
- Foreign	11,929	17,008	82,406	178,363
Subtotal borrowing	11,367	17,673	83,482	179,037
Local onlending:				
- National Treasury	720	1,817	5,128	3,303
- BNDES	143,626	145,205	573,613	489,687
- CEF	1,670	1,800	7,423	9,227
- FINAME	179,746	180,044	728,033	798,953
- Other institutions	37	14	94	164
Foreign onlending:				
- Payables to foreign bankers (Note 11a)	16,493	(37,569)	(89,072)	4,992,838
- Other expenses with foreign onlending	(51,156)	(244,876)	(309,434)	706,308
Subtotal onlending	291,136	46,435	915,785	7,000,480
Total	302,503	64,108	999,267	7,179,517

18) CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES TAX AND SOCIAL SECURITY**a) Contingent assets**

Contingent assets are not recognized in the financial statements, although there are ongoing proceedings with good prospects of success. The main one is:

- PIS - R\$54,902 thousand: claiming the compensation of PIS on the Gross Operating Revenue, paid pursuant to Decree Laws 2,445/88 and 2,449/88, over the amount due under the terms of the Supplementary Law 07/70 (PIS Repique).

b) Contingent liabilities classified as probable losses and legal liabilities tax and social security

The Bradesco Organization is currently party to a number of labor, civil and tax lawsuits, arising from the normal course of its business activities.

Provisions were recorded based on the opinion of the legal advisors, the types of lawsuit, similarity with previous lawsuits, complexity and positioning of the courts, whenever a loss is deemed probable.

Management considers that the provision recorded is sufficient to cover losses generated by the corresponding proceedings.

Liability related to litigation is held until the definite successful outcome of the lawsuit, represented by favorable judicial decisions, for which appeals can no longer lodged or due to statute of limitation.

I - Labor claims

These are claims brought by former employees seeking indemnity, especially for unpaid overtime. In the proceedings requiring judicial deposit, the amount of labor claims is recorded considering the effective perspective of loss of these deposits. For other proceedings, the provision is recorded based on the average of the total payments made for the claims settled in the last 12 months, considering the year of the judicial ruling.

Following a more effective control over working hours implemented in 1992, via electronic time cards, overtime is paid regularly during the employment contract and, accordingly, the amount of claims on an individual basis subsequent to 1997 substantially decreased.

II - Civil claims

These are claims for pain and suffering and property damages, mainly relating to notarized protests, returned checks, the inclusion of information about debtors in the restricted credit registry and the reincorporation of inflation adjustments excluded as a result of government economic plans. These lawsuits are individually controlled by computer-based systems and provisioned whenever the loss is evaluated as probable, considering the opinion of the legal advisors, the nature of the lawsuits, and similarity with previous lawsuits, complexity and positioning of the courts.

The issues discussed in the lawsuits relating to protests, returned checks and information on debtors in the credit restriction registry usually are not events that cause a significant impact on the financial income. Most of these lawsuits are brought at the Special Civil Court (JEC), in which the claims are limited to 40 minimum wages.

It is worth noting the increase in legal claims pleading the incidence of inflation rates which were excluded from the monetary restatement of savings accounts balances due to Government Economic Plans (especially Bresser and Verão Economic Plans) which were part of the Government economic policy to reduce inflation in the past. Although the Bank had complied with the legal requirements in force at the time, these lawsuits have been provisioned taking into consideration claims effectively notified and their assessed loss perspectives, the APDF /165 lawsuit (failure to comply with fundamental concepts) brought by CONSIF, with a view to suspending all the pending lawsuits about economic plans is pending judgment by the Federal Supreme Court (STF).

Currently, there are no significant administrative lawsuits in course, filed as a result of the lack of compliance with National Financial System regulations or payment of fines, which could cause significant impacts on the Bank's interest income.

III - Legal liabilities tax and social security

The Bradesco Organization is disputing in court the legality and constitutionality of certain taxes and contributions, for which provisions have been recorded in full, although the likelihood of a medium- and long-term favorable outcome is good based on the opinion of the legal advisors.

The main issues are:

- Cofins R\$3,439,954 thousand: it requests authorization to calculate and pay Cofins, as from October 2005, on the effective income, whose concept is in Article 2 of Supplementary Law 70/91, removing the unconstitutional increase in the calculation basis introduced by paragraph 1 of Article 3 of Law 9,718/98;

- IRPJ/Loan Losses R\$701,176 thousand: it requests authorization to deduct, for purposes of determination of the calculation basis of IRPJ and CSLL, the amount of effective and definite credit losses, total or partial, suffered in the reference years from 1997 to 2006, regardless of the compliance with the conditions and terms provided for in Articles 9 to 14 of Law 9,430/96 that only apply to temporary losses;

- INSS Autonomous Brokers R\$711,177 thousand: it questions the incidence of the social security contribution on the remunerations paid to autonomous service providers, established by Supplementary Law 84/96 and subsequent regulations/amendments, at the rate of 20% and additional of 2.5%, under the argument that the services are not provided to the insurance companies, but to policyholders, thus being outside the incidence of the contribution provided for in item I, Article 22, of Law 8,212/91, with new wording given in Law 9,876/99;

- PIS R\$273,506 thousand: it requests the authorization to offset amounts overpaid in the reference years of 1994 and 1995 as contribution to PIS, corresponding to the amount above the calculation basis laid down in the Constitution, i.e., gross operating revenue, as defined in the income tax legislation concept in Article 44 of Law 4,506/64, not including interest income.

In November 2009, Bradesco adhered to a tax amnesty program, introduced by Law 11941/09, whereby all federal tax and social security obligations owed to the Brazilian Federal Revenue Service (RFB) and to the Public Prosecutions Office of the National Treasury (PGFN) may be settled via a one-off payment or in installments. In accordance with this program, all debts past due up to November 30, 2008, owed by individuals or corporate entities, consolidated by the debtor, with suspended liability or not, executable or not, or considered individually, even at the foreclosure stage, or which are part of a prior installment agreement, not yet fully settled or cancelled as a result of default, may be liquidated through a single payment or divided into installments.

Bradesco's main lawsuits included in the program refer to disputes regarding: (i) the payment of social contribution on net income (CSLL) by financial institutions from 1995 to 1998 at rates in excess of those applicable to companies in general; and (ii) the non-payment of CSLL from 1996 to 1998, during which period certain Bradesco companies had no employees, on the grounds that, pursuant to Item I of Article 195 of the Brazilian Federal Constitution, only employers are liable to pay this contribution.

Considering the specific rules of the program, the accounting effects of the lawsuits included in the one-off payment option were recognized upon adherence. The lawsuits to be included in the installment payment option will be subsequently specified and formally included in the debt consolidation with RFB and no accounting effects were recognized, since at present it is not practicable to determine and quantify the corresponding lawsuits or the gains arising there from.

The net total, directly related to the adherence to the program, totaled R\$388,162 thousand and was mainly recognized in Other operating income (Note 28). Bradesco did not opt to use income tax and social contribution losses to offset the interest payable on the debts included in the program introduced by the above Law.

IV - Provisions by nature

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Labor claims	1,595,534	1,555,469	1,553,143
Civil claims	2,342,634	2,186,368	1,524,423
Subtotal (1)	3,938,168	3,741,837	3,077,566
Tax and social security (2)	7,066,453	8,604,398	7,052,932
Total	11,004,621	12,346,235	10,130,498

(1) Note 20b; and

(2) Classified under Other liabilities tax and social security (Note 20a).

V - Changes in provisions

	R\$ thousand		
	2009		
	Labor	Civil	Tax and social security (1)
At the beginning of the period	1,553,143	1,524,423	7,052,932
Monetary restatement	183,134	237,502	651,181
Net reversals and write-offs (2)	304,594	1,044,024	(727,370)
Payments	(507,119)	(628,867)	(215,685)
Acquired balance	61,782	165,552	305,395
At the end of the period	1,595,534	2,342,634	7,066,453

(1) Comprises, substantially, legal liabilities; and

(2) In tax and social security, it includes write-offs of proceedings with court deposits subject to adhesion to the tax amnesty program.

c) Contingent liabilities classified as possible losses

The Bradesco Organization maintains a system to monitor all administrative and judicial proceedings in which the institution is the plaintiff or defendant and based on the opinion of the legal advisors, classifies the lawsuits according to the expectation of loss. The trends of administrative and judicial proceedings are periodically analyzed and, if necessary, the related risks are reclassified. In this context the contingent proceedings evaluated as having the risk of possible loss are not recognized in the financial statements. The main proceedings are related to leasing companies

Tax on Services of any Nature (ISSQN), the total processes of which corresponds to R\$188,866 thousand. In this lawsuit, the demand of the tax by municipalities other than those where the companies are located and from which the tax is collected in compliance with the law is discussed, as well as the nature of the Leasing Agreement not being a case of formal disallowance when recording tax credit.

19) SUBORDINATED DEBT

							R\$ thousand	
							2009	2008
Maturity	Original term in years	Amount of the operation	Currency	Remuneration	December 31	September 30	December 31	
In Brazil:								
Subordinated CDB								
2011	5	4,504,022	R\$	102.5% to 104.0% of CDI rate	6,979,342	6,831,393	6,328,979	
2012	5	3,236,273	R\$	103.0% of CDI rate or 100.0% of CDI rate + 0.344% p.a. or IPCA + (7.102% p.a. 7.632% p.a.)	4,152,514	4,061,203	3,758,090	
2013	5	575,000	R\$	100.0% of CDI rate + (0.344% p.a. 0.87% p.a.) or IPCA + (7.44% p.a. 8.20% p.a.)	700,900	684,305	630,781	
2014	6	1,000,000	R\$	112.0% of CDI rate	1,131,496	1,105,601	1,018,009	
2015	6	1,294,696	R\$	108.0% and 112.0% of CDI rate or IPCA + (6.92% p.a. 8.70% p.a.)	1,364,642	1,316,970	-	
2012	10	1,569,751	R\$	100.0% of DI rate CETIP or 100.0% of CDI rate + (0.75% p.a. 0.87% p.a.) or 101.0% to 102.5% of CDI rate	4,689,431	4,589,493	4,252,165	
For loan operations (3):								
2009 to 2013	2 to 5	1,913	R\$	100.0% to 106.0% of CDI rate or	2,368	2,717	2,466	
2009 to 2011	up to 2	289,059	R\$	8.29% to 14.88% p.a. rate	304,003	397,694	435,630	
Subtotal in Brazil		12,470,714			19,324,696	18,989,376	16,426,120	
Abroad:								
2011	10	353,700	US\$	10.25% p.a. rate	261,487	273,747	350,356	
2012 (1)	10	315,186	Yen	4.05% p.a. rate	236,799	247,826	317,826	

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2013	10	1,434,750	US\$	8.75% p.a. rate	882,067	920,025	1,182,936
2014	10	801,927	Euro	8.00% p.a. rate	570,412	603,246	735,689
Undetermined		720,870	US\$				
(2)				8.875% p.a. rate	525,966	537,112	705,940
2019	10	1,333,575	US\$	6.75% p.a. rate	1,328,427	1,334,075	-
Issuance costs					(25,877)	(24,730)	(32,205)
Subtotal abroad		4,960,008			3,779,281	3,891,301	3,260,542
Overall total		17,430,722			23,103,977	22,880,677	19,686,662

(1) Including the cost of swap to U.S. dollar, the rate increases to 10.15% p.a.;

(2) In June 2005, perpetual subordinated debt was issued in the amount of US\$300,000 thousand, with exclusive redemption option on the part of the issuer, in its totality and upon previous authorization of Bacen, under the following conditions: (i) after 5 years from the issuance date and subsequently on each date of interest maturity; and (ii) at any moment in the event of a change in the tax laws in Brazil or abroad, which may cause an increase in costs for the issuer and if the issuer is notified in writing by Bacen that the securities may no longer be included in the consolidated capital for capital adequacy ratio calculation purposes; and

(3) Refers to subordinated CBD pegged to loan operations that, pursuant to Circular Letter 2,953/01, do not comprise the Reference Shareholders Equity Tier II.

20) OTHER LIABILITIES**a) Tax and social security**

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Provision for tax risks (Note 18b IV)	7,066,453	8,604,398	7,052,932
Provision for deferred income tax (Note 34f)	3,985,467	4,327,943	2,467,850
Taxes and contributions on profits payable	1,490,563	2,053,841	1,327,665
Taxes and contributions payable	661,185	566,081	634,150
Total	13,203,668	15,552,263	11,482,597

b) Sundry

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Credit card operations	9,293,317	5,599,005	6,009,216
Provision for payments	3,780,262	3,564,487	3,066,969
Provision for contingent liabilities (civil and labor) (Note 18b IV)	3,938,168	3,741,837	3,077,566
Sundry creditors	1,949,166	1,575,794	1,828,087
Liabilities for acquisition of assets financial leasing (1)	987,527	858,627	950,738
Liabilities for acquisition of assets and rights	630,132	666,280	1,042,271
Liabilities for official agreements	269,746	294,184	333,867
Other	908,340	762,251	725,971
Total	21,756,658	17,062,465	17,034,685

(1) Refers to liabilities for acquisition of data processing systems (hardware) by means of financial leasing operations (Bradesco as lessee).

21) INSURANCE, PRIVATE PENSION PLANS AND SAVINGS BONDS OPERATIONS**a) Provisions by account**

	Insurance (1)		Life and Private Pension Plans (2)				Savings bonds	
	2009		2008		2009		2009	
	December 31	September 30	December 31	December 31	September 30	December 31	December 31	September 30
Current and long-term liabilities								
Mathematical provision for benefits to be granted	-	-	-	54,422,399	50,836,650	45,922,203	-	-
Mathematical provision for benefits granted	-	-	-	4,475,137	4,402,912	4,280,106	-	-
Mathematical provision for redemptions	-	-	-	-	-	-	2,479,748	2,327,610
Provision for incurred but not reported (INBR) claims	1,350,222	1,291,915	1,270,570	599,718	574,404	536,319	-	-
Unearned premiums provision	1,941,858	1,828,997	1,586,929	78,343	76,794	78,484	-	-
Provision for contribution insufficiency (4)	-	-	-	3,031,715	2,980,905	2,522,156	-	-
Provision for unsettled claims	1,329,263	1,264,731	745,681	748,777	717,784	641,675	-	-
Financial fluctuation provision	-	-	-	621,884	621,324	648,790	-	-
Premium insufficiency provision	-	-	-	560,714	556,830	478,669	-	-
Financial surplus provision	-	-	-	367,289	362,503	290,885	-	-
Provision for drawings and redemptions	-	-	-	-	-	-	436,026	440,377
Provision for administrative expenses	-	-	-	141,688	154,808	145,207	100,598	89,885
Provision for contingencies	-	-	-	-	-	-	7,288	7,422
Other provisions	2,234,738	2,231,659	2,226,731	644,516	633,254	507,142	-	-
Total provisions	6,856,081	6,617,302	5,829,911	65,692,180	61,918,168	56,051,636	3,023,660	2,865,294

(1) Other provisions basically refers to the technical provisions of the individual health portfolio made in order to: (i) cover the differences of future premium adjustments and those necessary to the portfolio technical balance; and (ii)

cover payment release of health care coverage to dependents in case the policyholder dies, adopting the rules of the Actuarial Technical Notes approved by ANS;

(2) Comprises individual insurance plan and private pension plan operations;

(3) Pursuant to Susep Circular Letter 379/08, as of January 2009, technical provisions are presented at gross amounts and the reinsurance (PPNG, PSL and INBR) technical provision are recorded in assets on December 31, 2009 in the amount of R\$669,103 (September 30, 2009 R\$634,681); and

(4) The contribution insufficiency provision for retirement and pension plans is calculated according to the normalized biometric table AT-2000, improved by 1.5% p.a., considering males separated from females, who have a longer life expectancy, and actual real interest rate of 4.0% p.a.. For disabilities plans, the provision is also actuarially calculated according to the biometric AT-49 (male) table and the 4.0% p.a. real interest rate.

b) Technical provisions by product

	Insurance		Life and Private Pension Plans				Savings bonds	
	2009		2008		2009		2009	
	December 31	September 30	December 31	December 31	September 30	December 31	December 31	September 30
Health (1)	3,555,436	3,479,016	3,415,915	-	-	-	-	-
Auto/RCF	1,837,189	1,727,624	1,739,587	-	-	-	-	-
Dpvat	119,972	120,011	77,165	200,436	203,921	145,135	-	-
Life	16,676	17,469	18,953	2,706,602	2,611,490	2,422,920	-	-
Basic lines	1,326,808	1,273,182	578,291	-	-	-	-	-
Unrestricted								
Benefits Generating								
Plan - PGBL	-	-	-	11,778,567	11,227,218	10,421,881	-	-
Long-Term Life								
Insurance - VGBL	-	-	-	35,130,823	32,179,116	27,627,847	-	-
Traditional plans	-	-	-	15,875,752	15,696,423	15,433,853	-	-
Savings bonds	-	-	-	-	-	-	3,023,660	2,865,294
Total technical provisions	6,856,081	6,617,302	5,829,911	65,692,180	61,918,168	56,051,636	3,023,660	2,865,294

(1) See Note 21a item1; and

(2) Pursuant to Susep Circular Letter 379/08, as of January 2009, technical provisions are presented at gross amounts and reinsurance technical provisions (PPNG, PSL and INBR) are recorded in assets on December 31, 2009 in the amount of R\$669,103 thousand (September 30, 2009 - R\$634,681 thousand) .

c) Guarantees of technical provisions

	Insurance		Life and Private Pension Plans				Savings b	
	2009		2008		2009		2009	
	December 31	September 30	December 31	December 31	September 30	December 31	December 31	Septemb 30
Investment fund quotas (VGBL and PGBL)	-	-	-	46,909,390	43,406,334	38,049,728	-	-
Investment fund quotas (excluding VGBL and PGBL)	5,693,441	5,292,667	5,281,805	14,483,249	14,032,708	12,926,284	2,765,794	2,537,2
Government securities	95,844	366,202	72,758	3,149,892	3,133,068	3,109,296	-	-
Private securities	21,710	21,689	158,571	745,626	758,978	927,903	165,910	163,6
Shares	1,959	1,708	2,368	493,147	655,578	1,113,502	181,346	254,4
Receivables	617,462	553,338	520,407	-	-	-	-	-
Real estate	-	-	7,290	-	-	-	-	-
Deposits retained at IRB and court deposits	6,347	6,611	7,032	60,262	65,102	65,564	-	-
Reinsurance credits	663,354	628,363	-	5,749	6,318	-	-	-
Total guarantees of technical provisions	7,100,117	6,870,578	6,050,231	65,847,315	62,058,086	56,192,277	3,113,050	2,955,3

d) Retained premiums from insurance, private pension plans contributions and savings bonds

	R\$ thousand			
	2009			2008
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Premiums written	3,228,806	3,134,108	12,311,360	10,748,533
Supplementary private pension plan contributions (including VGBL)	4,295,235	3,100,407	12,447,194	10,939,839
Revenues from savings bonds	575,856	519,362	1,991,357	1,699,672
Coinsurance premiums	(26,884)	(34,681)	(298,404)	(146,948)
Refunded premiums	(32,450)	(34,897)	(118,274)	(92,344)
Net premiums written	8,040,563	6,684,299	26,333,233	23,148,752
Reinsurance premiums	(37,488)	(60,429)	(223,325)	(325,002)
Retained premiums from insurance, private pension plans and savings bonds	8,003,075	6,623,870	26,109,908	22,823,750

22) MINORITY INTEREST IN SUBSIDIARIES

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Odontoprev S.A. (1)	437,390	-	-
Andorra Holdings S.A.	172,632	169,268	158,402
Banco Bradesco BBI S.A.	86,812	86,537	81,430
Celta Holding S.A.	59,497	65,118	68,879
Banco Alvorada S.A.	10,042	9,582	8,468
Baneb Corretora de Seguros S.A.	3,616	3,867	3,837
Other minority shareholders	27,686	25,448	483
Total	797,675	359,820	321,499

(1) Minority interest in Odontoprev through the change in interest in Bradesco Dental (note 1).

23) SHAREHOLDERS EQUITY (PARENT COMPANY)**a) Breakdown of capital stock in number of shares**

Fully subscribed and paid-up capital stock comprises non-par, registered, book-entry shares.

	2009		2008
	December 31	September 30	December 31
Common shares	1,713,543,005	1,534,934,979	1,534,934,979
Preferred shares	1,713,542,828	1,534,934,821	1,534,934,821
Subtotal	3,427,085,833	3,069,869,800	3,069,869,800
Treasury (common shares)	(3,338,170)	(1,859,700)	(129,021)
Treasury (preferred shares)	(3,197,260)	(1,268,600)	(34,600)
Total outstanding shares	3,420,550,403	3,066,741,500	3,069,706,179

b) Breakdown of capital stock in number of shares

	Common	Preferred	Total
Number of outstanding shares on December 31, 2008	1,534,805,958	1,534,900,221	3,069,706,179
Shares acquired and not cancelled	(1,730,679)	(1,234,000)	(2,964,679)
Number of outstanding shares on September 30, 2009	1,533,075,279	1,533,666,221	3,066,741,500
Shares acquired and not cancelled	(1,175,000)	(1,638,000)	(2,813,000)
Capital stock increase upon share issue acquisition of Ibi	22,831,389	22,831,386	45,662,775
Capital stock increase upon share issue bonus 10%	155,776,637	155,776,621	311,553,258
Bonus from shares acquired and not cancelled	(303,470)	(290,660)	(594,130)
Number of outstanding shares on December 31, 2009	1,710,204,835	1,710,345,568	3,420,550,403

The Special Shareholders Meeting held on March 10, 2009 approved the reverse split of common and preferred shares in the proportion of fifty (50) to one (1), with the simultaneous split of each share, after the reverse split, at the ratio of one (1) to fifty (50), without changes in types of share, giving sixty-one (61) days, as from April 8, 2009 to June 8, 2009, for shareholders, at their own and free discretion, to adjust the position of their shares, by type, in multiples of fifty (50) shares, by means of trading at BM&FBovespa, through the brokerage firm of their choice.

Simultaneously with the operation in the Brazilian Market, complying with the same dates, the same procedure was adopted on the International Market, for securities traded in New York USA and Madrid - Spain.

At the Special General Meeting held on October 29, 2009, it was approved: (i) the merger of all of shares representing the Ibi Participações S.A. capital stock into Bradesco, and Ibi Participações became Bradesco's wholly-owned subsidiary, in compliance with the provisions set forth in Articles 224, 225 and 252 of Law 6,404/76, upon the capital increase in the amount of R\$1,368,183 thousand, from R\$23,000,000 thousand to R\$24,368,183 thousand, with the issuance of 45,662,775 new nominative book-entry non-par shares, out of which 22,831,389 are common and 22,831,386 are preferred shares, at the ratio of 0.049401676 fraction of Bradesco share to Ibi Participações share, to be allocated to the latter's shareholders, being 0.024700839 fraction of common share and 0.024700837 fraction of preferred share; and (ii) the capital stock increase by R\$131,817 thousand, from R\$24,368,183 thousand to R\$24,500,000 thousand, upon the capitalization of reserves, without the issue of shares, as per paragraph first of Article 169 of Law 6,404/76, with the consequent amendment to caput of Article 6 of the Bylaws.

At the Special General Meeting held on December 18, 2009, it was approved the capital stock increase by R\$2,000,000 thousand, from R\$24,500,000 thousand to R\$26,500,000 thousand, upon the capitalization of part of the Profit Reserves Statutory Reserves account balance, in compliance with Article 169 of Law 6,404/76, with a 10% stock bonus, upon the issue of 311,553,258 new nominative book-entry non-par shares, out of which 155,776,637 are common and 155,776,621 are preferred shares, allocated to shareholders free of charge, for purposes of stock bonus, at the ratio of one (1) new share to each ten (10) shares of the same type held by them, benefiting shareholders registered in the Bank's records as of January 19, 2010.

Simultaneously with the operation in the Brazilian Market, and at the same ratio, ADRs American Depositary Receipts in the American Market (NYSE) and GDRs Global Depositary Receipts in the European Market (Latibex) were entitled to stock bonus, and investors received one (1) new DR for each ten (10) DRs they held on January 19, 2010.

c) Interest on shareholders' equity/dividends

Preferred shares have no voting rights, but are entitled to all rights and advantages given to common shares and, in compliance with Bradesco's Bylaws, have priority in repayment of capital and additional ten per cent (10%) of interest on shareholders' equity and/or dividends, in accordance with the provisions of Paragraph 1, item II, of Article 17 of Law 6,404/76, with the new wording given in Law 10,303/01.

According to Bradesco's Bylaws, shareholders are entitled to interest on shareholders' equity and/or dividends of, in total, at least 30% of the net income for the year, adjusted in accordance with the Brazilian Corporation Law.

Interest on shareholders' equity is calculated based on the shareholders' equity accounts and is limited to the variation in the Federal Government Long-Term Interest Rate (TJLP), provided there are available profits, computed prior to the deduction thereof, or retained earnings and revenue reserves in amounts equivalent to, or exceeding twice, the amount of such interest.

Bradesco's capital remuneration policy aims at distributing the interest on shareholders' equity at the maximum amount calculated pursuant to prevailing laws, and this is included, net of Withholding Income Tax, in the calculation of the mandatory dividends of the year set forth in the Company's Bylaws.

At the Board of Directors Meeting held on December 5, 2008, the board members approved the proposal of the Board of Executive Officers related to the payment of supplementary interest on shareholders' equity to shareholders related to 2008, in the amount of R\$0.571482431 (R\$0.485760066 net of tax) per common share and R\$0.628630674 (R\$0.534336073 net of tax) per preferred shares, the payment of which was made on March 9, 2009.

At a Board of Directors Meeting held on January 20, 2009, the board members approved the proposal of the Board of Executive Officers to increase by 10% the amount of monthly dividends, paid in advance to shareholders, according to the Monthly Remuneration System, from R\$0.012017500 to R\$0.013219250, related to common shares, and from R\$0.013219250 to R\$0.014541175, related to preferred shares, effective as from the dividends for February 2009 paid on March 2, 2009, benefiting shareholders registered in the Company's records on February 2, 2009.

At a Board of Directors Meeting held on July 3, 2009, the Board of Executive Officers proposal for payment of interim interest on shareholders' equity to shareholders related to 1H09 was approved, in the amount of R\$0.155520588 (R\$0.1321925 net of tax) per common share and R\$0.171072647 (R\$0.14541175 net of tax) per preferred share, whose payment was made on July 20, 2009.

The Board of Directors Meeting held on December 4, 2009 approved the Board of Executive Officers proposal for the payment of supplementary interest on shareholders' equity to shareholders for the fiscal year of 2009 in the amount of R\$1,632,000 thousand, out of which R\$0.499755537 (net of withholding income tax of 15% - R\$0.424792206) per common share and R\$0.549731091 (net of 15% withholding income tax - R\$0.467271427) per preferred share, the payment of which will be made on March 9, 2010.

The Special General Meeting held on December 18, 2009 resolved that the monthly dividends will be held in R\$0.01321925 per common share and R\$0.014541175 per preferred share, so that the amounts monthly paid to shareholders will be increased by 10%, after the new shares from the stock bonus are included in the shareholding.

The calculation of interest on shareholders' equity and dividends related to the 2009 is as follows:

	R\$ thousand	% (1)
Net income for the year	8,012,282	
(-) Legal reserve	(400,614)	
Adjusted calculation basis	7,611,668	
Interest on shareholders' equity (gross) provisioned (paid and payable)	2,133,269	
Withholding income tax on interest on shareholders' equity	(319,990)	
Interest on shareholders' equity (net)	1,813,279	
Monthly dividends paid and provisioned	584,813	
Accumulated interest on shareholders' equity (net) and dividends in 2009	2,398,092	31.51
Accumulated interest on shareholders' equity (net) and dividends in 2008	2,398,987	33.12

(1) Percentage of interest on shareholders' equity/dividends over adjusted calculation basis.

Interest on shareholders' equity and dividends were paid and provisioned as follows:

Description	Per share (gross)		Gross paid/ provisioned amount	Withholding Income Tax (IRRF) (15%)	R\$ thousand Net paid/ provisioned amount
	Common shares	Preferred shares			
Monthly interest on shareholders' equity	0.036053	0.039658	114,598	17,190	97,408
Supplementary interest on shareholders' equity provisioned	0.571482	0.628631	1,841,993	276,299	1,565,694
Monthly dividends	0.108158	0.118973	348,540	-	348,540
Interim dividends	0.120175	0.132193	387,345	-	387,345
Total on December 31, 2008 YTD	0.835868	0.919455	2,692,476	293,489	2,398,987
Supplementary interest on shareholders' equity provisioned (1)	0.499755	0.549731	1,632,000	244,800	1,387,200
Interim interest on shareholders' equity (2)	0.155521	0.171073	501,269	75,190	426,079
Monthly dividends	0.157429	0.173172	507,818	-	507,818
Supplementary provisioned dividends (3)	0.021439	0.023582	76,995	-	76,995
Total on December 31, 2009 YTD	0.834144	0.917558	2,718,082	319,990	2,398,092

(1) Payable on March 9, 2010;

(2) Paid on July 20, 2009; and

(3) Considers the stock bonus effects 10% as of December 18, 2009.

d) Treasury shares

At a Board of Executive Officers meeting held on December 2, 2009, it was authorized the acquisition of shares issued by Bradesco of up to 15,000,000 nominative book-entry common shares, with no par value, out of which 7,500,000 are common shares and 7,500,000 are preferred shares, to be held in treasury and later sale or cancellation, without capital stock reduction. The authorization will be effective until June 3, 2010.

Up to December 31, 2009, 3,338,170 common shares and 3,197,260 preferred shares were acquired and held in treasury, in the amount of R\$188,874 thousand. The minimum, weighted average and maximum cost per share is, respectively, R\$14.99344, R\$28.89998 and R\$34.88564, already including the 10% stock bonus that took place on December 18, 2009. The market value of these shares on December 31, 2009 was R\$27.26 per common share and R\$33.07 per preferred share.

24) FEE AND COMMISSION INCOME

	R\$ thousand			
	2009			2008
	4th quarter	3rd quarter	December 31 YTD	December 31 YTD
Card income	940,898	770,528	3,373,923	3,035,048
Checking accounts	543,131	538,901	2,180,852	2,264,867
Loan operations	421,244	407,253	1,588,029	1,583,613
Asset management	429,909	420,466	1,601,350	1,570,525
Collections	259,469	254,306	997,321	973,744
Custody and brokerage services	115,812	106,241	412,653	328,027
Consortium management	94,786	91,143	351,178	317,872
Taxes paid	66,247	63,723	256,002	238,006
Underwriting	104,881	46,299	340,033	120,005
Other	118,088	120,769	510,149	429,926
Total	3,094,465	2,819,629	11,611,490	10,861,633

25) PERSONNEL EXPENSES

	R\$ thousand			
	2009			2008
	4th quarter	3rd quarter	December 31 YTD	December 31 YTD
Payroll	1,003,676	976,950	3,889,273	3,670,277
Benefits	396,794	446,874	1,569,765	1,442,364
Social security charges	363,761	355,367	1,376,365	1,282,672
Employee profit sharing	178,678	217,618	650,023	550,456
Provision for labor claims	111,028	105,372	394,128	349,406
Training	27,015	23,438	86,784	93,846
Total	2,080,952	2,125,619	7,966,338	7,389,021

26) OTHER ADMINISTRATIVE EXPENSES

	R\$ thousand			
	2009			2008
	4th quarter	3rd quarter	December 31 YTD	December 31 YTD
Third-party services	701,426	637,507	2,529,453	2,191,461
Communication	327,884	297,811	1,227,145	1,104,417
Advertising and publicity	282,488	111,882	587,784	644,183
Depreciation and amortization	202,527	185,822	717,141	615,134
Depreciation of financial leasing - Law 11,638/07	93,213	82,064	357,543	305,261
Transportation	149,688	138,015	554,643	514,045
Financial system services	88,665	66,565	278,771	214,467
Rentals	145,479	135,826	556,333	481,996
Data processing	212,022	195,219	772,089	576,775
Asset maintenance and conservation	111,485	102,819	418,387	391,982
Asset leasing	99,563	86,602	401,304	351,334
Asset leasing - Law 11,638/07	(93,213)	(82,064)	(386,192)	(346,358)
Supplies	65,552	59,662	226,707	212,813
Security and surveillance	64,083	65,110	249,782	217,280
Water, electricity and gas	52,015	44,161	198,552	182,500
Travels	22,341	20,617	78,267	89,219
Other	149,278	135,066	514,928	512,827
Total	2,674,496	2,282,684	9,282,637	8,259,336

27) TAX EXPENSES

	R\$ thousand			
	2009			2008
	4th quarter	3rd quarter	December 31 YTD	December 31 YTD
Contribution for Social Security Financing (Cofins)	471,682	478,103	1,834,471	1,184,543
Tax on Services (ISS)	91,525	83,726	342,556	330,350
Social Integration Program (PIS) contribution	83,990	88,949	342,675	259,726
Municipal Real Estate Tax (IPTU) expenses	6,338	6,362	32,899	32,122
Other	43,822	40,368	160,968	160,362
Total	697,357	697,508	2,713,569	1,967,103

28) OTHER OPERATING INCOME

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Other interest income	199,665	223,174	820,635	610,841
Reversal of other operating provisions (1)	435,118	26,385	562,234	557,912
Gains on sale of goods	27,805	26,805	67,508	75,625
Revenues from recovery of charges and expenses	13,266	14,403	59,995	60,662
Others	242,082	241,226	1,053,241	413,206
Total	917,936	531,993	2,563,613	1,718,246

(1) Includes R\$388,162 thousand related to the adhesion to the tax amnesty program. (note 18b III).

29) OTHER OPERATING EXPENSES

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Other financial expenses	511,240	537,617	2,271,477	2,090,874
Sundry losses	362,667	281,593	1,177,770	1,245,563
Interest expenses with leasing obligations - Law 11,638/07	6,140	3,026	69,409	127,719
Intangible assets amortization acquisition of banking services rights	134,521	130,120	491,789	478,506
Expenses with other operating provisions (1)	237,173	517,495	1,359,884	397,823
Goodwill amortization	33,471	24,578	107,277	32,770
Expenses with impairment analysis (note 15b)	39,636	-	39,636	1,481
Other (3)	338,093	266,770	1,254,062	911,092
Total	1,662,941	1,761,199	6,771,304	5,285,828

(1) Includes supplementary provision for civil lawsuits 2009 economic plans R\$915,188 thousand (December 31, 2008 R\$239,370 thousand), 4Q09 R\$111,378 thousand (3Q09 R\$387,556 thousand).

30) NON-OPERATING RESULT

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Result on sale and write-off of assets and investments (1)	(73,799)	337,468	2,188,096	400,965
Non-operating provisions	(3,957)	(26,658)	(77,497)	(43,863)
Others	(53,938)	39,741	10,997	26,868
Total	(131,694)	350,551	2,121,596	383,970

(1) In 2009, includes the result of partial sale of Visanet shares, net of distribution costs, in the amount of R\$2,409,619 thousand and R\$410,391 thousand in 3Q09. In 2008, it mainly comprised the result of the partial divestment of Visa Inc. in the amount of R\$352,402 thousand from the company's IPO.

31) TRANSACTIONS WITH PARENT COMPANIES (DIRECT AND INDIRECT)

a) Transactions with parent companies (direct and indirect) are carried out in conditions and at rates compatible with the averages practiced with third parties, and effective on the dates of the operations, and are as follows:

	R\$ thousand						
	2009		2008		2009		2008
	December 31	September 30	December 31	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
	Assets (liabilities)	Assets (liabilities)	Assets (liabilities)	Revenues (expenses)	Revenues (expenses)	Revenues (expenses)	Revenues (expenses)
Interest on shareholders equity and dividends:	(653,209)	(56,857)	(686,817)	-	-	-	-
Cidade de Deus							
Companhia Comercial de Participações	(324,347)	(9,789)	(368,603)	-	-	-	-
Fundação Bradesco	(328,862)	(47,068)	(318,214)	-	-	-	-
Demand deposits:	(113)	(481)	(13,127)	-	-	-	-
Fundação Bradesco	(80)	(462)	(8)	-	-	-	-
Elo Participações e Investimentos S.A.	(10)	(16)	(6)	-	-	-	-
Nova Cidade de Deus							
Participações S.A.	(11)	(1)	(88)	-	-	-	-
Cidade de Deus							
Companhia Comercial de Participações	(12)	(2)	(13,025)	-	-	-	-
Time deposits:	(17,199)	(1,576)	(45,911)	(5)	(42)	(63)	(2,296)
Cidade de Deus							
Companhia Comercial de Participações	(17,199)	(1,576)	(45,911)	(5)	(42)	(63)	(2,296)
Rental of branches:	-	-	-	(117)	(118)	(464)	(436)
Fundação Bradesco	-	-	-	(117)	(118)	(464)	(436)
Subordinated debts:	(134,086)	(263,345)	(105,737)	(13,494)	(10,502)	(30,961)	(42,511)
Cidade de Deus							
Companhia Comercial de Participações	(62,446)	(107,047)	(19,797)	(2,112)	(1,928)	(5,582)	(11,384)
Fundação Bradesco	(71,640)	(156,298)	(85,940)	(11,382)	(8,574)	(25,379)	(31,127)

b) Compensation of key Management personnel

Each year, the Annual Shareholders Meeting approves:

The annual overall amount of management compensation, apportioned at the Board of Directors Meetings among the board members and members of the Board of Executive Officers, as determined by the Company's Bylaws; and

The amount allocated to finance supplementary private pension plans to the Management, within the private pension plan for employees and management of the Bradesco Organization.

For 2009, the maximum amount of R\$293,140 thousand was set for management compensation (share-based compensation and bonuses) and R\$129,470 thousand to finance defined contribution supplementary private pension plans.

Short-term Management benefits

	2009			2008
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
				R\$ thousand
Share-based compensation	36,852	38,423	145,268	103,782
Bonuses	2,911	9,111	23,976	146,636
INSS/FGTS Contributions	8,916	10,671	37,972	75,894
Total	48,679	58,205	207,216	326,312

Post-employment benefits

	2009			2008
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
				R\$ thousand
Defined contribution supplementary private pension plans		12,816	81,872	126,133
Total		12,816	81,872	126,133

Bradesco does not offer long-term benefits related to severance pay or share-based compensation to its key Management personnel.

Other information

D) According to current laws, financial institutions are not allowed to grant loans or advances to:

- a) Officers and members of the advisory, administrative, fiscal or similar councils, as well as to their respective spouses and family members up to the second degree;
- b) Individuals or corporations that own more than 10% of their capital; and
- c) Corporations of which the financial institution itself, any officers or administrators of the institution, as well as their spouses and respective family members up to the second degree own more than 10%;

Therefore, no loans or advances are granted by financial institutions to any subsidiary, members of the Board of Directors or Board of Executive Officers and their relatives.

II) Shareholding

Members of the Board of Directors and Board of Executive Officers, jointly, had the following shareholding in Bradesco on December 31, 2009:

Common shares	0.67%
Preferred shares	0.97%
Total shares	0.82%

32) FINANCIAL INSTRUMENTS

a) Risk management process

Bradesco Organization considers the risk management essential to all its activities, using it to add value to its business, as it supports the business areas in the planning of its activities, maximizing the use of own and third party resources, for the benefit its stakeholders and the company.

The risk management activity is highly relevant due to the increasing complexity of services and products offered and the globalization of Bradesco's business, reason why the Organization is always improving its risk management processes, using the best international practices, Brazilian rules and the recommendations of the New Capital Accord.

Several investments are made in initiatives related to risk management processes, especially in the training of the staff to improve the quality of said processes and ensure the necessary focus, inherent to these activities that generate a strong added value. In this context, the Organization has three large pillars that support the entire risk management structure: i) corporate governance; ii) management structure; and iii) risk management methodology.

Credit risk management

Credit risk is the possibility that a counterparty of a loan or financial operation may not wish, or may suffer some change in its ability to comply with its contractual obligations, which may generate losses for the Organization.

To mitigate credit risk, Bradesco continuously reviews the processes of credit activities processes, implementing improvements, examining and preparing inventories of credit approval and recovery procedures, monitoring concentrations and identifying new areas of credit risks.

Market risk management

Market risk is the possibility of loss by fluctuating market prices and rates, once asset and liability portfolios of the Organization may present mismatches in terms, currencies and indexes.

The market risk management at Bradesco enables the Organization to make strategic decisions with high agility and level of reliance, conducting it by means of methodologies in line with the best international practices and the recommendations of the New Capital Accord.

The performance of limits is daily monitored by the Integrated Risk Control Department, which is independent to the business management and adopts the Parametric VaR (Value at Risk) outlook, in the calculation of the trading portfolio risk, with a 99% confidence level, one-day horizon, and correlations and volatilities calculated using

statistical methods in which recent returns are given more importance. In addition, the methodology applied and current statistic models in the measurement of market risks are daily evaluated using backtesting techniques.

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We present below the balance sheet by currency

	R\$ thousand				
	2009			2008	
	December 31	September 30	December 31	September 30	December 31
	Balance	Domestic	Foreign (1) (2)	Foreign (1) (2)	Foreign (1) (2)
Assets					
Current and long-term assets	496,028,295	461,012,453	35,015,842	35,748,834	48,998,814
Funds available	6,946,563	5,507,365	1,439,198	2,115,883	3,472,821
Interbank investments	110,796,813	107,218,687	3,578,126	1,786,446	5,717,083
Securities and derivative financial instruments	146,618,735	138,529,746	8,088,989	9,112,823	7,874,279
Interbank and interdepartmental accounts	18,723,216	18,349,807	373,409	425,664	45,348
Loan and leasing operations	157,458,244	143,037,362	14,420,882	12,099,734	13,828,806
Other receivables and assets	55,484,724	48,369,486	7,115,238	10,208,284	18,060,477
Permanent assets	10,194,797	10,187,899	6,898	7,341	9,263
Investments	1,260,819	1,260,819	-	-	-
Premises and equipment and leased assets	3,417,954	3,411,145	6,809	7,247	9,126
Intangible assets	5,516,024	5,515,935	89	94	137
Total	506,223,092	471,200,352	35,022,740	35,756,175	49,008,077
Liabilities					
Current and long-term liabilities	463,351,041	436,096,615	27,254,426	27,924,611	41,391,620
Deposits	171,073,084	165,197,277	5,875,807	6,301,070	6,084,709
Federal funds purchased and securities sold under agreements to repurchase	113,273,046	112,837,449	435,597	124,458	54,024
Funds from issuance of securities	7,482,584	3,170,203	4,312,381	4,124,115	5,250,583
Interbank and interdepartmental accounts	2,950,154	1,748,676	1,201,478	1,400,103	1,364,078
Borrowing and onlending	27,327,736	19,050,603	8,277,133	8,491,792	14,592,427
Derivative financial instruments	531,194	369,613	161,581	120,099	1,117,147
Technical provision of insurance, private pension plans and savings bonds	75,571,921	75,570,227	1,694	2,114	3,187
Other liabilities:					
- Subordinated debt	23,103,977	19,324,696	3,779,281	3,891,301	3,260,542
- Other	42,037,345	38,827,871	3,209,474	3,469,559	9,664,923
Deferred income	320,625	320,625	-	-	-
Minority interest in subsidiaries	797,675	797,675	-	-	-
Shareholders equity	41,753,751	41,753,751	-	-	-
Total	506,223,092	478,968,666	27,254,426	27,924,611	41,391,620
Net position of assets and liabilities			7,768,314	7,831,564	7,616,457
Net position of derivatives (2)			(16,071,190)	(15,742,503)	(16,552,003)

Other net memorandum accounts (3)	(55,136)	1,188,896	913,517
Net exchange position (liability)	(8,358,012)	(6,722,043)	(8,022,029)

- (1) Amounts expressed and/or indexed mainly in USD;
- (2) Excluding operations maturing in D+1, to be settled at the rate of the last day of the month; and
- (3) Other commitments recorded in memorandum accounts.

We present the VaR in the chart below

Risk factors	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Fixed rates	10,351	3,541	76,236
Internal exchange coupon	179	372	13,991
Foreign currency	954	1,444	23,070
IGP-M	289	221	18
IPCA	2,799	13,061	267,651
Variable income	7,766	5,495	4,499
Sovereign/Eurobonds and Treasuries	9,250	15,417	170,532
Other	24	25	61
Correlation/diversification effect	(11,556)	(14,105)	(112,617)
VaR (Value at Risk)	20,056	25,471	443,441

Sensitivity analysis

In conformity with good risk management governance practice, Bradesco maintains a continued process of management of its positions, which encompasses control of all positions exposed to market risk by means of measures compatible with the best international practices and the New Basel Capital Accord – Basel II. It is also worth mentioning that financial institutions have risk limits and controls and leverage regulated by Bacen.

Risk limit proposals are validated by specific business committees and submitted to the approval of the Integrated Risk Management and Capital Allocation Committee, complying with limits laid down by the Board of Directors, according to the positions' targets, which are divided into the following portfolios:

Trading Portfolio: consists of all financial instruments, commodities, derivatives operations held for trading or as a hedge of other trading portfolios, which are not subject to trading restrictions.

Operations intended for trading are those for resale, to take advantage from expected or effective price movements, or for arbitrage purposes; and

Banking Portfolio: operations not classified in the Trading Portfolio. These consist of structural operations of various lines of the Organization's business and eventual hedges.

The following tables present the financial exposure sensitivity analysis (Trading and Banking Portfolios) pursuant to CVM Rule 475/08 and do not reflect how these market risk exposures are managed in the Organization's daily operations, according to information provided in this note.

The financial exposure impacts of the Banking Portfolio (mainly interest rates and price indexes) stated in the following table do not necessarily represent an accounting loss for the Organization, due to the following reasons:

part of loan operations held in the Banking Portfolio is funded by demand deposits and/or savings deposits, which provides a natural hedge for eventual interest rate fluctuations;

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for the Banking Portfolio, interest rates fluctuations do not necessarily have a material impact on the Organization's results, since the intention is to hold the loan operations until their maturity; and

derivative operations of the Banking Portfolio are used to hedge operations with clients or to hedge investments abroad, also considering the tax effect on foreign exchange rate fluctuation.

		On December 31, 2009 - R\$ thousand		
Risk factors	Trading and Banking portfolios	Scenarios (1)		
	Definition	1	2	3
Interest rates in Reais	Exposures subject to changes in fixed interest rates and interest rate coupon	(3,983)	(901,254)	(1,729,973)
Price indexes	Exposures subject to the changes in price index coupon rate	(7,437)	(1,052,419)	(1,871,014)
Domestic exchange coupon	Exposures subject to the changes in foreign currency coupon rate	(95)	(2,949)	(5,889)
Foreign currency	Exposures subject to exchange variation	(337)	(8,434)	(16,868)
Equities	Exposures subject to stocks price variation	(12,251)	(306,264)	(612,529)
Sovereign/Eurobonds and Treasuries	Exposures subject to the interest rate variation of securities traded on the international market	(1,083)	(54,670)	(103,964)
Other	Exposures not classified in the previous definitions	-	(14)	(28)
Total not correlated		(25,186)	(2,326,004)	(4,340,265)
Total correlated		(16,960)	(1,810,669)	(3,369,293)

(1) Amounts net of tax effects

		On December 31, 2008 - R\$ thousand		
Risk factors	Trading and Banking portfolios	Scenarios (1)		
	Definition	1	2	3
Interest rates in Reais	Exposures subject to fixed interest rates variation and interest rate coupon	418,731	(975,863)	(2,194,417)
Price indexes	Exposures subject to the variation of price index coupon rate	726,008	(183,528)	(1,054,060)
Domestic exchange coupon	Exposures subject to the variation of foreign currency coupon rate	6,852	(4,349)	(14,989)
Foreign currency	Exposures subject to exchange variation	(2,401)	(78,717)	(155,033)
Equities	Exposures subject to stocks price variation	56,072	(301,510)	(659,093)

Sovereign/Eurobonds and Treasuries	Exposures subject to the interest rate variation of securities traded on the international market	(100,077)	(241,801)	(384,274)
Other	Exposures not classified into previous definitions	-	(11)	(23)
Total not correlated		-	(1,785,779)	(4,461,889)
Total correlated		1,105,185	(1,503,720)	(3,605,738)

(1) Amounts net of tax effects

We present below the sensitivity analysis of the Trading Portfolio, which represents exposures that might cause material impacts on the Organization's results. It is worth mentioning that results show the impacts for each scenario for a static portfolio position on December 31, 2009 and December 31, 2008. The market dynamism results in continuous changes in these positions and does not necessarily reflect the current position. In addition, as previously mentioned, we maintain a continued process of market risk management, which continuously seeks, through market dynamics, ways of mitigating/minimizing related risks, according to the strategy determined by Senior Management, i.e., in case of signs of deterioration in a certain position, proactive measures are taken to minimize potential negative impacts, aiming at maximizing the risk/return ratio for the Organization.

		On December 31, 2009 - R\$ thousand		
Risk factors	Trading portfolios	Scenarios (1)		
	Definition	1	2	3
Interest rates in Reais	Exposures subject to changes in fixed interest rates and interest rate coupon	(766)	(170,612)	(336.518)
Price indexes	Exposures subject to changes in price index coupon rate	(270)	(39,565)	(77.676)
Domestic exchange coupon	Exposures subject to the changes in foreign currency coupon rate	(3)	(141)	(279)
Foreign currency	Exposures subject to exchange variation	(337)	(8,434)	(16.868)
Equities	Exposures subject to stocks price variation	(1,285)	(32,126)	(64.252)
Sovereign/Eurobonds and Treasuries	Exposures subject to the interest rate variation of securities traded on the international market	(746)	(18,661)	(36.375)
Other	Exposures not classified in the previous definitions	-	(14)	(28)
Total not correlated		(3,407)	(269,553)	(531,996)
Total correlated		(1,881)	(205,907)	(406,008)

(1) Amounts net of tax effects.

The sensitivity analysis was carried out based on the scenarios below, always considering that these impacts would negatively affect our positions.

Scenario 1: based on market information of December 31, 2009 (BM&FBovespa, Anbima, etc), one base point stress was applied for interest rates and 1% variation for prices. For instance, the exchange rate of Reais/Dollar of R\$1.76 and 1-year fixed interest rates of 10.51% p.a.

Scenario 2: 25% stresses were determined based on the market at December 31, 2009. For instance, the exchange rate of Reais/Dollar was R\$2.18 and 1-year fixed interest rates of 13.13% p.a., with fluctuations of other risk factors representing a 25% stress on the respective curves or prices.

Scenario 3: 50% stresses were determined based on the market at December 31, 2009. For instance: the exchange rate of Reais/Dollar was R\$2.62 and 1-year fixed interest rates of 15.75% p.a., with fluctuations of other risk factors representing a 50% stress on the respective curves or prices.

		On December 31, 2008 - R\$ thousand		
Risk factors	Trading portfolio	Scenarios (1)		
	Definition	1 (*)	2	3

Interest rates in Reais	Exposures subject to changes in fixed interest rates and interest rate coupon	6,471	(223,487)	(443.847)
Price indexes	Exposures subject to changes in price index coupon rate	125,658	(153,181)	(414.332)
Domestic exchange coupon	Exposures subject to changes in foreign currency coupon rate	5,794	(728)	(7.075)
Foreign currency	Exposures subject to exchange variation	(2,401)	(78,717)	(155.033)
Equities	Exposures subject to stocks price variation	1,142	(733)	(2.608)
Sovereign/Eurobonds and Treasuries	Exposures subject to the interest rate variation of securities traded on the international market	(65,781)	(171,986)	(281.599)
Other	Exposures not classified in the previous definitions	-	(12)	(23)
Total not correlated		-	(628,844)	(1,304,517)
Total correlated		70,883	(446,200)	(929,857)

(*). Scenario I (probable) it was prepared already including the correlation among risk factors.

(1) Amounts net of tax effects.

The sensibility analysis for December 31, 2008 was carried out complying with the following scenarios:

Scenario 1: consists of the probable scenario for risk factors and is based on market information (BM&FBovespa, Anbima, etc), such as the future interest rate curve. For example: the Real/Dollar quotation was R\$2.35 and the 1-year fixed interest rate was 11.60% p.a..

Scenario 2: 25% stresses were determined based on the market at December 31, 2008 and applied on Scenario 1. For example: the Real/Dollar quotation was R\$2.93 and the 1-year fixed interest rate was 14.64% p.a., and fluctuations of other risk factors, represented a 25% stress in the corresponding curves or prices.

Scenario 3: 50% stresses were determined based on the market at December 31, 2008 and applied on Scenario 1. For example: the Real/Dollar quotation was R\$3.52 and the 1-year prefixed interest rate was 17.68% p.a., and fluctuations of other risk factors represented a 50% stress in the corresponding curve or prices.

Liquidity risk

The Liquidity Risk is the possibility of the Organization not having enough financial funds to honor its commitments due to the mismatch between payments and deposits, taking in consideration different currencies and the settlement terms of its rights and obligations.

Bradesco has a Liquidity Policy that establishes the minimum liquidity levels that the Organization must keep, as well as instruments to manage the liquidity in a regular and crisis scenario. The liquidity risk is daily controlled in an independent manner, with the distribution of reports to the management and control areas, as well as the Executive Committee.

We present the Balance Sheet by maturity in the chart below

						R\$ thousand
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Not stated maturity	Total
Assets						
Current and long-term assets	264,892,023	73,763,685	34,218,838	123,153,749	-	496,028,295
Funds available	6,946,563	-	-	-	-	6,946,563
Interbank investments	84,014,995	23,461,341	2,243,038	1,077,439	-	110,796,813
Securities and derivative financial instruments (1)	112,399,041	1,183,473	2,741,485	30,294,736	-	146,618,735
Interbank and interdepartmental accounts	18,235,972	686	836	485,722	-	18,723,216
Loan and leasing operations	20,210,533	41,689,940	25,109,483	70,448,288	-	157,458,244
Other receivables and assets	23,084,919	7,428,245	4,123,996	20,847,564	-	55,484,724
Permanent assets	185,160	885,043	844,144	6,673,399	1,607,051	10,194,797
Investments	-	-	-	-	1,260,819	1,260,819
Premises and equipment and leased assets	49,782	248,911	298,693	2,474,336	346,232	3,417,954
Intangible assets	135,378	636,132	545,451	4,199,063	-	5,516,024
Total on December 31, 2009	265,077,183	74,648,728	35,062,982	129,827,148	1,607,051	506,223,092
Total on September 30, 2009	262,076,806	68,904,073	33,950,196	119,302,659	1,451,956	485,685,690
Total on December 31, 2008	251,683,627	52,258,067	41,822,570	107,188,414	1,460,365	454,413,043
Liabilities						
Current and long-term liabilities	243,666,788	23,845,786	31,095,923	164,220,184	522,360	463,351,041
Deposits (2)	83,561,376	9,372,739	11,547,447	66,591,522	-	171,073,084
Federal funds purchased and securities sold under agreements to repurchase	74,550,284	3,395,355	8,644,541	26,682,866	-	113,273,046
Funds from issuance of securities	402,172	897,707	2,067,772	4,114,933	-	7,482,584
Interbank and interdepartmental accounts	2,950,154	-	-	-	-	2,950,154
Borrowing and onlending	2,330,397	6,612,478	5,262,746	13,122,115	-	27,327,736
Derivative financial instruments	183,601	101,867	149,707	96,019	-	531,194
Technical provisions for insurance, private pension plans and savings bonds	54,785,150	1,689,198	1,015,251	18,082,322	-	75,571,921

(2)						
Other liabilities:						
- Subordinated debts	79,980	172,026	68,454	22,261,157	522,360	23,103,977
- Other	24,823,674	1,604,416	2,340,005	13,269,250	-	42,037,345
Deferred income	320,625	-	-	-	-	320,625
Minority interest in subsidiaries	-	-	-	-	797,675	797,675
Shareholders equity	-	-	-	-	41,753,751	41,753,751
Total on December 31, 2009	243,987,413	23,845,786	31,095,923	164,220,184	43,073,786	506,223,092
Total on September 30, 2009	222,226,127	24,113,570	28,577,698	170,997,558	39,770,737	485,685,690
Total on December 31, 2008	200,022,806	23,944,909	24,780,135	170,381,210	35,283,983	454,413,043
Accumulated net assets on December 31, 2009	21,089,770	71,892,712	75,859,771	41,466,735	-	-
Accumulated net assets on September 30, 2009	39,850,679	84,641,182	90,013,680	38,318,781	-	-
Accumulated net assets on December 31, 2008	51,660,821	79,973,979	97,016,414	33,823,618	-	-

(1) Investments in investment funds are classified as up to 30 days; and

(2) Demand and savings deposits and technical provisions for insurance, private pension plans and savings bonds comprising VGBL and PGBL products are classified as up to 30 days, without considering average historical turnover.

Capital Adequacy Ratio (Basel)

The Organization's risk management seeks to optimize the risk-return ratio, aiming at minimizing losses, through the implementation of well-defined business strategies and maximizing efficiency in the combination of factors which impact the Capital Adequacy Ratio (Basel).

We present the Capital Adequacy Ratio II in the chart below

Calculation basis Capital Adequacy Ratio (Basel II) (1)	R\$ thousand					
	2009		2008			
	December 31		September 30		December 31	
	Financial	Economic-financial	Financial	Economic-financial	Financial	Economic-financial
Calculation basis Capital Adequacy Ratio (Basel II) (1)	41,753,751	41,753,751	38,877,487	38,877,487	34,256,544	34,256,544
Reduction for tax credits Bacen Resolution 3,059/02	-	-	(143,179)	(143,179)	(143,180)	(143,180)
Reduction for deferred assets Bacen Resolution 3,444/07	(320,790)	(353,589)	(226,279)	(260,114)	(248,382)	(381,036)
Decrease in gains/losses of mark-to-market adjustments in DPV and derivatives Bacen Resolution 3,444/07	1,328,495	1,328,495	1,480,317	1,480,317	2,347,339	2,347,339
Additional provision to the minimum required by Bacen Resolution 2,682/99 (3)	3,001,912	3,002,675	2,989,666	2,990,827	1,618,940	1,620,570
Minority interest/other	163,845	797,675	400,228	359,820	413,505	321,499
	45,927,213	46,529,007	43,378,240	43,305,158	38,244,766	38,021,736

**Reference
shareholders
equity - Tier I**

 Total of
gains/losses of
adjustments to
market value in
Available for
Sale (DPV) and
derivatives

Bacen

Resolution

3,444/07

(1,328,495)

(1,328,495)

(1,480,317)

(1,480,317)

(2,347,339)

(2,347,339)

Subordinated

debt

10,950,907

10,950,907

12,003,947

12,003,947

11,893,438

11,893,438

**Reference
shareholders
equity Tier II**

9,622,412

9,622,412

10,523,630

10,523,630

9,546,099

9,546,099

**Total reference
shareholders
equity (Tier I +
Tier II)**

55,549,625

56,151,419

53,901,870

53,828,788

47,790,865

47,567,835

Deduction of
instruments for
funding - Bacen
Resolution

3,444/07

(85,904)

(223,821)

(62,097)

(328,694)

(53,792)

(304,779)

**Reference
shareholders
equity (a)**

55,463,721

55,927,598

53,839,773

53,500,094

47,737,073

47,263,056

**Capital
allocation (by
risk)**

- Credit risk

32,911,105

33,046,469

31,483,525

31,633,767

29,960,389

30,358,384

- Market risk

329,750

329,750

423,470

428,460

777,137

1,675,869

- Operational

risk

1,132,832

1,132,832

1,132,832

1,132,832

283,377

283,377

**Required
reference
shareholders
equity (b)**

34,373,687

34,509,051

33,039,827

33,195,059

31,020,903

32,317,630

Margin (a b)

21,090,034

21,418,547

20,799,946

20,305,035

16,716,170

14,945,426

**Risk-weighted
assets (2) (c)**

312,488,064

313,718,649

300,362,064

301,773,265

282,008,207

293,796,635

**Capital
adequacy ratio
(a/c)**

17.75%

17.83%

17.92%

17.73%

16.93%

16.09%

- (1) Article 4 of Bacen Circular Letter 3,389/08 gives the option to exclude position sold in foreign currency for purposes of ascertaining the Capital Adequacy Ratio, also computing tax effects, carried out with the purpose of hedging investments abroad. Bradesco opted to do this on September 29, 2008;
- (2) As of July 1, 2008, with the New Basel Capital Accord (Basel II), risk-weighted assets are determined based on 11%, required reference shareholders' equity which is the minimum capital required by Bacen; and
- (3) The Capital Adequacy Ratio will have the following impacts, which were already identified for 2010 (simulations on December 31, 2009): a) as from January 1, the determination of capital allocation portion of the Financial Conglomerate's Operating Risk will be calculated using the multiplier (Z factor) equivalent to 1.0, pursuant to Bacen Circular Letter 3,383, and, in this scenario, the Capital Adequacy Ratio would be 17.47% for the Financial Conglomerate, and 17.55% for the Economic -Financial Conglomerate; b) CMN Resolution 3,825/09 revokes, as from April 1, CMN Resolution 3,674 which allows the full addition of the additional provision for loan losses at the calculation of the Reference Shareholders' Equity, and, in this scenario, the Capital Adequacy Ratio would be 16.53% for the Financial Conglomerate, and 16.61% for the Economic -Financial Conglomerate; and c) as from 2H10 the non-financial Operating Risk will be considered for capital allocation, and, in this scenario, the Capital Adequacy Ratio would be 16.17% for the Financial Conglomerate, and 16.25% for the Economic -Financial Conglomerate.

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Pursuant to the New Basel Capital Accord, the Bacen published CMN Resolutions 3,380/06, 3,464/07 and 3,721/09, concerning the structures for managing operating, market and credit risks. It also published Circular Letters 3,360/07, 3,361/07 to 3,366/07, 3,368/07, 3,383/08, 3,388/08 and 3,389/08, which define the methodologies for the portions of capital necessary for credit, market and operating risks, as well as CMN Resolutions 3,444/07 and 3,490/07, amending rules for the determination of reference shareholders' equity and setting the bases for the calculation of required reference shareholders' equity. Therefore, as of July 2008, the National Financial System started operating according to the rules of the New Basel Capital Accord, standardized approach.

b) Market value

The book value, net of provisions for losses of the main financial instruments is as follows:

Portfolios	R\$ thousand							
	Book value	Market value	Unrealized gain (loss) without tax effects					
			In the result			In shareholders' equity		
			2009	2008	2009	2008	2009	2008
December 31	December 31	September 30	December 31	December 31	September 30	December 31		
Securities and derivative financial instruments (Notes 3e, 3f and 8)	146,618,735	149,701,515	3,674,991	3,948,429	463,931	3,082,780	3,604,723	1,550,399
- Adjustment of available-for-sale securities (Note 8 c II)			592,211	343,706	(1,086,468)	-	-	-
- Adjustment of held-to-maturity securities (Note 8d item 7)			3,082,780	3,604,723	1,550,399	3,082,780	3,604,723	1,550,399
Loan and leasing operations (1) (Notes 3g and 10)	190,989,122	191,490,094	500,972	302,263	46,865	500,972	302,263	46,865
Investments (Notes 3j and 13) (2)	1,548,817	8,178,180	6,629,363	6,592,407	110,161	6,629,363	6,592,407	110,161
Treasury shares (Note 23d)	188,874	216,428	-	-	-	-27,554	3,978	(1,502)
Time deposits (Notes 3n and 16a)	90,495,976	90,384,711	111,265	94,408	289,337	111,265	94,408	289,337
	7,482,584	7,475,507	7,077	2,524	1,474	7,077	2,524	1,474

Funds from issuance of securities (Note 16c)									
Borrowing and onlending (Notes 17a and 17b)	27,327,736	27,272,768	54,968	76,886	33,265	54,968	76,886	33,265	
Subordinated debts (Note 19)	23,103,977	23,959,878	(855,901)	(855,083)	(340,469)	(855,901)	(855,083)	(340,469)	
Unrealized gains without tax effects			10,122,735	10,161,834	604,564	9,558,078	9,822,106	1,689,530	

(1) Includes advances on foreign exchange contracts, leasing operations and other receivables with credit features; and
(2) Basically includes the surplus of interest in Cielo (former Visanet), Odontoprev, BM&FBovesp and Cetip.

Determination of market value of financial instruments:

Securities and derivative financial instruments, investments, subordinated debts and treasury shares are based on the market price on the balance sheet date. Should there be no available market price quotations, amounts are estimated based on the prices quoted by dealers, on price definition models, quotation models or quotations for instruments with similar characteristics;

Fixed rate loan operations were determined by discounting estimated cash flows, using interest rates applied by the Bradesco Organization for new contracts with similar features. These rates are compatible with prices practiced in the market on the balance sheet date; and

Time deposits, funds from issuance of securities and borrowing and onlending were calculated by discounting the difference between the cash flows under the contract terms and the rates practiced in the market on the balance sheet date.

33) EMPLOYEE BENEFITS

Bradesco and its subsidiaries sponsor a supplementary private pension plan for employees and directors, in the PGBL modality, which is a private pension plan of the variable contribution type that allows the accumulation of financial resources by participants over their professional careers through contributions paid by themselves and the sponsoring company. The related resources are invested in Exclusive investment Fund (FIE).

PGBL is managed by Bradesco Vida e Previdência S.A. and Bradesco Asset Management (BRAM). The Securities Dealer company (DTVM) is responsible for the financial management of FIE funds.

Contributions paid by employees and directors of Bradesco and its subsidiaries are equivalent to 4% of the salary, except for participants who, in 2001, opted to migrate to the PGBL plan from the defined benefit plan, whose contributions to the PGBL plan were maintained at the levels in force for the defined benefits plan at the time of migration, respecting nevertheless the 4% minimum.

The actuarial liabilities of the variable contribution plan (PGBL) are fully covered by the net assets of the corresponding FIE.

In addition to the aforementioned variable contribution plan (PGBL), former participants of the defined benefit plan are guaranteed a proportional deferred benefit, corresponding to their accumulated rights in this plan. For participants of the defined benefit plan, transferred or not to the PGBL plan, retired participants and pensioners, the present value of the plan's actuarial liabilities is fully covered by plan assets.

Banco Alvorada S.A. (merging company of Banco Baneb S.A.) maintains supplementary retirement plans of variable contribution and defined benefit, through Fundação Baneb de Seguridade Social - Bases (related to former employees of Baneb). The actuarial liabilities of the variable contribution and defined benefit plans are fully covered by assets of the plans.

Banco Bradesco BBI S.A. (current name of Banco BEM S.A.) sponsors supplementary retirement plans of both defined benefit and variable contribution types, through the Assistance and Retirement Pension Fund for the Employees of the Bank of the State of Maranhão (Capof).

Alvorada Cartões, Crédito, Financiamento e Investimento S.A. (Alvorada CCFI) (merging company of Banco BEC S.A.) sponsors a defined benefit plan by means of the Private Pension Plan Fund of the Bank of the State of Ceará (Cabec).

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Based on the independent actuarial report, the present value of actuarial liabilities of the established benefit plan and its assets to cover such obligations taken by Banco Alvorada, Banco Bradesco BBI and Alvorada CCFI, were represented as follows:

	On December 31 - R\$ thousand	
	2009	2008
Net assets of the plan	901,695	798,467
Actuarial liabilities	796,549	689,525
Excess	105,146	108,942

Main assumptions used in the actuarial assessment of Banco Alvorada, Banco BBI and Alvorada CCFI plans:

Risk factors	On December 31 - R\$ thousand	
	2009	2008
Nominal discount rate	11.30% p.a.	11.90% p.a.
Nominal minimum return rate expected from assets	11.30% p.a.	11.90% p.a.
Nominal rate of future salary increase	7.63% p.a.	7.12% p.a.
Nominal rate of increase in social security and plans benefits	4.50% p.a.	4.00% p.a.
Inflation rate	4.50% p.a.	4.00% p.a.
Biometric overall mortality table	AT83	AT83
Biometric disablement table	Mercer table	Mercer table
Expected turnover rate	0.30/(time of service + 1)	0.30/(time of service + 1)
Probability of retirement entrance	100% in the 1 st eligibility to a plan benefit	100% in the 1 st eligibility to a plan benefit

The assets of the private pension plans are invested in compliance with the applicable legislation (government securities and private securities, listed company shares and real estate properties).

Bradesco's facilities abroad provide their employees and directors with a private pension plan with variable contribution, which accumulate funds during the participant's professional career, by means of contributions paid by himself/herself and in equal proportion by Bradesco. The contributions of employees, directors and of Bradesco in its facilities abroad are jointly equivalent to at most 5% of the annual salary of the benefit.

Expenses with contributions made in the period amounted to R\$266,519 thousand (December 31, 2008 R\$269,476 thousand) 4Q09 R\$55,106 thousand, (3Q09 R\$116,252 thousand).

In addition to this benefit, Bradesco and its subsidiaries offer their employees and directors several other benefits including: health insurance, dental care, life and personal accident insurance, as well as professional training, the

expenses for which, including the aforementioned contributions, amounted to R\$1,656,549 thousand in the year (December 31, 2008 R\$1,536,210 thousand) 4Q09 R\$423,809 thousand, (3Q09 R\$470,312 thousand).

34) INCOME TAX AND SOCIAL CONTRIBUTION**a) Calculation of income tax and social contribution charges**

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Income before income tax and social contribution	2,758,802	2,887,498	12,119,299	8,172,810
Total income tax and social contribution at rates of 25% and 15%, respectively (1)	(1,103,521)	(1,154,999)	(4,847,720)	(3,095,078)
Effect of additions and exclusions on the tax calculation:				
Equity in the earnings of unconsolidated companies	56,804	15,614	80,040	52,211
Exchange loss/(gain)	(71,752)	(354,752)	(1,006,971)	1,242,977
Non-deductible expenses, net of non-taxable income (2)	105,732	(36,031)	20,360	(17,256)
Interest on shareholders' equity (paid and payable)	210,218	221,375	853,308	754,648
Effect of the difference of the social contribution rate (3)	175,204	133,722	567,640	405,278
Other amounts	58,292	104,223	251,034	138,469
Income tax and social contribution for the period	(569,023)	(1,070,848)	(4,082,309)	(518,751)

(1) As of May 1, 2008, the social contribution rate for companies of the financial and insurance sectors was increased to 15%, according to Provisional Measure 413/08 (converted into Law 11,727/08), remaining at 9% for other companies (Note 3h);

(2) Comprises the tax effect from the adhesion to the tax amnesty program of debits managed by RFB and PGFN, established by Law 11, 941/09; and

(3) Refers to the adjustment of the effective rate of social contribution in relation to the rate (40%) shown.

b) Breakdown of income tax and social contribution in the result

	R\$ thousand			
	2009		2008	
	4 th quarter	3 rd quarter	December 31 YTD	December 31 YTD
Current taxes:				

Income tax and social contribution payable	367,863	(2,519,880)	(6,338,823)	(5,059,375)
Deferred taxes:				
Amount recorded/realized for the period on temporary additions	(625,602)	1,454,248	2,515,975	4,181,566
Use of opening balances of:				
Negative basis of social contribution	(26,825)	(4,893)	(165,420)	(63,261)
Tax loss	82,178	(111,594)	(338,686)	(192,861)
Recording/utilization in the period on:				
Negative basis of social contribution	(2,420)	14,572	36,242	200,037
Tax loss	(364,217)	96,699	208,403	415,143
Total deferred taxes	(936,886)	1,449,032	2,256,514	4,540,624
Income tax and social contribution for the period	(569,023)	(1,070,848)	(4,082,309)	(518,751)

c) Origin of tax credits of deferred income tax and social contribution

	R\$ thousand					
	Balance on 12.31.2008	Acquired balances	Amount recorded (2)	Amount realized	Balance on 12.31.2009	Balance on 9.30.2009
Allowance for loan losses	5,912,533	108,801	4,847,472	3,144,742	7,724,064	7,623,238
Provision for civil contingencies	566,103	19,458	474,236	232,244	827,553	821,771
Provision for tax contingencies	1,682,533	74,373	628,314	414,853	1,970,367	2,169,732
Labor provisions	566,410	3,199	172,198	163,184	578,623	589,283
Provision for devaluation of securities and investments	164,280	232	17,565	61,067	121,010	109,303
Provision for devaluation of foreclosed assets	85,364	-	35,638	16,502	104,500	106,654
Adjustment to market value of trading securities	6,743	581	11,471	5,478	13,317	15,603
Amortized goodwill	1,152,368	17,200	89,499	227,960	1,031,107	1,067,306
Provision for interest on shareholders equity (1)	-	-	-	-	-	387,869
Law 11,638/07 adjustments	81,149	-	12,797	281	93,665	90,466
Other	1,268,597	25,351	668,974	175,878	1,787,044	1,646,432
Total tax credits over temporary differences	11,486,080	249,195	6,958,164	4,442,189	14,251,250	14,627,657
Tax losses and negative basis of social contribution in Brazil and abroad	1,368,580	10,162	244,645	504,106	1,119,281	1,420,403
Subtotal	12,854,660	259,357	7,202,809	4,946,295	15,370,531	16,048,060
Adjustment to market value of available-for-sale securities	434,395	-	121,690	504,697	51,388	170,485
Social contribution Provisional Measure 2,158- 35 of August 24, 2001	414,238	-	-	144,115	270,123	329,164
Total tax credits (Note 11b)	13,703,293	259,357	7,324,499	5,595,107	15,692,042	16,547,709
Deferred tax liabilities (Note 34f)	2,467,850	-	2,170,014	652,397	3,985,467	4,327,943
Tax credits net of deferred tax liabilities	11,235,443	259,357	5,154,485	4,942,710	11,706,575	12,219,766
- Percentage of net tax credits over reference shareholders equity (Note 32a)	23.8%				20.9%	22.8%
- Percentage of net tax credits over total assets	2.5%				2.3%	2.5%

(1) The tax credit relative to interest on shareholders equity is recorded up to the limit allowed by the tax law; and
(2) Includes tax credit related to the increase in the social contribution rate for companies in the financial and insurance sectors, established by Provisional Measure 413/08 (converted into Law 11,727/08), equivalent to R\$191,333 thousand (Note 3h).

d) Expected realization of tax credits over temporary differences, tax loss and negative basis of social contribution and social contribution tax credit Provisional Measure 2,158-35

	R\$ thousand				
	Temporary differences		Tax loss and negative basis		Total
	Income tax	Social contribution	Income tax	Social contribution	
2010	2,075,913	1,008,124	337,989	104,990	3,527,016
2011	2,062,950	1,002,943	172,226	66,880	3,304,999
2012	2,215,006	1,070,003	150,998	61,793	3,497,800
2013	1,426,823	694,785	95,732	22,481	2,239,821
2014	1,814,668	880,035	80,309	25,883	2,800,895
Total	9,595,360	4,655,890	837,254	282,027	15,370,531

	R\$ thousand					
	Social contribution tax credit - Provisional Measure 2,158 35					
	2010	2011	2012	2013	2014	Total
Total	54,069	27,786	76,467	81,727	30,074	270,123

The projected realization of tax credits is an estimate and it is not directly related to the expected accounting income.

The present value of tax credits, calculated based on the average funding rate, net of tax effects, amounts to R\$14,026,544 thousand (September 30, 2009 R\$14,914,422 thousand and December 31, 2008 R\$11,879,228 thousand), of which R\$12,755,568 thousand (September 30, 2009 R\$13,285,399 thousand and December 31, 2008 R\$10,269,897 thousand) is relative to temporary differences, R\$1,031,153 thousand (September 30, 2009 R\$1,344,404 thousand and December 31, 2008 R\$1,256,550 thousand) to tax losses and negative basis of social contribution and R\$239,823 thousand (September 30, 2009 R\$284,619 thousand and December 31, 2008 R\$352,781 thousand) comprises tax credit over social contribution Provisional Measure 2,158-35.

e) Unrecorded tax credits

Tax credits of R\$274,222 thousand (September 30, 2009 R\$71,690 thousand and December 31, 2008 R\$70,155 thousand) have not been recorded in the financial statements, and will be recorded when prospects of realization are probable according to studies and analyses prepared by the Management and in accordance with Bacen rules.

Due to the *Ação Direta de Inconstitucionalidade* (lawsuit filed at the Supreme Court claiming the unconstitutionality of a law approved by congress) filed by the National Confederation of the Financial System (CONSIF) against Provisional Measure 413/08 (converted into Law 11,727/08, Articles 17 and 41), tax credits from previous periods

arising from the Social Contribution rate increase from 9% to 15% were recorded up to the limit of the corresponding consolidated tax liabilities. The unrecognized tax credit balance related to the Social Contribution rate increase not recorded amounts to R\$812,788 thousand (note 3h).

f) Deferred tax liabilities

	R\$ thousand		
	2009		2008
	December 31	September 30	December 31
Mark-to-market adjustment of derivative financial instruments	469,141	617,637	485,716
Difference in depreciation	2,996,545	2,962,159	1,324,688
Operations in the market for future settlement	1,454	64,186	1,807
Others	518,327	683,961	655,639
Total	3,985,467	4,327,943	2,467,850

The deferred tax liabilities of financial and insurance sectors companies were established considering the increase of the social contribution rate, determined by Provisional Measure 413/08 (converted into Law 11,727/08) (Note 3h).

35) OTHER INFORMATION

a) The Bradesco Organization manages investment funds and portfolios with net assets on December 31, 2009 of R\$247,700,191 thousand (September 30, 2009 - R\$236,911,941 thousand and December 31, 2008 R\$187,150,053 thousand).

b) On January 21, 2010, Bradesco entered into a Memorandum of Understanding with the controlling shareholders of Ibi Services S. de R. L. México (Ibi México) and RFS Human Management S. de R.L., to acquire 100% of their capital stock. Ibi México has a loan portfolio of 1.3 billion Mexican Pesos, equivalent to R\$180 million, shareholders equity of 566 million Mexican Pesos, or nearly R\$79 million, and over 1 million credit cards. The business foresees a 20-year Partnership Agreement with C&A México S. de R.L. (C&A México), for the exclusive joint sale of financial products and services through the C&A México retail chain. This transaction is subject to the compliance of usual condition precedent to this type of operation, especially procedures, the signature of definitive contracts and the approval of competent Mexican and Brazilian authorities. The parties expect to conclude the legal procedures and enter into all the agreements by March 30, 2010.

Management Bodies

Cidade de Deus, Osasco, SP, January 27, 2010.

Board of Directors

Chairman

Lázaro de Mello Brandão

Vice-Chairman

Antônio Bornia

Members

Mário da Silveira Teixeira Júnior

Márcio Artur Laurelli Cypriano

João Aguiar Alvarez

Denise Aguiar Alvarez

Luiz Carlos Trabuco Cappi

Carlos Alberto Rodrigues Guilherme

Ricardo Espírito Santo Silva Salgado

Board of Executive Officers

Executive Officers

Chief Executive Officer

Luiz Carlos Trabuco Cappi

Executive Vice-Presidents

Laércio Albino Cezar

Arnaldo Alves Vieira

Sérgio Socha

Julio de Siqueira Carvalho de Araujo

José Luiz Acar Pedro

Norberto Pinto Barbedo

Domingos Figueiredo de Abreu

Managing Directors

José Alcides Munhoz

José Guilherme Lembi de Faria

Milton Matsumoto

Department Directors

Adineu Santesso

Airton Celso Exel Andreolli

Alexandre da Silva Glüher

Alfredo Antônio Lima de Menezes

Altair Antônio de Souza

*Amilton Nieto

*André Bernardino da Cruz Filho

André Rodrigues Cano

*André Marcelo da Silva Prado

Antônio Carlos Del Cielo

Antonio de Jesus Mendes

Antonio José da Barbara

*Arnaldo Nissental

Cassiano Ricardo Scarpelli

Clayton Camacho

Denise Pauli Pavarina de Moura

Douglas Tevis Francisco

Fernando Barbaresco

Fernando Roncolato Pinho

Jair Delgado Scalco

Jean Philippe Leroy

*João Albino Winkelmann

José Luiz Rodrigues Bueno

José Maria Soares Nunes

Josué Augusto Pancini

Julio Alves Marques

Laércio Carlos de Araújo Filho

Luiz Alves dos Santos

Luiz Carlos Angelotti

Luiz Carlos Brandão Cavalcanti Júnior

Luiz Fernando Peres

Marcelo de Araújo Noronha

Marcos Bader

Marcos Daré

Compensation Committee

Lázaro de Mello Brandão -

Coordinator

Antônio Bornia

Mário da Silveira Teixeira Júnior

Márcio Artur Laurelli Cypriano

Luiz Carlos Trabuco Cappi

Audit Committee

Hélio Machado dos Reis -

Coordinator

José Lucas Ferreira de Melo

Romulo Nagib Lasmar

Compliance and Internal Controls Committee

Mário da Silveira Teixeira Júnior

Coordinator

Carlos Alberto Rodrigues Guilherme

Domingos Figueiredo de Abreu

*Milton Matsumoto

*Marco Antonio Rossi

*Antônio Carlos Del Cielo

Clayton Camacho

Roberto Sobral Hollander

Executive Disclosure Committee (Non-Statutory)

Domingos Figueiredo de Abreu -

Coordinator

Julio de Siqueira Carvalho de Araujo

José Luiz Acar Pedro

Milton Matsumoto

Marco Antonio Rossi

Samuel Monteiro dos Santos Júnior

Antonio José da Barbara

José Maria Soares Nunes

Luiz Carlos Angelotti

Moacir Nachbar Junior

Paulo Faustino da Costa

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Odair Afonso Rebelato
Aurélio Conrado Boni
Ademir Cossiello
Sérgio Alexandre Figueiredo
Clemente
Candido Leonelli
Maurício Machado de Minas

Marcos Villanova
Mario Helio de Souza Ramos
Marlene Moran Millan

Moacir Nachbar Junior
Nilton Pelegrino Nogueira
Nobuo Yamazaki
Octavio Manoel Rodrigues de Barros
Paulo Aparecido dos Santos
* Paulo Faustino da Costa
Roberto Sobral Hollander
Walkiria Schirrmeister Marquetti

Directors

* Antonio Chinellato Neto
Aurélio Guido Pagani

Cláudio Fernando Manzato

* José Ramos Rocha Neto
* Lúcio Rideki Takahama
Octávio de Lazari Júnior
Osmar Roncolato Pinho

*** Regional Officers**

Alex Silva Braga
Almir Rocha
Antonio Gualberto Diniz
Antonio Piovesan
Delvair Fidencio de Lima
Diaulas Morize Vieira Marcondes
Junior
Francisco Aquilino Pontes Gadelha
Francisco Assis da Silveira Junior

Geraldo Dias Pacheco
João Alexandre Silva

João Carlos Gomes da Silva
José Sergio Bordin
Mauricio Gomes Maciel
Volnei Wulff
Wilson Reginaldo Martins

Ethical Conduct Committee

Milton Matsumoto - Coordinator
Carlos Alberto Rodrigues Guilherme

Arnaldo Alves Vieira
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*Odair Afonso Rebelato
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**Integrated Risk Management and
Capital Allocation Committee**

Luiz Carlos Trabuco Cappi -
Coordinator
Laércio Albino Cezar
Arnaldo Alves Vieira
Sérgio Socha
Julio de Siqueira Carvalho de Araujo
José Luiz Acar Pedro
Norberto Pinto Barbedo
Domingos Figueiredo de Abreu
*Milton Matsumoto
*Marco Antonio Rossi
Roberto Sobral Hollander

Fiscal Council

Members

Domingos Aparecido Maia -
Coordinator
Nelson Lopes de Oliveira
Ricardo Abecassis Espírito Santo
Silva

Substitute Members

João Batistela Biazon
Jorge Tadeu Pinto de Figueiredo
Renaud Roberto Teixeira

Ombudsman Department

Julio Alves Marques Ombudsman

* Pending approval by the Brazilian Central Bank

General Accounting Committee

Luiz Carlos Angelotti

Accountant-CRC 1SP203959/O-0

Independent Auditor s Report Summary

Independent Auditors Report on Limited Review

(A free translation of the original in Portuguese)

To the Board of Directors
Banco Bradesco S.A.

1. We have audited the financial statements of Banco Bradesco S.A. and its subsidiaries, comprising the consolidated balance sheets as of December 31, 2009 and 2008 and the related consolidated statements of income, of changes in stockholders' equity, of cash flows and of value added for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements.
2. We conducted our audits in accordance with approved Brazilian auditing standards, which require that we perform the audits to obtain reasonable assurance about whether the financial statements are fairly presented in all material respects. Accordingly, our work included, among other procedures: (a) planning our audits taking into consideration the significance of balances, the volume of transactions and the accounting and internal control systems of the Bank and its subsidiaries, (b) examining, on a test basis, evidence and records supporting the amounts and disclosures in the financial statements and (c) assessing the accounting practices used and significant estimates made by the Bank s management, as well as evaluating the overall financial statement presentation.
3. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco Bradesco S.A. and its subsidiaries at December 31, 2009 and 2008 and the results of their operations, the changes in stockholders' equity, their cash flows and value added for the years then ended, in accordance with accounting practices adopted in Brazil.
4. In connection with our limited reviews of the Quarterly Information of Banco Bradesco S.A. and its subsidiaries as of December 31 and September 30, 2009, on which we issued review reports, without exceptions, dated January 27, 2010 and October 30, 2009, respectively, we carried out a review of the balance sheet of Banco Bradesco S.A. and its subsidiaries as of September 30, 2009 and of the consolidated statements of income, of cash flows and of value added, for the quarters ended December 31 and September 30, 2009 and of the statement of changes in stockholders equity of Banco Bradesco S.A. for the second half of 2009 which are presented by management to provide additional information on Banco Bradesco S.A. and its subsidiaries. This additional information is not an integral part of the statutory financial statements, since its presentation is not required in accordance with accounting practices adopted in Brazil.

São Paulo, January 27, 2010

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Washington Luiz Pereira Cavalcanti
Contador
CRC 1SP172940/O-6

Summary of the Audit Committee

Corporate Governance and Related Responsibilities

Bradesco's Board of Directors opted for a single Audit Committee for all the companies comprising the Financial Conglomerate, including Grupo Bradesco de Seguros e Previdência (Insurance Group).

The Management is in charge of defining and implementing managerial information systems to prepare the financial statements of the companies comprising Bradesco Organization, pursuant to the Brazilian Corporation Law, the accounting principles adopted in Brazil, to rules of the National Monetary Council, the Brazilian Central Bank, the Securities and Exchange Commission of Brazil (CVM), National Private Insurance Board (CNSP), the Insurance Superintendence (Susep) and the National Agency for Supplementary Healthcare (ANS).

The Management is also responsible for processes, policies and internal control procedures that ensure the protection of assets, the appropriate recognition of liabilities and the elimination or reduction at acceptable levels of Bradesco Organization's risk factors.

The Independent Audit is in charge of examining the financial statements and issuing an opinion about their compliance with the accounting principles. Additionally, as a result of its works for the purpose of issuing the aforementioned opinion, it also advises on accounting procedures and internal controls, without prejudice to other reports to be prepared, such as quarterly limited reviews.

It is incumbent upon the Internal Audit (General Inspectorate Department) to check the quality of Bradesco Organization's control systems and the regularity of policies and procedures established by the Management, including those adopted in the preparation of financial reports.

It is incumbent upon the Audit Committee to assess the quality and the effectiveness of the Internal and Independent Audits, the effectiveness and the sufficiency of Bradesco Organization's control systems and to analyze the financial statements, providing the relevant recommendations, when applicable.

Among the Audit Committee's duties, are also included those required by the U.S. Sarbanes-Oxley Act related to companies listed on U.S. Securities and Exchange Commission and shares quoted on the New York Stock Exchange.

The Audit Committee's charter is available on the website www.bradesco.com.br, Corporate Governance website.

Activities performed in 2009

The Audit Committee attended 153 meetings with business, control and risk management areas, and with internal and independent auditors, checking the information on the matters considered relevant or critical by means of different sources.

The Audit Committee's work schedule for 2009 is focused on the main processes and products referring to Bradesco Organization's activities. Among the most relevant aspects, we point out the assessment of:

the market, credit and operating risks management and control systems, preparation for the use of internal models in line with the conditions set forth by the New Basel Capital Accord (Basel II) and Brazilian Central Bank's rules about the issue;

the structure and operation of the areas responsible for monitoring the compliance with laws, regulation and Bradesco Organization's internal rules related to consumer defense; and

the improvement in the internal controls systems deriving from projects in the IT and Risk Management areas.

Internal Controls Systems

Based on the work program and agenda established for 2009, the Audit Committee informed on the main processes within the Organization, evaluating their managers' quality and commitment to their continuous improvement.

As a result of meetings with Bradesco Organization's areas, the Audit Committee had the opportunity to suggest the Board of Directors as to improve processes, as well as to monitor the corrections of gaps identified in the audit process.

Based on the information and remarks collected, the Audit Committee deems that the internal control system of Bradesco Organization is suitable to the size and complexity of its businesses and was structured so as to ensure the efficiency of its operations, the financial report-generating systems, as well as the compliance with the internal and external rules, to which the transactions are subject.

Independent Audit

The planning of the independent audit works for 2009 was discussed with PricewaterhouseCoopers Auditores Independentes and, throughout the year, the audit teams responsible for the services presented the results and main conclusions to the Audit Committee.

The material issues pointed out in the report about the study and the evaluation of accounting and internal controls systems, prepared in connection with the examination of the financial statements and respective recommendations for the improvement of these systems, were discussed with the Committee which requested the monitoring of the implementations and improvements in the areas in charge.

Based on the planning submitted by auditors and on the subsequent discussions about the results, the Committee considered that the works developed by the teams were adequate to the Organization's businesses.

Internal Audit

The Committee requested the Internal Audit to consider in its planning for 2009, several works in line with issues covered by the Committee's agenda.

Throughout 2009, the teams in charge of executing planned works reported and discussed with the Audit Committee the main conclusions on process and inherent risks.

Based on the discussions on the planning of Internal Audit works focused on risks, processes and presentation of results, the Audit Committee believes that the Internal Audit has adequately met its demands so that the Committee Members can give their opinion on the topics discussed.

Consolidated Financial Statements

In 2009, the Committee held meetings with the General Accounting, Planning, Budget, Control and Internal Audit departments to monitor the preparation of the monthly, quarterly, half-yearly and annual financial statements. These meetings analyzed and assessed the aspects of preparing individual and consolidated trial balances and balance sheets, notes to the financial statements and financial reports published jointly with consolidated financial statements.

Bradesco's accounting policies were also considered in the preparation of financial statements, as well as the compliance to the accounting principles adopted in Brazil, as well as with the applicable laws.

Prior to the disclosures of the Quarterly Financial Information (IFTs) and the half-yearly balance sheet, the Committee held private meetings with PricewaterhouseCoopers to assess the aspects of independence and control environment when producing the figures to be disclosed.

Based on aforementioned reviews and discussions, the Audit Committee recommends the Board of Directors the approval of the audited financial statements related to the year ended on December 31, 2009.

Cidade de Deus, Osasco, SP, January 27, 2010

HÉLIO MACHADO DOS REIS

JOSÉ LUCAS FERREIRA DE MELO

ROMULO NAGIB LASMAR

Summary of the Audit Committee

The undersigned members of the Fiscal Council of Banco Bradesco S.A., in the exercise of their legal and statutory attributions, having examined the Management Report and the Financial Statements related to the fiscal year ended December 31, 2009, and the technical feasibility study of taxable income generation, brought at present value, which has the purpose of recording the Deferred Tax Assets pursuant to the CVM Rule 371 as of June 27, 2002, CMN Resolution 3,059 as of December 20, 2002, and Bacen Circular Letter 3,171 as of December 30, 2002, and in view of the unqualified report prepared by PricewaterhouseCoopers Auditores Independentes, have the opinion that the aforementioned documents, based on the current corporate law, fairly reflect the Company's equity and financial position.

Cidade de Deus, Osasco, São Paulo, January 27, 2010

Domingos Aparecido Maia

Nelson Lopes de Oliveira

Ricardo Abecassis E. Santo Silva

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For further information:

Board of Executive Officers

Domingos Figueiredo de Abreu
Executive Vice-President and Executive IRO
Phone: (#55 11) 3681-4011
4000.abreu@bradesco.com.br

Market Relations Department
Phone: (#55 11) 2178-6201
Fax: (#55 11) 2178-6215

Avenida Paulista, 1.450 1º andar
CEP 01310-917 São Paulo-SP
Brazil
www.bradesco.com.br/ri

