

## Banrisul earns R\$120.9 million in 1Q08

Banrisul's **net income** was **R\$120.9 million** in the first quarter of 2008, a R\$10.9 million or 9.9% increase versus the adjusted income posted in the first quarter of 2007. The adjustment refers to the activation of tax credits in the amount of R\$528.5 million related to previous years.

Annualized return on Average Shareholders' Equity amounted to 18.4%. **Shareholders' equity** totaled **R\$2.8 billion**, a 52.5% growth against the same period. Banrisul's **total assets** reached **R\$21.7 billion**, with a 33.4% increase compared to March 2007.

According to CEO Fernando Lemos, these positive results are related to the dynamism of Brazil's economic activity, motivated by the increase in credit, employment and income. According to Lemos, the economic scenario was even more favorable in the State, mainly boosted by the industrial sector's performance, favorable harvest season and the behavior of exports. The officer also highlights that in 2007, the Rio Grande do Sul State shows GDP growth of nearly 7%, higher than the national index, which was 5.4%.

**Credit transactions** recorded a **34.3%** increase against the same period in the previous year, totaling **R\$8.9 billion**. In this regard, Lemos highlighted the persisting expansion of **credit to companies**, balance of which was **R\$3.2 billion**. Working capital lines, with a balance of **R\$2.3 billion**, grew by **92.3%** compared to the first quarter of 2007. "These resources contribute significantly to maintain the State's economy", observed Fernando Lemos.

In the **Individuals** segment, the commercial portfolio amounted to **R\$3.1 billion**, a **30.9%** evolution against the same period last year. According to the CEO, the leverage was strengthened by payroll-deducted lines, which progressed **77.1%** in 12 months, totaling **R\$2.2 billion**.

An amount of **R\$48.3 million** was made available to **agribusiness**. Out of this amount, R\$32.2 million was allocated to rural financing and R\$16.1 million to investments. **Rural credit** totaled **R\$618.2 million**, with a **9%**



increase compared to the same period last year. **Real estate credit**, which counts on an **R\$840.8 million** portfolio, released **R\$76.8 million in 1,083 operations** in the period.

Lemos said that the excellent performance of **Banricompras**, the only own-brand card in Brazil, which continues to be a special feature to leverage Banrisul's businesses. In 1Q08, there were **12.5 million transactions**, a volume **14.7%** higher than the volume recorded in 1Q07. These transactions moved **R\$702.5 million**.

The CEO also believes that the favorable performance in the first quarter of 2008 should remain during the year, following the economic trends in Brazil and in the State.

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