

Banrisul's CEO expects credit offer expansion in Brazil

The CEO of Banrisul, Fernando Lemos, was one of the speakers at the Second *Fórum de Equilibristas*, organized by the Brazilian Financial Executives' Association of Rio Grande do Sul (IBEF-RS), held on May 5, 2008, in the Federasul conference room in Porto Alegre. The executive spoke on the topic: "Brazil's financial market: credit and information technology at the clients' disposal".

The event was opened by the Finance Ministry's State Secretary, Aod Cunha, who spoke about the state government's two major goals regarding tax adjustment: to zero out the deficit by 2010 and to increase the investment rate to 10% of Current Net Revenues.

Aod also spoke about other structural points of the financial crisis being addressed by the government: debt restructuring and the status of the pension plan issue. Regarding the private pension plan scheme, he pointed out Banrisul's IPO, which reserved 100% of the Treasury's resources for retirement plans for the state's civil servants. "The bank's strengthening helped both the state economy's growth and the improvement of Rio Grande do Sul's public sector", he said.

In his speech, Lemos pointed out that the excellent economic conditions—sustainable growth, low inflation, lower interest rates, higher incomes, and greater employment—had led the national finance system to focus on loan operations. He also evaluated the opportunities created by the increase in real estate credit. "A cycle of real estate financing is returning to Brazil, as evidenced by statistics showing an increase in real estate credit concessions in the last two years, at an average 135%", he said, adding that there was plenty of room for growth. He recalled that the civil construction sector accounted for 62% of Brazil's investment rate and 8% of its workforce.

Regarding Brazil's achievement of investment grade, Banrisul's CEO said there would be an increase in internal credit due to funds from the foreign market carried out by Brazilian banks, including foreign exchange operations.

The executive also discussed technological innovation in banking services. “At Banrisul, 81.7% of operations are done electronically. More than 1,500 services are processed per day and 1.6 billion transactions are carried out monthly”, he said, reaffirming the bank’s 2007 investment of R\$132 million in infrastructure, IT, and telecommunications. Among the cutting-edge investments and products offered by the institution, the CEO highlighted Banrisul Celular, Banrisul’s Multiple Card, and check images now available through Online Banking.

Ending his speech, Fernando Lemos said that Banrisul expected a great year ahead. “The Bank’s current success is a result of management practices developed by a qualified team of employees, but above all, it is a result of the trust in our institution by the population of Rio Grande do Sul”, adding that “as a leading company, we have the obligation to provide good services and set an example for our communities”. He pointed out the strength and determination of Governor Yeda Crusius and the decisive support of Secretary Aod Cunha, both essential to Banrisul’s strengthening.