



Press Release

03.05.2008

Banrisul's CEO estimates loan growth in 2008

"Loan, as a development instrument of Brazil, will continue to expand in 2008." This affirmation was made by Banrisul's CEO, Fernando Lemos, in the seminar "Brazil of Tomorrow - Looks on 2008", promoted by Instituto Amanhã, which took place on Wednesday (5), in Porto Alegre. Lemos was one of the lecturers of the event with the theme "The Role of the Loan in the Economic Growth".

For the executive, Brazil reached economic maturity, for the inflationary issue is not discussed anymore, but investments in infrastructure, such as in energy and in roads, necessary to keep the growth level. "Inflationary control, in addition to an achievement, is already a heritage of the Brazilian society", he said. He pointed out that, currently, basic interest is in the lowest historical level, following the inflation target policy. "The economic growth in 2008", estimates Lemos, "will be maintained sustained, mainly, due to the internal demand, taking advantage of the trend of companies and families to invest and of banks to lend".

According to Banrisul's CEO, Brazilian financial institutions are very competent and internationally acknowledged by the capacity to evaluate credit risk and to finance production and consumption. "Banks are extremely capitalized and the perspective for this year is an increase in loans, mainly real estate loan, which currently represents only 1.7% of the domestic GDP". Lemos believes that, in this same sense, there is a great expectation of an expansion of the Rio Grande do Sul agribusiness.

As an example, he mentioned the case of Banrisul which, in 2007, had an increase of 43.8% in the balance of loan operations to corporates compared to the previous year, reaching R\$2.8 billion. "Concerning delinquency, Banrisul shows an excellent quality of its loan portfolio which, in view of the 26.2% growth in the volume of operations, recorded an index of 3.7% in December 2007, a 24.5% reduction against December 2006". He said that, as to loan destined to individuals, the Bank advises its

clients to use it with moderation and planning, according to the financial conditions of each account holder.