Banrisul
Quem tem Banrisul tem tudo.

SEMINAR BRAZIL OF TOMORROW

Banrisul's CFO points out that economic fundamentals strengthen the country

"Since 1994, with the advent of Real Plan, Brazil has advanced a lot. Our currency is appreciated today because the economic fundamentals are much more valued. " This was one of the considerations addressed by Ricardo Hingel, Banrisul's CFO and Investor Relations Officer. The executive presented the panel "Inflation risks: possible impact on credit and interest rates " during the event "Brazil of tomorrow: what's at stake in 2010?", promoted by the magazine *Amanhã*, this Friday, March 05, at the Plaza San Rafael Convention Center, in Porto Alegre.

During the presentation, Hingel delivered an economic overview of the aspects that will make up the prospects and scenarios for 2010. He also provided a background of economic situation in Brazil in recent years, future trends and expectations, focusing on credit and interest rates. "We have an optimistic outlook for 2010. Brazil dealt very well the crisis that began in 2007 and, worsened in 2008, but we will go through 2010 with a very favorable outlook."

Among the several topics in his presentation, the economist pointed out the importance of productivity, loan growth and the evolution of banking spreads, which will remain stable. "The quality of credit portfolio of any bank depends on the country's economy." Hingel mentioned the demand for credit will remain positive, to individuals and companies alike.

Further, he discussed the global financial crisis and the warming up of the Brazilian economy, the liquidity of the financial sector and changes in credit supply. Banrisul’s executive also pointed out the exchange rate and the importance of controlling inflation. "Nowadays, we have the inflation target system and floating exchange rates. For 2010, all current forecasts indicate an inflation rate close to 5%, which is somewhat concerning as it is slightly away from the target of 4.5%.

The executive also noted the increase in income, in employment and hence the increase in household consumption, in particular within the lower income classes. "For the moment, there is an excess of liquidity and demand growth," added Hingel, saying the Central Bank of Brazil Bank runs the monetary policy by combining the increase of the reserve requirements to pre-crisis levels, to managing liquidity and the Selic rate. "The Central Bank has a mandate to keep inflation at 4.5%. And to do so, it uses the instruments of monetary policy."