

Giovanni Baulino, Tenax Capital:

The first question is on asset allocation going forward, especially if we can see in the future an environment with low interest rate in Brazil. Second question is on cost control, if you can give us a guidance going forward for the expense ratio. And the third question, if possible, is if you can give us an idea of what could be the tax rate for 2009. Thank you.

Arthur Farme D'Amoed Neto:

Hi, Giovanni, I will ask Sergio to elaborate some and then we can return to you.

Sergio Borriello:

Hi, Giovanni, thank you for the questions. The asset allocation, you can see as you saw explained by Arthur that we have changed a little bit our positions from fixed rate securities portfolio to a float during the 1Q09. We realized some gains on that which is important to keep and maintain the financial income during the 1Q of this year.

Looking forward, what we are seeing is increasing a little bit, but not so much in a private sector, and taken out from the public sector, but not changing our let us say conservative approach in terms of credit or not changing in terms of viable and fixed income.

On the second question, which is the cost control, we have in place a big project to review and to remap our processes and try to gain some synergies and some efficiency in our operational processes. So in the end of the day we are implementing something, as you can see in our administrative expenses behavior, and for the future I think we will be able to show to you and to the investors better results because we are working so hard on this cost control thing.

On the third question, I think Arthur can have more on that.

Arthur Farme D'Amoed Neto:

I guess, Giovanni, your first question relates to the tax rate that you should expect for this year.

Sergio Borriello:

Sorry, tax, it is mine. Tax for this year I think will be not so, the total tax rate for the year will not be as good as last year. I think you remember our tax rate was in about 30%. I think it will increase but reaching 40%, it can be around 35% the final text rate for the year. As you know, we have some jumps during the quarters due to the possibility of the tax credit utilization.

Giovanni Baulino:

OK. Thank you. Again, sorry for monopolizing the call, but I will take the chance to ask another question if I may. Can you give us some update on possible new joint venture in the bank assurance, if you are seeing any opportunity in this field going forward? Thank you.

Arthur Farne D'Amoed Neto:

Yes, Giovanni, as you know, this is the strategy that the Company has used to develop its business and we have been analyzing some opportunities and there are some alternatives in the market, our operation with BV Financeira is developing very well, in line with our plans for that transaction and we have now been invited to be part of the insurance companies that will be selling auto insurance in the ABN Real branch network, they are replicating there the same approach they had before, in just Santander branches, and maybe in a number of others.

Giovanni Baulino:

OK. Thanks.

Operator:

At this time, there are no questions in the Q&A, are there any closing remarks?

Arthur Farne D'Amoed Neto:

With this I would like to thank you for attending this conference, and my colleagues and I will be available here to take your questions and further clarifications, through our Investor Relations department as well as directly with us. Thank you very much.

Operator:

This concludes today's conference call. You may now disconnect.

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