

The Best of Times to Be a Banker in Brazil

Contributed by Alana Gandra
Thursday, 29 December 2005

Banks enjoyed "exceptional profitability" in 2005. This is the opinion expressed by Carlos Alberto Vieira, president of the Banking Association and Banking Syndicate of the State of Rio de Janeiro (Aberj/Sberj).

"The performances of the major banks demonstrate this," the banker said in an interview.

According to Vieira, the banks' balances should also confirm the expansion of the mass credit market, especially in the form of consigned credit (loans repaid by monthly paycheck discounts).

He expects this form of credit to account for around 10% of the banks' returns in 2005.

"These hitherto little-used forms of credit are now receiving more attention and are being reflected in the banks' balances," he affirmed.

Vieira believes that the domestic banking system should grow around 7-8% this year. If the conservative direction of economic policy is continued in 2006, he says, next year's growth should not exceed the estimate for this year. The goal of the sector is to grow around 5-6% next year.

Agência Brasil