



BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.

Porto Alegre, April 27th, 2010.

To whom it may concern

Re: Anti-Money Laundering Policies and Procedures

We hereby declare that Banco do Estado do Rio Grande do Sul S.A (Banrisul S.A) maintains systems and procedures to prevent and impede that our business are used suspicious customers engaged in illegal activities.

Therefore, we have prepared internal rules for identification and knowledge of our customers and we have accomplished appropriate training of all officers, according to established by the legislation of the countries where we are acting, as institutional policies about money laundering and terrorism prevention of Banrisul S.A. In addition, our Know Your Customer Policy is in accordance with Basel International Standards on Know Your Customer.

Banrisul S.A. also maintains an internal Unit with personal exclusively dedicated to monitor and analyze the risk operations referent to anti money laundering. After an approval of the Money Laundering Prevention and Compliance Executive Committee, the suspicious operations are communicated to the government authorities.

The internal controls and procedures are to assure that Banrisul S.A.:

- gets to know its clients;
- checks the external (e.g. EU List and OFAC List) and internal consolidated list of money launders and terrorists when evaluates the acceptability of a relationship;
- does not maintain business with a "Shell Banks" or institutions that maintains business with "Shell Banks";
- reckons on people who might be responsible for the compliance with the regulations against money laundering;
- fulfills the requisites related to recording of documents and reporting the law establishes;
- develop and puts into practice adequate follow-up methods to allow the detection of clients suspicious activities and the application of the proper measures;
- report those suspicious activities to the competent authorities, according to the legislation;
- sets up corporate training programs on money laundering prevention;
- implements auditing and quality systems compatible with the money laundering prevention policy.

Sincerely,

Francisco Edgar Gonçalves Finamor
Controller