

**GOVERNMENT OF RIO GRANDE DO SUL STATE  
SECRETARY OF THE TREASURY  
OPEN CAPITAL COMPANY**

**Banco do Estado do Rio Grande do Sul S/A**

Authorized to operate for Decree No 18,374, August 28, 1928 - CNPJ No 92 702 067/0001-96  
Main Office in Porto Alegre - Rio Grande do Sul - Rua Capitão Montanha, 177

**BALANCE SHEET CONSOLIDATED AS OF FEBRUARY 28, 2011**

In Thousands of Reais

ASSETS		LIABILITIES	
<b>CURRENT AND LONG-TERM ASSETS</b>	<b>32,716,942</b>	<b>CURRENT AND LONG-TERM LIABILITIES</b>	<b>29,074,034</b>
CASH	371,739	DEPOSITS	<b>19,178,815</b>
INTERBANK INVESTMENTS	<b>2,380,048</b>	Demand Deposits	3,237,639
Money Market Investments	2,165,792	Saving Deposits	5,430,055
Interbank Deposits	214,256	Interbank Deposits	11,486
SECURITIES AND DERIVATIVES	<b>8,621,683</b>	Time Deposits	10,499,217
Own Portfolio	6,589,830	Other Deposits	418
Linked to Repurchase Commitments	1,354,721	MONEY MARKET FUNDING	<b>1,286,747</b>
Linked to Central Bank of Brazil	603,585	Own Portfolio	1,286,747
Linked to guarantees	73,541	INTERBANK ACCOUNTS	<b>419,247</b>
Privatization Certificates	6	Receipts and Payments Pending Settlement	418,960
INTERBANK ACCOUNTS	<b>3,357,416</b>	Correspondents	287
Payments and Receipts Pending Settlement	296,840	INTERBRANCH ACCOUNTS	<b>292,871</b>
Restricted Deposits		Third-party Funds in Transit	291,339
- Central Bank of Brazil	2,408,783	Internal Transfers of Funds	1,532
- National Housing System	611,043	BORROWINGS	<b>587,268</b>
Correspondents	40,750	Foreing Borrowings	587,268
INTERBRANCH ACCOUNT	<b>99,288</b>	DOMESTIC ONLENDINGS - OFFICIAL INSTITUTIONS	<b>1,083,427</b>
Third-party Funds in Transit	4,372	Nacional Treasury	71,341
Internal Transfers of Funds	94,916	National Economic and Social Development Bank (BNDES)	621,250
LENDING OPERATIONS	<b>15,938,669</b>	Federal Saving and Loan Bank (CEF)	42,439
Lending Operations		National Equipment Financing Authority (FINAME)	348,397
- Public Sector	121,880	FOREING ONLENDINGS	<b>37,245</b>
- Private Sector	16,941,301	Foreing Onlendings	37,245
(Allowance for loan losses)	(1,124,512)	OTHER PAYABLES	<b>6,188,414</b>
LEASING OPERATIONS	<b>73,809</b>	Collected Taxes and Other	117,620
Lease Receivables		Foreing Exchange Portfolio	27,100
- Public Sector	2,781	Socials and Statutory	32,409
- Private Sector	79,552	Tax and Social Security	533,074
(Allowance for Doubtful Lease Receivables)	(8,524)	Trading Account	3,488
OTHER RECEIVABLES	<b>1,846,775</b>	Financial and Development Funds	4,585,270
Foreing Exchange Portfolio	431,813	Other	889,453
Income Receivable	35,831	<b>MINORITY SHAREHOLDERS' EQUITY</b>	<b>1,685</b>
Trading Account	2,712	<b>SHAREHOLDERS' EQUITY</b>	<b>3,854,159</b>
Specified Credits	22	Capital	2,900,000
Other	1,427,826	Capital Reserves	4,511
(Allowance for Losses on Other Receivables)	(51,429)	Profit Reserves	956,177
OTHER ASSETS	<b>27,515</b>	Adjustment to Fair Value	(6,529)
Other Assets	20,098	<b>INCOME ACCOUNT</b>	<b>128,501</b>
(Allowance for Valuation)	(10,143)	Operating Income	1,020,450
Prepaid Expenses	17,560	(Operating Expenses)	(821,727)
<b>PERMANENT</b>	<b>341,437</b>	(Income and Social Contribution Taxes)	(61,960)
INVESTMENTS	<b>7,660</b>	(Profit Sharing)	(8,235)
Other Investments	12,926	(Equity in Subsidiaries)	(27)
(Allowance for Losses)	(5,266)		
PROPERTY AND EQUIPMENT IN USE	<b>173,059</b>		
Real Estate	130,623		
Other Investments	483,520		
(Accumulated Depreciation)	(441,084)		
INTANGIBLE	<b>160,718</b>		
Intangible Assets	363,004		
(Accumulated Amortization of Intangible Assets)	(202,286)		
<b>TOTAL ASSETS</b>	<b>33,058,379</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>33,058,379</b>

**BOARD OF DIRECTORS**

ODIR TONOLLIER  
**Chairman**  
RUBENS SALVADOR BORDINI  
**Vice-Chairman**  
ÁRIO ZIMMERMANN  
DÍLIO SÉRGIO PENEDO  
JOÃO VERNER JUENEMANN  
JOÃO ZANI  
MANOEL ANDRÉ DA ROCHA  
RUBENS SALVADOR BORDINI  
NELSON FÁBIO SBABO

**BOARD OF EXECUTIVE OFFICERS**

RUBENS SALVADOR BORDINI  
**CEO**  
  
BRUNO FRONZA  
CARLOS TADEU AGRIFOGLIO VIANNA  
CESAR ANTONIO CECHINATO  
LUIZ GONZAGA VERAS MOTA  
MARINÉS BILHAR  
PAULO ROBERTO GARCIA FRANZ

LUIZ CARLOS MORLIN  
Accountant CRC-RS 51,124