

**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 JANUARY 31, 2011

In Thousands of Reals

ASSETS		LIABILITIES	
CURRENT AND LONG-TERM ASSETS	32,658,412	CURRENT AND LONG-TERM LIABILITIES	29,079,708
CASH	375,410	DEPOSITS	18,891,813
INTERBANK INVESTMENTS	2,743,565	Demand Deposits	3,221,857
Money Market Investments	2,527,053	Saving Deposits	5,526,633
Interbank Deposits	216,512	Interbank Deposits	11,398
SECURITIES AND DERIVATIVES	8,578,541	Time Deposits	10,131,486
Own Portfolio	6,251,639	Other Deposits	439
Linked to Repurchase Commitments	1,654,717	MONEY MARKET FUNDING	1,589,477
Linked to Central Bank of Brazil	598,532	Own Portfolio	1,589,477
Linked to guarantees	73,647	INTERBANK ACCOUNTS	384,822
Privatization Certificates	6	Receipts and Payments Pending Settlement	384,666
INTERBANK ACCOUNTS	3,236,449	Correspondents	156
Payments and Receipts Pending Settlement	269,673	INTERBRANCH ACCOUNTS	260,478
Restricted Deposits		Third-party Funds in Transit	260,235
- Central Bank of Brazil	2,320,662	Internal Transfers of Funds	243
- National Housing System	608,076	BORROWINGS	553,753
Correspondents	38,038	Foreign Borrowings	553,753
INTERBRANCH ACCOUNT	63,435	DOMESTIC ONLENDINGS - OFFICIAL INSTITUTIONS	1,086,338
Third-party Funds in Transit	1,900	Nacional Treasury	70,831
Internal Transfers of Funds	61,535	National Economic and Social Development Bank (BNDES)	632,136
LENDING OPERATIONS	15,769,858	Federal Saving and Loan Bank (CEF)	42,561
Lending Operations		National Equipment Financing Authority (FINAME)	340,810
- Public Sector	124,475	FOREIGN ONLENDINGS	37,536
- Private Sector	16,722,260	Foreign Onlendings	37,536
(Allowance for loan losses)	(1,076,877)	DERIVATIVES	4
LEASING OPERATIONS	75,453	Derivatives	4
Lease Receivables		OTHER PAYABLES	6,275,487
- Public Sector	1,670	Collected Taxes and Other	366,290
- Private Sector	82,276	Foreign Exchange Portfolio	13,256
(Allowance for Doubtful Lease Receivables)	(8,493)	Socials and Statutory	31,964
OTHER RECEIVABLES	1,786,976	Tax and Social Security	488,080
Foreign Exchange Portfolio	417,664	Trading Account	2,870
Income Receivable	35,311	Financial and Development Funds	4,488,043
Trading Account	3,287	Other	884,984
Specified Credits	22	MINORITY SHAREHOLDERS' EQUITY	1,692
Other	1,401,321	SHAREHOLDERS' EQUITY	3,854,364
(Allowance for Losses on Other Receivables)	(70,629)	Capital	2,900,000
OTHER ASSETS	28,725	Capital Reserves	4,511
Other Assets	19,998	Profit Reserves	956,177
(Allowance for Valuation)	(10,106)	Adjustment to Fair Value	(6,324)
Prepaid Expenses	18,833	INCOME ACCOUNT	66,753
PERMANENT	344,105	Operating Income	502,561
INVESTMENTS	7,660	(Operating Expenses)	(399,346)
Other Investments	12,926	(Income and Social Contribution Taxes)	(32,322)
(Allowance for Losses)	(5,266)	(Profit Sharing)	(4,129)
PROPERTY AND EQUIPMENT IN USE	170,601	(Equity in Subsidiaries)	(11)
Real Estate	130,622		
Other Investments	478,222		
(Accumulated Depreciation)	(438,243)		
INTANGIBLE	165,844		
Intangible Assets	362,493		
(Accumulated Amortization of Intangible Assets)	(196,649)		
TOTAL ASSETS	33,002,517	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	33,002,517

BOARD OF DIRECTORS

RICARDO ENGLERT
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