

**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 OCTOBER 31, 2011**

In Thousands of Reais

ASSETS		LIABILITIES	
<b>CURRENT AND LONG-TERM ASSETS</b>	<b>36,725,904</b>	<b>CURRENT AND LONG-TERM LIABILITIES</b>	<b>32,651,562</b>
CASH	518,551	DEPOSITS	21,113,991
INTERBANK INVESTMENTS	2,767,001	Demand Deposits	2,598,229
Money Market Investments	2,650,852	Saving Deposits	5,069,990
Interbank Deposits	116,149	Interbank Deposits	10,021
SECURITIES AND DERIVATIVES	9,713,266	Time Deposits	13,435,751
Own Portfolio	7,347,135	<b>MONEY MARKET FUNDING</b>	<b>1,573,019</b>
Linked to Repurchase Commitments	1,642,088	Own Portfolio	1,573,019
Linked to Central Bank of Brasil	650,829	<b>FUNDS FROM ACCEPTANCE AND SECURITIES ISSUANCE</b>	<b>1,605</b>
Linked to Guarantees	73,209	Resources of Real Estate, Mortgage, Credit and Similar Receivables	1,605
Privatization Certificates	5	<b>INTERBANK ACCOUNTS</b>	<b>440,508</b>
INTERBANK ACCOUNTS	3,608,652	Receipts and Payments Pending Settlement	428,054
Payments and Receipts Pending Settlement	274,405	Interbank Onlendings	11,612
Restricted Deposits		Correspondents	842
- Central Bank of Brasil	2,638,803	<b>INTERBRANCH ACCOUNTS</b>	<b>336,462</b>
- Agreements	3,304	Third-party Funds in Transit	336,242
- National Housing System	650,648	Internal Transfers of Funds	220
Correspondents	41,492	<b>BORROWINGS</b>	<b>752,113</b>
INTERBRANCH ACCOUNT	89,328	Foreign Borrowings	752,113
Third-party Funds in Transit	4,127	<b>DOMESTIC ONLENDINGS - OFFICIAL INSTITUTIONS</b>	<b>1,129,764</b>
Internal Transfers of Funds	85,201	Nacional Treasury	87,301
LENDING OPERATIONS	17,702,891	National Economic and Social Development Bank (BNDES)	616,068
Lending Operations		Federal Saving and Loan Bank (CEF)	53,624
- Public Sector	116,322	National Equipment Financing Authority (FINAME)	372,771
- Private Sector	18,807,171	<b>FOREING ONLENDINGS</b>	<b>32,441</b>
(Allowance for loan losses)	(1,220,602)	Foreign Onlendings	32,441
LEASING OPERATIONS	76,616	<b>OTHER PAYABLES</b>	<b>7,271,659</b>
Lease Receivables		Collected Taxes and Other	219,931
- Public Sector	3,925	Foreign Exchange Portfolio	29,118
- Private Sector	82,457	Socials and Statutory	60,288
(Allowance for Doubtful Lease Receivables)	(9,766)	Tax and Social Security	902,312
OTHER RECEIVABLES	2,213,942	Trading Account	18,134
Foreign Exchange Portfolio	575,504	Financial and Development Funds	5,014,366
Income Receivable	37,493	Other	1,027,510
Trading Account	18,216	<b>MINORITY SHAREHOLDERS' EQUITY</b>	<b>1,603</b>
Specified Credits	21	<b>SHAREHOLDERS' EQUITY</b>	<b>4,361,764</b>
Other	1,649,541	Capital	3,200,000
(Allowance for Losses on Other Receivables)	(66,833)	Capital Reserves	4,512
OTHER ASSETS	35,657	Profit Reserves	920,802
Other Assets	23,279	Adjustment to Fair Value	(7,171)
(Allowance for Valuation)	(12,310)	Retained Earnings	243,621
Prepaid Expenses	24,688		
<b>PERMANENT</b>	<b>289,025</b>		
INVESTMENTS	7,660		
Other Investments	12,926		
(Allowance for Losses)	(5,266)		
PROPERTY AND EQUIPMENT IN USE	162,524		
Real Estate	130,586		
Other Investments	477,543		
(Accumulated Depreciation)	(445,605)		
INTANGIBLE	118,841		
Intangible Assets	367,453		
(Accumulated Amortization of Intangible Assets)	(248,612)		
<b>TOTAL ASSETS</b>	<b>37,014,929</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>37,014,929</b>

**BOARD OF DIRECTORS**

ODIR ALBERTO PINHEIRO TONOLLIER  
**Chairman**  
 TÚLIO LUIZ ZAMIN  
**Vice-Chairman**  
 ALDO PINTO DA SILVA  
 DÍLIO SERGIO PENEDO  
 ESTILAC MARTINS RODRIGUES XAVIER  
 ERINEU CLÓVIS XAVIER  
 FLAVIO LUIS LAMMEL  
 FRANCISCO CARLOS BRAGANÇA DE SOUZA  
 OLÍVIO DE OLIVEIRA DUTRA

WERNER KÖHLER  
 Accountant CRC-RS 38,534

**BOARD OF EXECUTIVE OFFICERS**

TÚLIO LUIZ ZAMIN  
**CEO**  
 FLAVIO LUIZ LAMMEL  
**Vice-President**  
 JONE LUIZ HERMES PFEIFF  
 JULIMAR ROBERTO ROTA  
 LUIZ CARLOS MORLIN  
 GUILHERME CASSEL  
 JOÃO EMILIO GAZZANA  
 IVANDRE DE JESUS MEDEIROS  
 JOEL DOS SANTOS RAYMUNDO