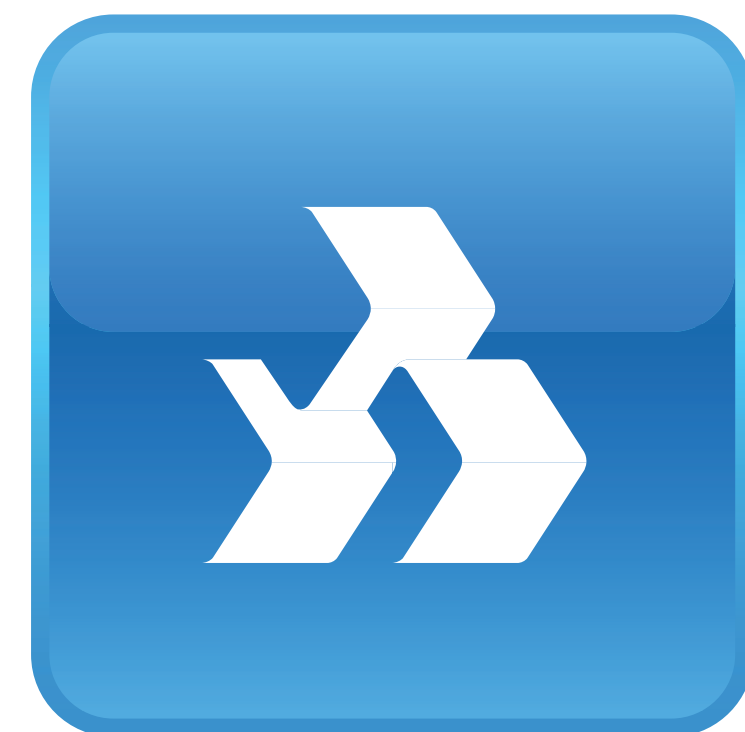




Sustainability Report 2012

Contents

03 Introduction



07
Profile



21
Challenges
and Opportunities



36
Technology
and Innovation



50
Human
Development

76 IBASE Chart

85 Credits

87 GRI Check

05 President's Message



15
Economic and
Financial Scenario



27
Corporate
Governance



40
Relationships
with Stakeholders



60
Social and Environ-
mental Development

80 Index

86 Statement of Assurance

Introduction

Commitment to Transformation

By releasing this sustainability report, which will be issued on an annual basis, Banrisul continues an initiative first launched in July of 2012 when it released its first document referenced to the Global Reporting Initiative (GRI) G3 guidelines. In this second report, which covers the period running from January 1, 2013 to December 31, 2012, the Bank reiterates its commitment to integrate sustainability into the management of its businesses. **GRI 3.1, 3.2, 3.3**

In an effort to identify which stakeholders to consult for guidance regarding the material topics which should be addressed in this document, a consulting firm conducted the initial phase – which involved studies relating to the institution and to the sector, as well as talks with the organization’s Social and Environmental area. That process resulted in the creation of a list of groups with whom the Bank interacts.

The following six criteria were used to select which of those groups would receive the highest priority: responsibility, influence, proximity, dependence, representation and strategic interests. Those aspects were chosen in accordance with international rule AA1000 SES (AA1000 Stakeholder Engagement Standard).

As a result of the initiative, the institution identified seven stakeholder priority categories: communities, customers, minority shareholders, government shareholders, suppliers, the government and the internal public.

A point person associated with each of these stakeholders was identified for the purpose of consultations. Since this is the first time the Bank has engaged in this kind of activity, it contacted a limited number of individuals, but since they have long-term relationships with the institution

they were able to effectively contribute to the process.

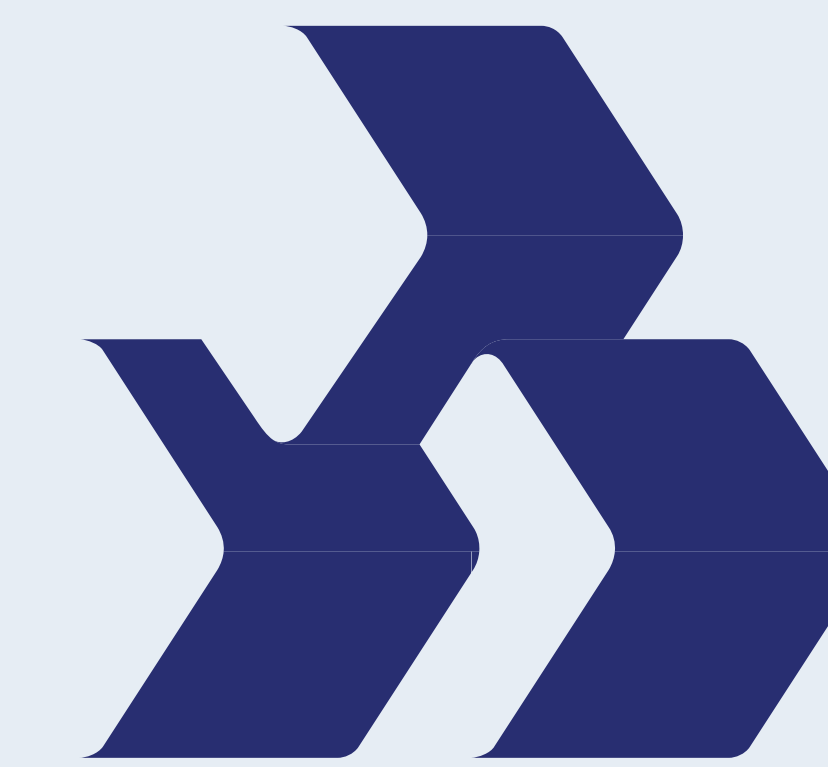
A total of 14 interviews were held – seven with external stakeholders, and seven with internal stakeholders. As part of that consultative procedure, in addition to open-ended questions, the interviewees were encouraged to provide their perspectives on key issues pertaining to Banrisul’s sustainability management (the Materiality Test).

Those issues were identified in a previous media research study (which covered public information relating to Banrisul’s operations in Brazil and news about the Bank and the financial sector appearing in communications outlets in 2012), analysis of Banrisul’s 2011 Sustainability Report, and analysis of reports on the sector and of the GRI and ISO26000 international guidelines.

In conjunction with the directed questions, this open-ended interview process led to the elaboration of the Materiality Matrix – which, by intersecting the points of view of external and internal stakeholders, facilitated diagnosis of the perception and relevance of topics to be addressed in the sustainability report.

Topics classified as highly relevant were: involvement with government, technology and innovation, customer satisfaction, and social and environmental lines of credit. Due to their closeness of that classification and their perceived importance to the Bank and to the sector, the following topics were also designated as highly relevant: banking and low-income inclusion, biodiversity impact, encouragement of conscious consumption, and career planning, training and development.

Following the materiality definition, the indicators composing this report were identified. Although the Bank falls



Reading the Manual

- Graphically, this report has been designed so as to be functional and accessible for all stakeholders, including those with visual deficiencies;
- The upper navigation menus (separating chapters) and the lower menus (separating pages) make the process of reading the report more dynamic, allowing users more direct access to specific content;
- The layout and its high resolution presentation make it possible to zoom in without losing legibility or image quality, allowing for projection of the report;
- The fonts that have been selected (size, color and type) make the reading experience lighter and more enjoyable.

under GRI application level C, it opted to delve deeper into various indicators, primarily those identified as relevant under the materiality study. GRI 3.5, 4.14, 4.15

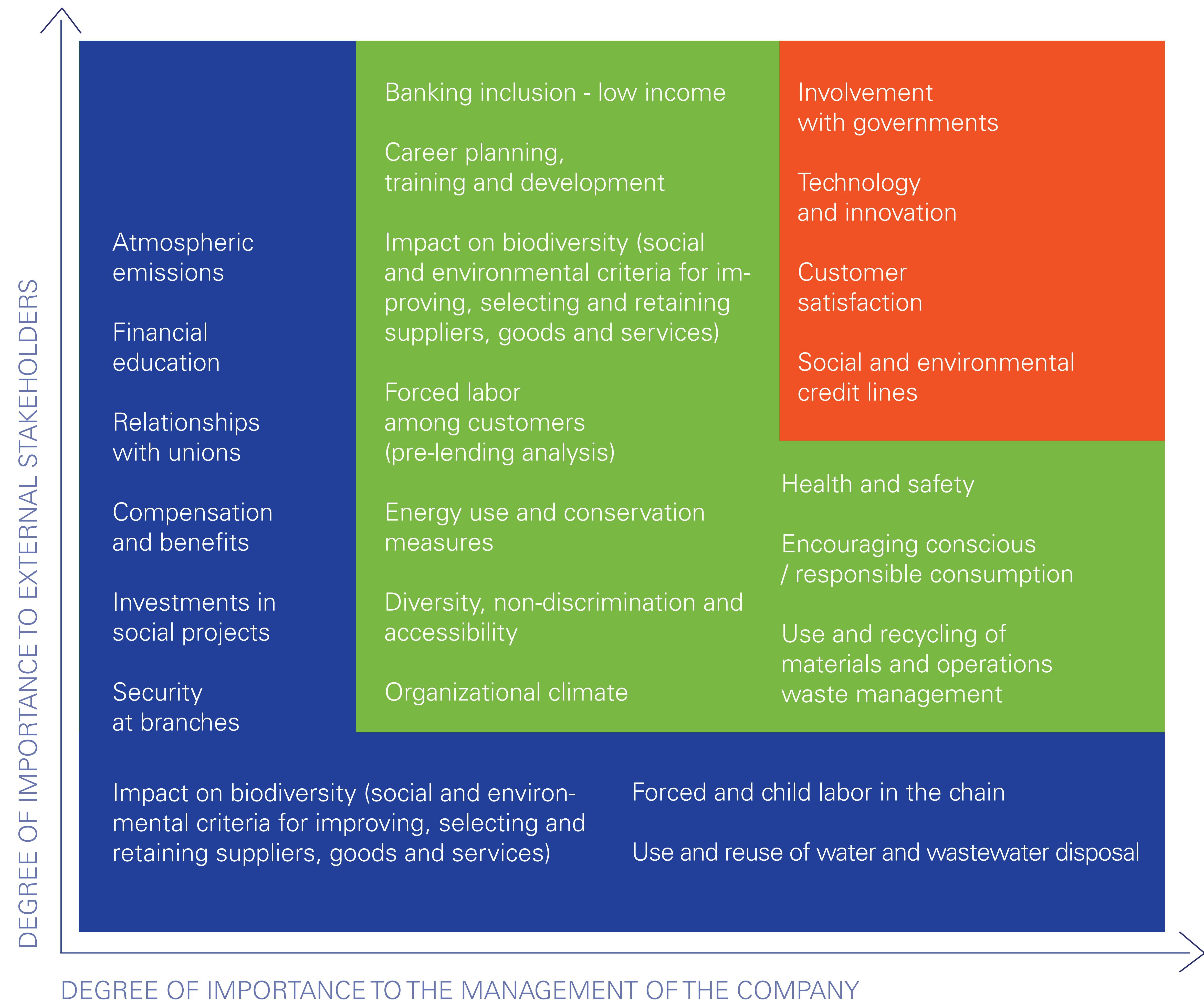
All of the superintendents of Banrisul's 39 units were involved in producing the report. In order to improve the process, on January 23, 2013, a workshop for technical clarification of the indicator content was held for the officials appointed by the institution's various divisions. It was attended by 65 employees.

This document addresses the results of the organization's operations in Brazil, focusing on its branches and offices. The consolidated financial data include both Banrisul and its subsidiaries (Broker, Consortium, Services and General Warehouses), as well as information on overseas operations. However, as the affiliates' sustainability management practices and performance indicators are still in their initial stages, the information reported pertains to the economic, social and environmental impacts of Banrisul alone. In other words, the GRI indicators referenced refer only to Banco do Estado do Rio Grande do Sul S.A. and do not include information drawn from any of the group's other companies. As of December 31, 2012, the Bank's operations represented 98.9% of the consolidated revenue reported in the Added Value Statement (AVS). GRI 3.6, 3.7, 3.8

Significant changes compared to the previous edition, including reformulations in the calculations methodology will be explained in the next few pages. The expectation of the Bank is that the report be used as a reference source by all of its stakeholders and anyone interested in the subject, especially its employees, customers, suppliers, the government, minority shareholders, government shareholders, and the community.

Enjoy the report!

Materiality Matrix



President's Message

Structuring to Move Forward



2012 was characterized by challenges, uncertainties and instabilities in the economic scenario. Externally, Europe, the United States and China have caused concern around the world due to low growth rates or to difficulty in recovering from the financial crisis. Domestically, the reduction of the Selic rate to a historically low level – 7.25% per year – combined with the portability of loans and payroll operations, made the market even more competitive. The trajectory of credit expansion slowed, interest rates and banking spreads decreased and delinquencies increased, generating impacts on the performance of the entire banking sector, including Banrisul – such as the 9.5% drop in its net income.

Faced with such adverse conditions, the Bank reacted with two main efforts: readjustment and reaffirmation. Additionally, it saw those circumstances as an opportunity to make improvements and to pursue objectives. The strategy worked, even in the short term. The credit portfolio totaled R\$ 24.3 billion, a 19.4% jumped over the previous year.

On the one hand, a process of constant evaluation led to the opening up of new frontiers. To broaden the channels of customer relationships, expand the loan portfolio and gain scale domestically, we, acquired Bemvindo Promotora de Vendas. We also strengthened operations pertaining to the services arm, such as insurance, and the rural and real estate credit lines. Moreover, we pushed microcredit, a key tool for supporting entrepreneurship and sustainable development.

We also invested R\$ 251.8 million in innovation and technology modernization. We strengthened Banricom-

pras, which is now one of the four largest acquiring networks in the country. On the other hand, we made efforts to strengthen relationships with customers and enhance customer service. In this respect, the creation of the Affinity Space concept was an important step, as was the improvement of the functionality and security of our services.

By pursuing that expansion strategy, the Bank built up its stability, competitiveness and operating conditions, in addition to fully meeting its 2012 performance goals. The expansion of its lending portfolio, estimated at between 15% and 20%, ended the year at 19.4%. Total funds raised and time deposits also increased, such as real estate lending, which grew 29%, more than the estimate of 20% to 25% growth.

The consolidation of Banrisul's imaged was confirmed through the bestowal of investment grade status by Moody's Investors Service and Standard & Poor's. Confirming the market's confidence in the Bank's operations, in February the institution held its first foreign debt issue, a subordinated issue that brought in US\$ 500 million. In December, it reopened the issue and raised an additional US\$ 275 million.

At the close of the year, the Bank had total assets of R\$ 46.6 billion, 23.9% higher than a year earlier. That positive performance demonstrates the confidence our customers, investors and the broader community have in us.

Despite the difficulties we faced in 2012, Banrisul also took new steps on the sustainability path it is laying. To evidence this commitment, we created products and



Túlio Luiz Zamim
President

Banrisul left the theory to be practical, creating products, services and partnership projects with the civil society.

services such as the CDC Sustentabilidade and the financing of sustainable real estate projects, in addition to entering into community partnerships, such as the Cool Apprentice (Aprendiz Legal) program. We approved our Sustainability Policy, ensuring that this value is increasingly integrated into our businesses, and added a module on the issue to our employee training programs.

This pathway toward sustainable development began with the founding of the Bank, which was instituted with a mission to support the agriculture and livestock industries in Rio Grande do Sul and to help drive its economic development. Driven by a concern for corporate responsibility, the Bank began to promote philanthropic and ecological initiatives until it developed a broader vision of social and environmental management. This led to a strengthening of projects and programs, and social and environmental concerns have come to be seen as increasingly essential to our business.

In 2011, even before it became a Central Bank requirement, the institution began using GRI guidelines in the preparation of its sustainability report. Showing pioneering spirit, transparency and a commitment to the future, Banrisul was the state's first public company to take up this initiative, building a legacy and providing an example to other organizations.

As it looks to the future, Banrisul sees even more progress. Its management will continue to be based upon its four main pillars: business growth, innovation and technology, management efficiency and quality of service. During the 2013-2014 pe-

riod, the Bank's expansion will involve the remodeling of 87 branches. Personnel management will also be near the top of the agenda: the revised positions, salaries and career advancement mechanisms plan is expected to be approved by the end of 2013. In general, the performance goals will remain at levels comparable to those of 2012. The exception will be commercial credit to legal entities, which is expected to grow at between 18% and 22%.

In the short term the recently approved Sustainability Plan will present the challenge of incorporation and assimilation of its economic, social and environmental dimension. In just a short time, the plan has already encouraged the reevaluation of suppliers and reflection on the part of employees, actions that will be intensified beginning in 2013. In reinforcement of that trend, the Central Bank is expected to approve soon a regulation requiring financial institutions to measure the social and environmental impacts of products and services.

The Sustainability Master Plan, which began to be drafted in 2012, is a bold initiative that will strengthen the Bank's longevity. In practical terms, it will require a full commitment on the part of the institution. This will be done over the coming years by means of diagnostic processes that will involve sustainability aspects drawn from every division.

By implementing these kinds of initiatives, Banrisul is opening up new spaces for the writing of further chapters in the history of its commitment to sustainability.

The path will certainly be a long one, and there's no turning back. **GRI 1.1**

In the short term the recently approved Sustainability Plan will present the challenge of incorporation and assimilation of its economic, social and environmental dimension. In just a short time, the plan has already encouraged the reevaluation of suppliers and reflection on the part of employees.



Profile

Profile

Stability and Longevity

Banrisul was founded in 1928 in response to demand from farmers in Rio Grande do Sul, who petitioned the state's leaders to organize a bank to support their activities. The Bank continued to grow during the subsequent decades and is currently one of Brazil's largest financial institutions with R\$ 4,894.2 million in net equity.

In a study conducted by the Central Bank in December of 2012, Banrisul ranked eleventh in total assets and seventh in total deposits as well as in the number of branches. The Bank's lending operations balance reached 1.031% of the National Financial System (SFN) in December, up 0.0263% relative to its 2011 balance.

Banrisul Group

Grupo Banrisul consists of Banrisul, four subsidiaries (Banrisul S.A. Administradora de Consórcios, Banrisul Corretora de Valores Mobiliários e Câmbio, Banrisul Armazéns Gerais S.A. and Banrisul Serviços Ltda.), one affiliate (Credimatone Promotora de Vendas e Serviços S.A.) and two sponsored organizations (Fundação Banrisul de Seguridade Social and Caixa de Assistência dos Empregados do Banrisul).

The GRI indicators cover only information pertaining to Banrisul and do not cover any of the group's other companies. The exception are accounting data, which include the operations of Banrisul, its foreign dependencies and its subsidiaries (see GRI indicator 3.6).

Banrisul S.A. Administradora de Consórcios

This firm manages consortia created to acquire real estate, automobiles, trucks, motorcycles and tractors. The company ended the year with an active client base of 33,430 consortium partners and R\$ 1.1 billion in credit card volume. In 2012, there were 5.6 thousand beneficiaries, and R\$ 155.8 million were distributed for consumer goods purchases. The company recorded R\$ 13.8 million in net income.

Banrisul S.A. Corretora de Valores Mobiliários e Câmbio

This company operates in the capital markets, brokering securities traded on the stock exchanges. In 2012, it expanded on the modernization process it had begun the previous



Basic Information – GRI 2.1, 2.4, 2.6
Name: Banco do Estado do Rio Grande do Sul S.A. – Banrisul
Headquarters: Rua Capitão Montanha, 177 – Centro Histórico – Porto Alegre/Rio Grande do Sul – Brazil
Legal designation: Publicly traded mixed-ownership company
Principal shareholder: Government of Rio Grande do Sul State (56.97%)

Size – GRI 2.8
Number of employees: 11,456*
Net revenue: R\$ 4,270.9 million
Total assets: R\$ 46,570.8 million
Primary operating area: Southern Brazil, mainly Rio Grande do Sul State
Largest revenue source: Lending operations (73%)

* Number includes the nine board members appointed by the Governor of the State.

year. It also launched Banibroker, a new home broker platform. Between January and December, it brokered operations totaling R\$ 2.5 billion, 31.2% of which were processed using the online tool. It posted net income of R\$ 1.6 million.

Banrisul Armazéns Gerais S.A.

As a permissionaire of the Federal Revenue Service, this company located in Canoas manages the Metropolitan Region Dry Port. It works with import and export operations using the Customs Warehouse, Public Customs Warehouse (DAP) and Certified Bounded Warehouse (DAC) modalities, as well as general warehousing. The primary purpose of its operations in 2012 were improvement of its internal processes, which involved verticalization in merchandise warehousing, changes in tariff charging procedures, expansion of operations through the acquisition of new customers and increasing the highway truck traffic and container yard areas by means of an earth moving operation. Its net income on the year was R\$ 3.3 million.

Main brands, products and services – GRI 2.2

- Demand and term deposits
- Investment funds
- Credit cards
- Insurance
- Capitalization
- Consortia
- Real estate credit
- Microcredit
- BNDES Card
- Banricompras
- Bem-vindo network
- Long-term financing operations
- Rural credit
- Currency exchange
- General credit

Banrisul Serviços Ltda.

The company manages a cards portfolio that includes Meals, Food, Fuel, Salary, Gifts, Benefits and Fleet Maintenance System. Each day, some 550 thousand users and 7.2 thousand affiliated companies use the company's services, which are available at more than 54 thousand authorized locations. In 2012, its transaction volume was 28% higher than in 2011, totaling more than 18.5 million, which generated cumulative profit of R\$ 21.1 million.

Credimatone Promotora de Vendas e Serviços S.A.

Specializing in the disbursement of payroll loans, this sales promoter operates in all five regions of Brazil. Its network of marketing stores operates under the Bem-vindo Banrisul Serviços Financeiros name. The Bank holds a 49.9% interest in the company.

Fundação Banrisul de Seguridade Social

The Foundation is a closed supplementary pension entity. Created by Banrisul in 1963, its purpose is to supplement benefits granted by the Social Security program to its employees. The institution manages two plans, a defined benefits plan and a variable contribution plan, on behalf of its 16 thousand participants and beneficiaries.

Caixa de Assistência dos Empregados do Banrisul - Cabergs Saúde

This company provides self-managed health insurance plans. Cabergs has more than 41 thousand beneficiaries and an accredited network consisting of close to 7 thousand service points, which include medical and dental providers, clinics and out-patient hospitals. It also manages two drug procurement programs. Founded in 1998, Cabergs is a non-profit association whose financing is sponsored by the companies of Grupo Banrisul and through contributions by their respective employees, retirees and pensioners.

Banrisul Group

Subsidiaries

Banrisul S.A.
Administradora
de Consórcios*

Banrisul
Armazéns
Gerais S.A.*

Banrisul
Serviços
Ltda.*

Banrisul S.A.
Corretora de Valores
Mobiliários e Câmbio*

Sponsored Organizations

Fundação
Banrisul de
Seguridade Social*

Caixa de Assistência
dos Empregados
do Banrisul*

Affiliates

Credimatone
Promotora de Vendas
e Serviços S.A. (49,9%)*

* Data for these companies will not be provided in the report.

Presence in the Southern region, in Brazil and Worldwide

Through the 1,331 points composing its service network, Banrisul is present in 10 administrative units throughout Brazil (nine states and the Federal District) and in two foreign countries. Its operations are distributed among 467 branches, 253 banking service stations and 611 electronic points of service [see details in the table in page 11].

The institution's customers and beneficiaries include individuals as well as legal entities. Its primary markets are the states of Rio Grande do Sul and Santa Catarina. In Rio Grande do Sul, where the Bank was founded, its network covers 98.1% of the population and consists of 426 branches, 252 banking service stations and 564 electronic points of service.

In those two states, the Bank serves the commercial, industrial, services and rural sectors. The Bank offers partial service in the other eight units in Brazil in which it operates – the states of Paraná, São Paulo, Rio de Janeiro, Minas Gerais, Bahia, Ceará and Pernambuco, as well as in the Federal District – supporting the commercial, industrial and services sectors. GRI 2.7

The bank operates two branches outside of Brazil, one in Miami and another in the Cayman Islands. The main purpose of these foreign branches is to support foreign commerce operations by providing services or financing lines in foreign currency. GRI 2.5

New Horizons

In 2012, Banrisul invested R\$ 38.9 million in renovations to and expansion of its service network. Spaces were remodeled, and new, larger and more modern facilities were built with an eye to meeting accessibility standards. Nine new branches were opened – eight in Rio Grande do Sul and one in Santa Catarina. Moreover, 18 banking service stations were converted into branches. This expansion project will continue in the 2013-2014 period with the renovation of 87 facilities.

In March, Banrisul and MatoneInvest Holding signed an agreement to purchase 100% of the shares of Cre-

dimatone Promotora de Vendas e Serviços S.A, which operates under the Bem-vindo Banrisul Serviços Financeiros name in the marketing and payroll lending stores network. MatoneInvest Holding holds 50.1% of the shares, while Banrisul's interest is 49.9%.

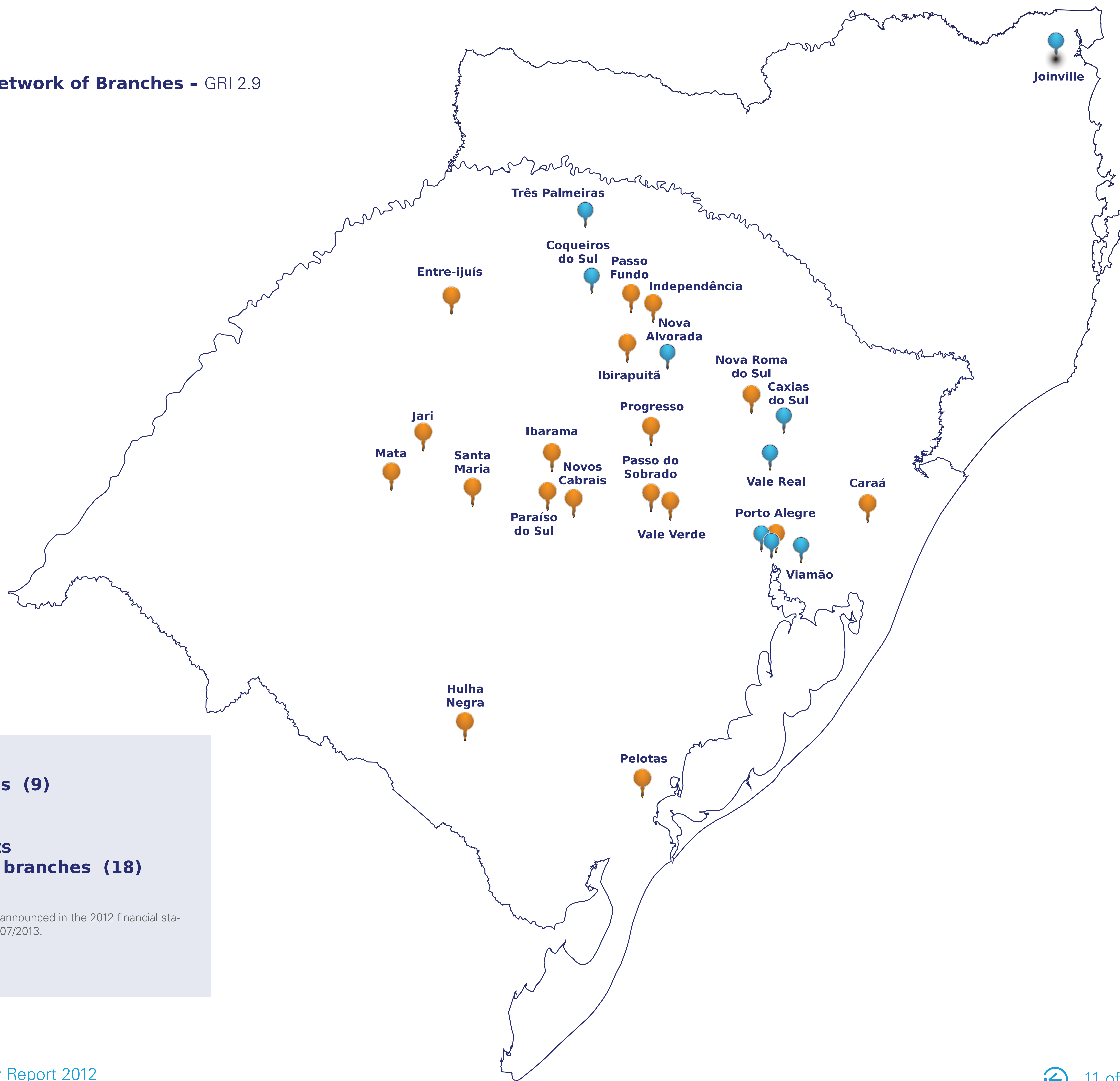
The purchase of Credimatone Promotora de Vendas e Serviços S.A. is part of Banrisul's growth strategy, which is focused on broadening its service channels,

increasing its credit volume and the distribution of financial products and services at the national level. With operations in all five of Brazil's regions, the sales promoter provides a means for the Bank to expand its credit origination operations beyond Rio Grande do Sul. As of the close of 2012, the Bem-vindo Banrisul network had generated credit operations totaling R\$ 1,674.9 million. GRI 2.9

Service Network - GRI 2.3

Region		Branches	Banking Service Stations	Electronic Points of Service	Total Points of Service
Brazil	Porto Alegre	63	48	148	259
	Interior	363	204	416	983
	Total	426	252	564	1,242
	South – Santa Catarina e Paraná	28	1	46	75
	Southeast – São Paulo, Rio de Janeiro and Minas Gerais	7	0	0	7
	Northeast and Midwest – Bahia, Ceará, Pernambuco and Brasília	4	0	1	5
	All of Brazil	465	253	611	1,329
Foreign	Miami	1	0	0	1
	Cayman Islands	1	0	0	1
	All Foreign	2	0	0	2
Total	467	253	611	1,331	

Expansion of the Network of Branches - GRI 2.9



 **New Branches (9)**

 **Service points converted to branches (18)**

* The Coqueiros do Sul branch, announced in the 2012 financial statements, was inaugurated on 1/07/2013.

Access to Banking Services

Committed to being a driving force for the economy of Rio Grande do Sul, Banrisul has always invested in expanding its services throughout the entire state in an effort to serve more and more customers. Since its founding it has on many occasions been the first financial institution to open in cities throughout the state.

As a public bank, this effort also involves seeking to ensure equal access by all segments of the community and mitigating social inequality. In light of these concerns, Banrisul seeks to broaden access to banking services in cities experiencing low economic growth and which have smaller populations.

To determine which areas which fit this profile, we considered those with urbanizations rate below the state average of 85.1%. According to data from the 2010 Census published by the Brazilian Institute of Geography and Statistics (IBGE), 18 of 28 Rio Grande do Sul State Regional Development Councils, or COREDEs, qualify under this criterion [see table].

The Service Network Expansion Program, approved in 2011, use analysis of economic feasibility studies and socio-economic indicators to determine where points of service should be established. The initiative is aligned with Banrisul's Strategic Plan.

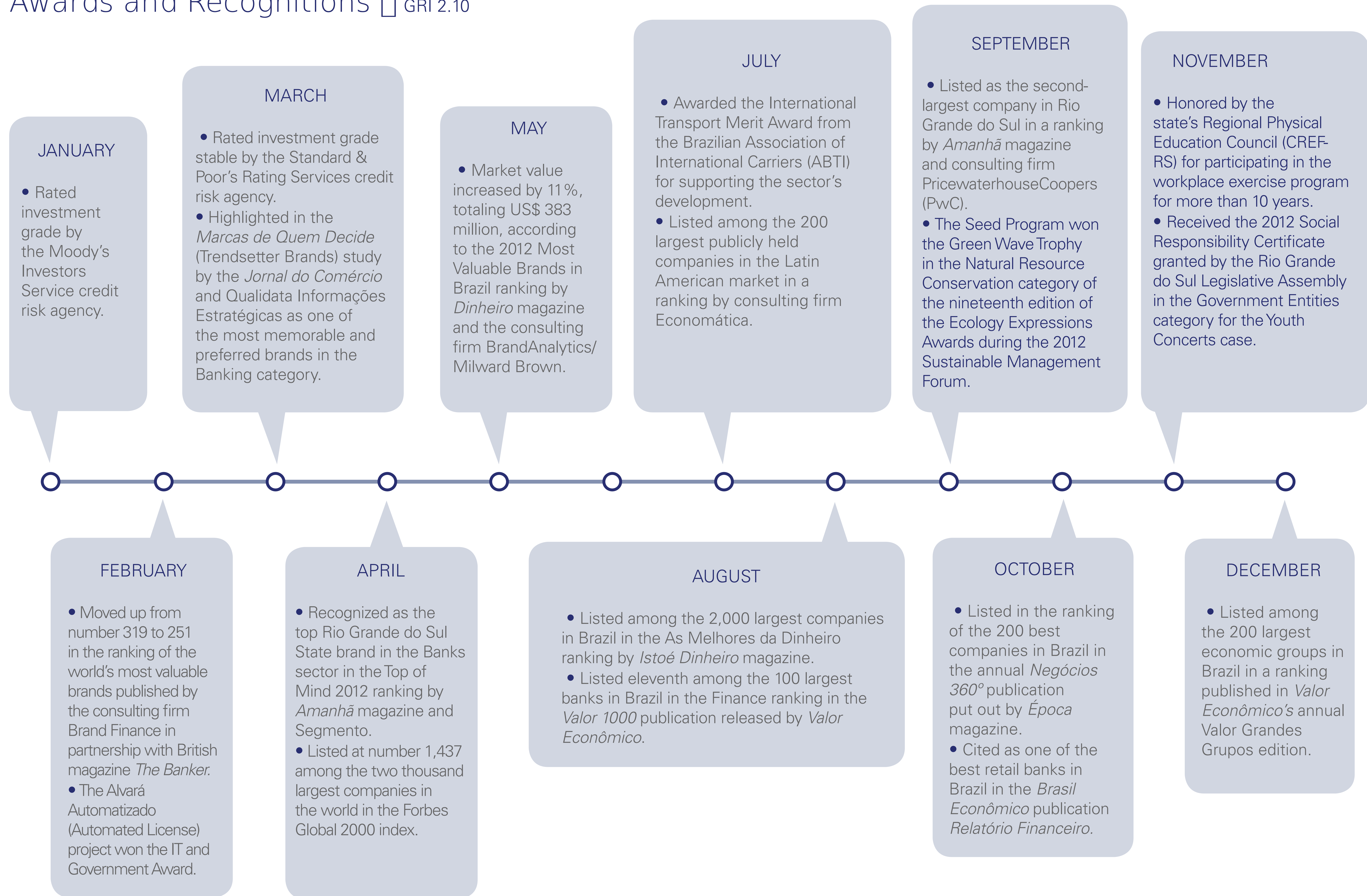
As part of the program, in 2012 the Bank opened three new branches and 15 new electronic points of service in regions with urbanization rates below the state average. Also in 2012, 10 service points were converted into branches. Two others were closed as a result of the termination of contracts with the companies that hosted them. GRI FS13

Banrisul use analysis of economic feasibility studies and socio-economic indicators to determine where points of service should be established.

Banking Inclusion in Rio Grande do Sul State - GRI FS13

Rio Grande do Sul State Regional Development Councils (COREDEs)	Type			Total Access Points	Percentage of access points in the region relative to the entire state
	Branches	Banking Service Stations	Electronic Points of Service		
Alto da Serra do Botucarái	7	4	3	14	1.13%
Campanha	6	4	11	21	1.69%
Campos de Cima da Serra	4	7	3	14	1.13%
Celeiro	11	6	4	21	1.69%
Centro-Sul	12	5	6	23	1.85%
Fronteira noroeste	13	7	7	27	2.17%
Hortênsias	6	2	8	16	1.29%
Jacuí-Centro	7	2	8	17	1.37%
Médio Alto Uruguai	14	8	3	25	2.01%
Missões	13	10	10	33	2.66%
Nordeste	11	3	2	16	1.29%
Noroeste Colonial	8	4	13	25	2.01%
Norte	18	10	7	35	2.82%
Rio da Várzea	8	2	7	17	1.37%
Vale do Caí	12	5	6	23	1.85%
Vale do Jaguari	7	2	7	16	1.29%
Vale do Rio Pardo	16	10	21	47	3.78%
Vale do Taquari	20	14	16	50	4.03%
Total	193	105	142	440	35.43%

Awards and Recognitions GRI 2.10



Banrisul in the Media

07/20/2012 - Correio do Povo

Banrisul divulga relatório pioneiro

O Banrisul apresentou ontem o Relatório de Sustentabilidade 2011, elaborado com base nas diretrizes da Global Reporting Initiative (GRI). Com isso, o banco tornou-se pioneiro na administração pública estadual e a terceira empresa estatal gaúcha a publicar o informativo nesses moldes. O estudo mede o desempenho sustentável de empresas, repartições públicas e organizações não governamentais.

Segundo a gerente do Grupo Estratégico de Gestão Sócio-Ambiental do Banrisul, Marta Silva Neves, o GRI foi criado em 1997 e é uma instituição global independente e sem fins lucrativos. As bolsas de valores exigem o GRI como fundamento de instituições financeiras, pois agrega valor, qualifica as relações e traz a responsabilidade social na área onde atuam, dando maior visibilidade pelas boas práticas, influenciando na liquidez das ações no mercado. "Pelo menos 6 mil organizações já estão alinhadas a este novo conceito. Na França, é obrigatório", citou. O presidente do Banrisul, Tulio Zamin, ressaltou a formação de um setor res-



Tulio Zamin

ponsável pela elaboração do relatório e pelas relações com clientes e fornecedores, tornando-o uma ferramenta para mediação das práticas e evolução da instituição e de seus parceiros. "O relatório é uma evolução do balanço social, mas traz uma leitura mais aberta dos dados. Assim, a sociedade poderá acompanhar os avanços do banco gaúcho", frisou.

Atualmente, mais de 60 países seguem as diretrizes de desenvolvimento do GRI e tornaram-se referência mundial nesse campo. Para

Marta Neves, a conquista desta credibilidade internacional depende à consulta de acionistas e à busca de consenso entre empresas, sociedade civil, trabalhadores, economistas, acadêmicos e governos, em suas deliberações. Segundo ela, o relatório tem como finalidade básica dar equivalência da sustentabilidade aos índices financeiros. "Assim, há valorização nos processos sociais e ambientais". O Banco Central do Brasil, no final de setembro, tornará obrigatória às instituições financeiras a apresentação do Relatório de Sustentabilidade.

08/14/2012 - NH

Banrisul injeta R\$ 17 bi em crédito na economia

Banco divulgou balanço do primeiro semestre

Porto Alegre - O Banrisul liberou R\$ 17,7 bilhões em operações de crédito no primeiro semestre de 2012, superando em R\$ 1,8 bilhão as concessões feitas no mesmo período do ano passado. Mesmo com bons números, o banco apresentou redução no lucro. No primeiro semestre deste ano, a instituição acumulou R\$ 419,6 milhões, uma retração de 4,3%. O anúncio foi feito ontem, na sede da instituição, em Porto Alegre, pelo presidente do banco, Tulio Zamin, durante a apresentação do relatório financeiro dos seis primeiros meses do ano. "Hoje, estamos comemorando com a sociedade gaúcha uma irradiação de mais de R\$ 17 bilhões na economia por meio de operações de crédito comercial, imobiliário, rural, câmbio e de longo prazo", frisou. Ele salienta que, mesmo diante da estagnação que o Estado passou, o Banrisul alcançou neste semestre R\$ 900 milhões em financiamentos da atividade primária e do agronegócio. "A carteira de crédito rural foi destaque mesmo com a queda da produtividade das lavouras", observa.



CERIMÔNIA: vice Flavio Lammel, presidente Tulio Zamin e diretor financeiro João Gazzera

Bons números nos segmentos

O saldo da carteira de crédito do Banrisul totalizou R\$ 22,9 bilhões no período, 21,5% superior à posição alcançada no primeiro semestre de 2011. Os ativos totais do banco atingiram R\$ 42,7 bilhões, em junho de 2012, com incremento de 22,9% sobre o mesmo período de 2011. Os recursos captados e administrados alcançaram o saldo de R\$ 37,9 bilhões ao final de junho de 2012, volume 22,6% acima do montante registrado no mesmo mês do ano anterior.

Mais de 40 milhões de operações

Operando em mais de 100 mil estabelecimentos comerciais, a Rede Banricompras realizou, no período, 40,4 milhões de operações, movimentando R\$ 2,9 bilhões, valores superiores em 10,5% e 14,9% respectivamente, comparados ao mesmo período do ano anterior.

Período marcado por investimentos internos

Tulio Zamin enumerou uma série de iniciativas da gestão no período, como o investimento de R\$ 195,3 milhões em tecnologia, reformas e ampliação de agências, um aumento de 105,8% em comparação com o mesmo período de 2011. Também destacou a aquisição de uma empresa promotora de vendas de crédito consignado, a expansão da rede de atendimento - que atingiu 1,3 mil pontos com a inauguração de 14 novas agências -; a contratação de mais de 700 novos empregados, além da ampliação da Rede Banricompras e o lançamento de novos produtos na área de seguros.

Para o dirigente, estas ações demonstram que a atual conjuntura econômica não alterou o planejamento estratégico da administração, preparando o banco para um ambiente de maior competitividade. "As medidas adotadas pelo Banrisul mantêm a perspectiva da continuidade do crescimento da instituição, aumentando a participação no mercado com a alocação de recursos para financiar a atividade produtiva", considera.

LUCRO APRESENTA QUEDA

No primeiro semestre de 2012, o lucro líquido da instituição acumulou R\$ 419,6 milhões, com retração de 4,3% em comparação ao obtido no mesmo período do ano passado. O resultado no semestre reflete, apesar do efeito da redução de taxas e spread, a elevação das receitas de crédito, tesouraria e prestação de serviços, provenientes de medidas associadas à estratégia de crescimento do Banrisul, como a estruturação de captação externa e da aquisição de uma empresa promotora de vendas de crédito consignado.

10/11,12,13 and 14/2012 - Jornal do Comércio

Banrisul busca novas fontes para microcrédito

Programa atingiu marca de R\$ 100 milhões em repasses

Clarisse de Freitas

clarisse@jornaldocomercio.com.br

O presidente do Banrisul, Tulio Zamin, comemorou na quarta-feira a marca de R\$ 100 milhões repassados pelo Programa Gaúcho de Microcrédito e ponderou que agora o banco, que vinha aplicando a parcela de 2% dos saldos dos depósitos à vista captados pela sua rede de agências, deverá buscar outras fontes de recursos, como o Brde e o Badesul, que já fazem parte da estrutura formadora do programa.

Zamin explicou que o microcrédito no Brasil decorre de uma exigibilidade dos depósitos à vista, regulada pelo Banco Central. O executivo afirmou que, apesar disso, boa parte dos bancos não cumprem a determinação e preferem deixar seus recursos depositados no BC sem remuneração. "A nossa orientação aqui é exatamente o contrário. Em parceria com o governo do Estado, estabelecemos uma rede independente das agências, que tem por objetivo fomentar e orientar os tomadores de crédito. Pela trajetória que o microcrédito vem tomando, esperamos um aquecimento da demanda", detalhou.

Com isso, os recursos usados até agora - que correspondem a essa parcela de 2% dos depósitos



Expansão dos financiamentos foi debatida na Capital com entidades

à vista feitos no Banrisul - precisam ser ampliados. "Temos um funding que está chegando praticamente a sua totalidade, mas nós vamos buscar alternativas, além de utilizar as outras instituições do sistema financeiro do Estado", explicou. O secretário-executivo do Conselho de Desenvolvimento Econômico e Social (Corseleão), Marcelo Daneris, ressaltou que o programa não tem limite de volumes a serem repassados e que o governo estimula a tomada de recursos para fomentar a geração de emprego e renda. Daneris coordenou uma rodada de Diálogos do Conselho de Desenvolvimento Econômico e Social (CDES-RS), que tratou sobre o programa de microcrédito durante a Convenção Lojista da FCDL. O governador Tarso Genro, que assistiu ao encontro, apontou que a grande importância do programa está no estímulo à formalização. De acordo com os dados apresentados pela Secretaria de Economia Solidária e Apoio às Micro e Pequenas Empresas (Sesampe), 92% dos tomadores de recursos, nesse primeiro ano de funcionamento da iniciativa, são empreendedores informais. Desde outubro do ano passado, o programa contemplou a 11,2 mil pessoas que tomaram, em média, R\$ 8,88 mil a cada operação. Até agora, a inadimplência registrada é de 0,34%.

01/05/2012 - Zero hora

CURTÍSSIMA

O Banrisul informou que recebeu ontem da agência classificadora de risco de crédito Moody's Investors Service o grau de investimento, com nota Baa3, em escala global, e a nota máxima em escala doméstica.

10/26/2012 - Zero hora

24 Economia

ZERO HORA SEXTA-FEIRA, 26 DE OUTUBRO DE 2012

EM TEMPO REAL

Terminal faz depósitos sem utilizar envelopes

Banrisul amplia a utilização de terminais de autoatendimento inteligentes

O Banrisul começa a adotar um equipamento que faz depósitos de dinheiro e cheque sem envelope. Atualmente, quatro terminais de autoatendimento em Porto Alegre já fazem uso dessa tecnologia.

O serviço é considerado inédito no mercado brasileiro. Chamado de terminal Saque e Pague, o equipamento é desenvolvido pela empresa gaúcha GetNet e permite também a realização de depósitos em cheque, com a digitalização e envio da imagem para compensação eletrônica ao banco. A partir de novembro, os caixas inteligentes começam a ser instalados em outros pontos da Capital e em um local em São Leopoldo (confira quadro ao lado). O banco estima que, até o fim do próximo mês, 17 terminais desse tipo estejam em funcionamento.

A partir da experiência nesses locais iremos planejar a expansão dos novos terminais de autoatendimento - explicou Ivandir Medeiros, diretor operacional e de atendimento do Banrisul.

Com o sistema, o dinheiro que entra nos caixas eletrônicos por depósitos em dinheiro será reutilizado no próprio equipamento, garantindo o constante reabastecimento de dinheiro.

Além da maior comodidade para os clientes, teremos redução de custos logísticos com recolhimento de envelopes e com carros fortes que reabastecem os caixas - afirma Medeiros, acrescentando que o banco tem 3,5 mil pontos de autoatendimento no Rio Grande do Sul e em outros Estados.

Desenvolvida durante dois anos, a tecnologia deverá ser expandida para redes de outras instituições financeiras, conforme tratativas da GetNet com bancos privados.

O sistema foi criado com a finalidade de atender tanto o setor bancário quanto o setor varejista, além de oferecer aos clientes todas as demais operações de um autoatendimento - explica o presidente da GetNet, José Renato Hopf.

De acordo com Hopf, nos próximos meses serão oferecidas nessas mesmas máquinas serviços de câmbio, reciclagem de moedas e recarga de bilhetes de transporte.

Onde estão

- Atualmente,** os novos terminais estão instalados no Bourbon Country, no Zaffari Fernando Machado, no Nacional da Wenceslau Escobar e no Mercado Público, em Porto Alegre.
- A partir de 1º de novembro,** será estendido para o Big Sertão, Sam's Club, Bourbon Wallig, todos na Capital, e o posto de combustíveis Energia, em São Leopoldo.
- Os demais nove pontos** serão definidos ao longo do mês.

Como agir

- No terminal** de autoatendimento, procure a opção "Serviço" e após, "Depósito".
- Antes de inserir** as cédulas ou o cheque, o usuário deve informar a quantidade que pretende depositar.
- As notas** devem ser inseridas todas de uma vez só e não em sequência, independentemente do valor de cada uma delas.
- O cheque** deve ser colocado com a frente virada para cima. Logo após, irá aparecer a imagem do cheque digitalizada na tela.
- Após a inserção** de dinheiro, o usuário deve informar a quantidade que pretende depositar.
- Após a inserção** de dinheiro, o usuário deve informar a quantidade que pretende depositar.
- Após a inserção** de dinheiro, o usuário deve informar a quantidade que pretende depositar.

Em vídeo, confira como funciona o terminal Saque e Pague.

Como agir

- No terminal** de autoatendimento, procure a opção "Serviço" e após, "Depósito".
- Antes de inserir** as cédulas ou o cheque, o usuário deve informar a quantidade que pretende depositar.
- As notas** devem ser inseridas todas de uma vez só e não em sequência, independentemente do valor de cada uma delas.
- O cheque** deve ser colocado com a frente virada para cima. Logo após, irá aparecer a imagem do cheque digitalizada na tela.
- Após a inserção** de dinheiro, o usuário deve informar a quantidade que pretende depositar.
- Após a inserção** de dinheiro, o usuário deve informar a quantidade que pretende depositar.
- Após a inserção** de dinheiro, o usuário deve informar a quantidade que pretende depositar.

12/02/2012 - O Sul

100% ATENDIDO

A Padaria da Amizade, em Boa Vista do Cadeado, virou marco financeiro: com o Cartão BNDES recebido pelo proprietário Adecir Copetti Funck, o banco e o Banrisul atingem 100% do território gaúcho. Isso mesmo, todos os municípios do Estado têm, pelo menos, um cartão concedido.

11/06/2012 - Jornal do Comércio

O Banricompras

A Rede Banricompras atingiu a marca de um milhão de transações em outubro, primeiro mês de operação como multibandeira com as bandeiras de cartões de crédito e débito MasterCard, Visa e VerdeCard. Os números demonstram sua consolidação tanto junto aos usuários quanto junto ao setor varejista.



Economic and Financial Scenario

Economic and Financial Scenario

A Year of Transitions

Whether throughout the world, in Brazil, or in the Southern region, 2012 was characterized by major challenges. These conditions required even more agility and efficiency of the banking sector, and Banrisul positioned itself by actively confronted them, making 2012 a year of transitions.

Global Scenario

As the year progressed, it was marked by strong instability and low growth internationally. The uncertainties began in three primary areas: Europe, the U.S. and China.

In Europe, the financial crisis brought new waves of trouble. Although significant advances have been made in fiscal and political integrations, they were not enough to appease the turmoil in the region. As a result, unemployment and debt rates remained too high, causing negative effects on a global scale.

For its part, the performance of the U.S. economy aroused doubts. Although it had been on a path of moderate recovery, difficulties returned. The labor market lost momentum and private investment weakened. Between fiscal problems and political mistakes, the government raised taxes and made cuts in public spending.

Reflecting a process of deceleration, China grew at 7.8% in 2012 - the lowest rate since 1999. Driving that performance were factors such as falling demand for Chinese exports, localized inflationary pressures and measures taken to contain the housing boom. Since then, moving away from the fragility of the foreign market,

supply has been directed toward the domestic market. Despite these setbacks, the country still managed to provide consistent economic indicators.

Brazil

Despite the frustrating global economic performance, well short of initial expectations, Brazil managed to begin a gradual resumption of growth. It was adversely affected by weakening of the rate of investment, but managed to stop the slowing trend, ending the year with GDP growth of 0.9%.

Throughout 2012, the federal government adopted a series of stimulus measures, such as tax exemptions, exchange rate devaluation, reduction of bank deposit reserve requirements, payroll exemptions in relevant industry sectors and the establishment special of terms for the acquisition of machinery and equipment.

Those measures worked: the labor market and wages were preserved, holding up aggregate consumption. On the other hand, the advances occurred amid inflation which was persistently above target and high family income commitment. The over-60 day delinquency rate accounted for 3.8% of loans – an increase of 1.04% compared to December 2011. For its part, the over-90 day delinquency rate reached 2.93%, an increase of 0.55%.

The payroll lending market went through a period of adjustment, and the schedule for adherence to the Basel III Accord (a set of proposals reforming banking regulations) imposed the need to adjust liquidity management



Brazil was adversely affected by the rate of investment, but managed to stop the slowing trend.

and capital requirements to the minimum levels set by Central Bank.

However, the year's most important factor was the accelerated drop of the Selic rate - which hit its lowest level ever. The move was expected, but the intensity of the cycle surprised the market. This encouraged the development of production but it also resulted in several challenges to the domestic financial sector. In response to the new rate, the pace of credit expansion slowed, bank spreads decreased and the profitability of the institutions declined.

This complex scenario required banks nationwide to adjust to the new economic reality. As a result, planning and correct market positioning became even more important. This involves working with appropriate products and services, with service that met customer expectations. With customers growing increasingly demanding and in-

formed, especially in an era of portability, retaining them became more than decisive; it became a necessity.

Southern Region

Rio Grande do Sul's economic activity suffered serious harm in 2012. According to calculations by the Statistics and Economy Foundation (FEE), GDP shrank by 1.8%. Two key factors drove this negative performance: the drought and the weakening of the international economy.

As the main factor contributing to the negative result, the agricultural and livestock industry suffered a 27.6% decline because of the drop in grain production, especially soybeans and corn. Oriented toward exports, the state's industry was hurt by the sharp drop in foreign demand, registering a decline of 2.3%. Spurred by the expansion

of credit and the strengthened labor market, the service sector moved in the opposite direction, moving up 3%.

Throughout 2012, the state-implemented Industrial Policy began to generate results. The initiative specified 22 sectors as strategic to resumption of growth in Rio Grande do Sul. Between 2011 and the end of the subsequent year, R\$ 29.2 billion in private investment were announced, according to the Development and Investment Promotion Department's balance sheet.

Santa Catarina also faced challenges to industry. According to data reported by the IBGE, the state saw a 2.7% decline in production, as well as a worsening on the sector's trade balance. As was the case in Rio Grande do Sul, Santa Catarina farmers and ranchers also suffered losses because of the drought. The good news for the state related to job creation; according to the Ministry of Labor and Employment, that rate rose 20% over the 2011 level.

According to the Paraná Institute of Social and Economic Development (Ipardes), GDP growth for Paraná matched that of Brazil as a whole in 2012: 0.9%. In line with the national trend, industrial production in Paraná dipped by 4.8% in 2012, the deepest decline in 17 years, according to the IBGE. However, according to a study by the Paraná State Federation of Industries (Fiep), revenues for the sector reached their highest level since 1986. As with the other Southern states, the drought affecting the first half of the year hurt the primary sector results. On the other hand, Paraná commerce moved up 9.9%, outpacing the national average (8.4%), according to the IBGE.



The dry weather drove the economic activity's low performance in the state of Rio Grande do Sul (RS) in 2012.

Banrisul

Working in an increasingly competitive and challenging market, Banrisul made 2012 a year of transitions. The Bank put into place new initiatives that affected its results and will continue to affect them in the medium and long term. It not only survived in a difficult scenario, but prospered. It bet on long-term products, implemented a strategy of acquisitions and partnerships, increased services and enhanced customer loyalty. Faced with adversity, it grew stronger because of its efforts to adapt to new market conditions.

At the end the year, Banrisul increased revenue generation by 4.4% over the same period in 2011, as indicated in its Added Value Statement (AVS). This performance was driven by total asset growth of 23.9%, with that indicator climbing to R \$ 46.6 billion. Driving that increase were gains in deposits (R \$ 4.4 billion), foreign funding (R\$ 1.1 billion) and borrowings and on-lending (U.S. \$ 1.1 billion).

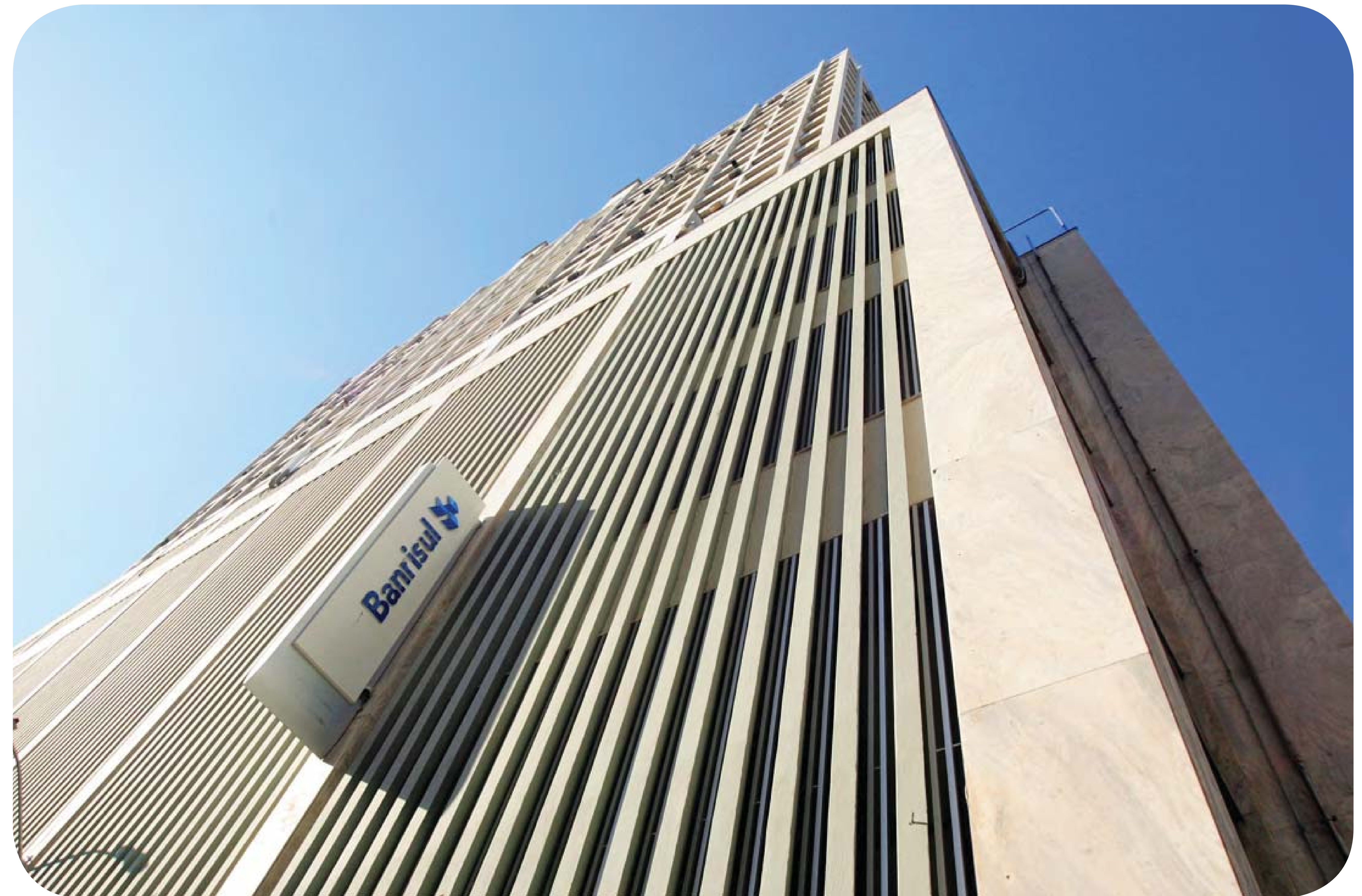
On the strength of an 11.2% increase, the Bank's net equity rose to R\$ 4.9 billion at the end of December, an increase of R\$ 494.7 million compared to the previous year. Return on equity reached 17.6%. The variation of the Basel index – 17.2% to 18.7% – was especially favored by the year's foreign funding operations.

The credit portfolio moved up 19.4% to R\$ 24.3 billion. With especially strong performances from the commercial and real estate credit portfolios, the amount was R\$ 3.9 billion higher than the level recorded in December of 2011. There was also a 20.2% increase in funds raised and managed, which ended the year at R\$ 41 billion.

Despite being favorable, the financial results were influenced in part by the slowdown in business in the economic sector. Net income totaled R\$ 816.6 million in 2012, a decrease of 9.5% compared to the 2011 result. Reflecting the downward trend of the Selic rate and average lending rates, wealth generated was R \$ 2.9 billion, 0.2% lower than in 2011. The disbursed portion came to R \$ 2.8 billion, with 40.9% of that allocated to personnel expenses and 27.3% to taxes, fees and contributions. During the year, the Bank's workforce increased by 12%.

19.4%

The credit portfolio moved up



Added Value Statement (R\$ thousands) GRI 1

	2011 (R\$ mil)	2012 (R\$ mil)
1- REVENUES	6,269,792	6.542,794
1.1) Sales of goods, products and services	6,899,302	7,395,239
1.2) Provision for doubtful accounts - reversion/calculation	-629,510	-852,445
1.3) Non-operating	0	0
2- INPUTS ACQUIRED FROM THIRD PARTIES (includes ICMS and IPI)	3,400,40	3,683,094
2.1) Financial intermediation expenses	2,578,688	2,615,793
2.2) Materials, energy, third party services and others	822,052	1,067,301
3 - GROSS ADDED VALUE	2,869,052	2,859,700
4 – WITHHOLDINGS	111,862	109,449
4.1) - Depreciation, amortization and depletion	111,862	109,449
5 - NET ADDED VALUE PRODUCED BY THE ENTITY	2,757,190	2,750,251
6 - ADDED VALUE RECEIVED IN TRANSFER	0	1,207
6.1) Equity results	0	1,207
6.2) Financial revenues	0	0
7 - TOTAL ADDED VALUE TO DISTRIBUTE	2,757,190	2,751,458
8 - DISTRIBUTION OF ADDED VALUE	2,757,190	2,751,458
8.1) Personnel and charges	999,331	1,124,433
8.2) Taxes, fees and contributions	801,666	752,128
8.3) Interest and leases	51,694	56,185
8.4)) Interest on own capital and dividends	358,307	326,465
8.5) Retained profit / losses in the period	492,247	546,192

Community Investment Statement (R\$)*

	2011	2012
INVESTMENTS	12,090,270	11,846,162
1. Incentivized Investments	9,301,897	7,743,242
2. Voluntary Investments	2,788,373	4,102,920

* Further information can be found in the Social and Environmental Development chapter.

Highlights on the Year

- Acquisition of 49.9% of Bem-vindo, opening up space for national expansion. With 73 stores, the sales promoter operates in every state in Brazil
- External debt issues, totaling US\$ 775 million
- Rated investment grade by Moody's and Standard & Poor's
- Positioning of the Banricompras accretor as one of the four largest acquiring networks in Brazil; it now captures and processes the transactions of the largest credit and debit card brands: MasterCard, VerdeCard, Visa and Banricompras
- Joined GetNet's Saque and Pague network, an online self-service multiservice deposit system that allows deposited cash to be reused for withdrawals, reducing restocking needs (for more information, refer to page 44)
- Approval of the Sustainability Policy

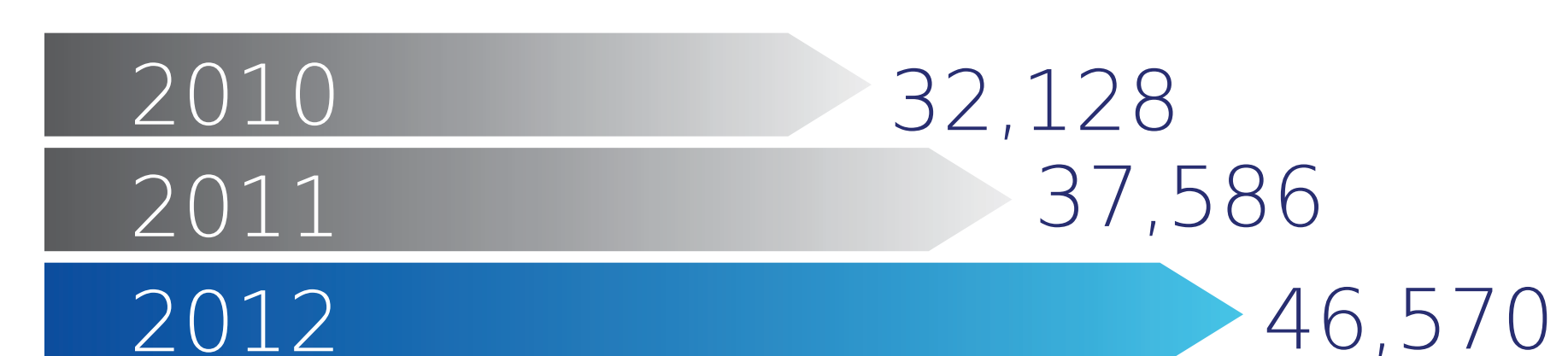
Evolution of Assets (R\$ millions)

	Dec/11	Mar/12	Jun/12	Sep/12	Dec/12
Total assets	37,585.6	39,780.9	42,723.9	44,633.0	46,570.8
Credit operations	20,393.2	21,303.0	22,858.9	23,789.2	24,327.0
Securities*	11,080.1	12,341.1	12,619.6	13,538.5	15,342.8
Funds raised and managed	34,098.0	36,003.1	37,866.5	39,273.1	40,985.3
Net equity	4,399.5	4,550.5	4,652.2	4,799.4	4,894.2

*Amount includes interbank liquidity investments and deducts repurchase obligations.

Main Financial Indicators

Total assets (R\$ millions)



Evolution of the efficiency index (%)



Net equity (R\$ millions)



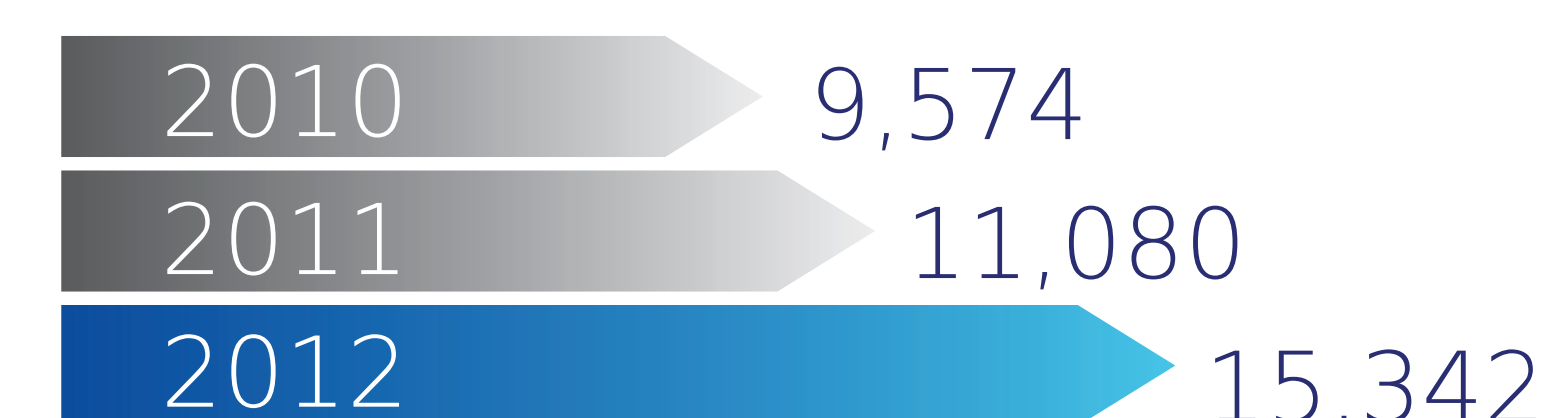
Funds raised and managed (R\$ millions)



Net income (R\$ millions)



Securities (R\$ million)



Evolution of the Basel index (%)



Evolution of credit operations (R\$ millions)





Challenges and Opportunities

Challenges and Opportunities

Ongoing Partnerships



Amidst the uncertainty resulting from the global financial crisis, Banrisul sought to encourage sustainable practices and actions in the daily work of its employees and collaborators. In the areas of credit and commercial operations, this challenge became an opportunity, as with the Accessibility CDC and the green fee package. We thus cemented partnerships and strengthened our relationship with customers in an increasingly competitive market.

Guidance

Established in 2011, the performance goals were completely met throughout 2012. For example, growth of the real estate lending portfolio reached 29%, surpassing the estimated ceiling of 25% for the period.

For 2013, projections for growing the institution's businesses are in line with the goals set for last year. In terms of credit lines, projections call for higher demand from the business segment than from consumer loan seekers, as was the case in 2012. The only exception is the rate of return on average equity, whose floor was lowered. That reflects an adjustment to a climate of lower interest and spreads implemented by financial institutions in Brazil.

Real estate credit is expected to expand at a lower rate than last year because of the comparison basis effect: in 2012 this segment experienced significant growth.

Guidance (% growth)

Estimate Banrisul	Estimate Year 2012	Actual Year 2012	Estimate Year 2013
Credit Portfolio	15% to 20%	19.4%	15% to 20%
Commercial Credit - Individuals	12% to 17%	14.5%	10% to 15%
Commercial Credit - Companies	16% to 21%	17.4%	18% to 22%
Real Estate Loans	20% to 25%	29.0%	12% to 17%
Provision Cost / Average Credit Portfolio	3% to 4%	3.5%	3% to 4%
Allowance for Loan Losses / Average Credit Portfolio	6% to 8%	6.5%	6% to 8%
Funding	13% to 18%	16.8%	13% to 18%
Time Deposits	18% to 23%	22.1%	18% to 23%
Recurring Return on Average Shareholders' Equity	17% to 21%	17.6%	16% to 20%
Efficiency Ratio	45% to 49%	47.5%	45% to 49%
Net Financial Margin / Interest-Earning Assets	9% to 10.5%	9.4%	9% to 10%

Credit

As a public institution, Banrisul has a responsibility to foster economic development by providing financing to the population. In a challenging year for the global economy, the Bank identified priorities, which included the microcredit, rural credit and real estate lines.

Through its credit lines, Banrisul offered products adapted to the new Brazilian reality, where new kinds of consumers are emerging. To address this market, the Bank focused on two groups: on individual customers, through Banricompras; and on legal entities, individual entrepreneurs or micro entrepreneurs, through its microcredit program.

Microcredit

Contributing to the development and leveraging of small business is one of the focuses of Banrisul. To achieve this goal, the Bank has established the Gaúcho

(Rio Grande do Sul) Microcredit Program, administered in partnership with the state government. This program granted financing lines of between R\$ 100.00 and R\$ 15 thousand at monthly interest of 0.64% for terms of up to 24 months. The funding is backed by Fund to Support Micro Enterprise, Rural Micro-producers and Small Businesses (Funamep).

Those benefitting most from the program are persons running informal businesses, meaning individuals without formal business licenses, who account for 90% of the micro-loans. The reasons these small business owners prefer the program include low interest rates, compatible repayment terms and the ease of securing financing.

Another characteristic of the Gaúcho Microcredit Program is the variety with which the funds made available are put to use. Nearly 52% of the entrepreneurs served work in the services segment. Another 33% are merchants, while the remaining 15% are split between industrial workers (9%) and family farmers (6%).

R\$ 137

million in loans mainly destined to informal entrepreneurs and micro-enterprises through the RS Microcredit Program

Microcredit – GRI FS6

Region	Sector	Amount (R\$)	Size	Percentage
Porto Alegre, Rio Grande do Sul State	All	11,054,782.50	Informal entrepreneurs, micro- and small businesses	8.05%
Interior of Rio Grande do Sul State	All	126,259,014.71	Informal entrepreneurs, micro- and small businesses	91.95%

* Banrisul's microcredit policies are consistent with Resolution 4,518 and State Decree 48,165, of 7/15/2011, in addition to being supported by the National Microcredit Programs [link: <http://portal.mte.gov.br/pnmpo>]. In addition to having goals, the Bank seeks to expand participation in specialized lending and to develop actions focused on principles of corporate governance and sustainability. For 2012, Banrisul projected investing R\$ 50 million and actually allocated R\$ 137 million. The goal for 2013 is R\$ 250 million. The institution's main ongoing actions are the execution of agreements with municipalities that are not yet participating in the [Gaúcho Microcrédito Program](#) and the expansion of training capacity of municipal agents. In order to define regions and sectors of high social and environmental impact for the development of new lines of micro-credit, Banrisul relies on the determinations of the program, reducing the average loan granting amount. That allows it to increase the number of micro entrepreneurs served by the program.

Rural Lending

Founded to help drive the primary sector, Banrisul has a long history of commitment to agricultural production, a trait that was even more visible in 2012. In the course of the year, the Bank disbursed R\$ 1.57 billion in rural lending operations. The balance of this portfolio increased by 6.3% to R\$ 1.8 billion, up R\$ 106.9 million compared to the 2011 balance of R\$ 1.7 billion.

Banrisul's participation in Expointer, one of the world's largest and most important rural fairs, was indicative of this strong performance. During the nine days of the fair's 35th edition, which took place in September of 2012, business volume surpassed R\$ 172.5 million, a 368% increase over the previous year's showing. Most of those resources (R\$ 120.6 million) were allocated to contracts and agreements with cooperatives and companies linked to the primary sector. An additional R\$ 51.9 million were used to acquire machinery, agricultu-

ral equipment and animals.

During the event, the Bank launched the Simplified Baniagro Program, which makes available the institution's own resources to defray agricultural and livestock costs for members of the cooperatives. Agility is one of the key strengths of the tool: using an online software program, cooperative members can submit technical projects directly to the Bank's system, allowing Banrisul to release the funds to producers within 48 hours.

Real Estate Lending

Attentive to preserving the environment, Banrisul reduced its rates for real estate financing for sustainable buildings by 50%. This is an incentive to customers willing to build projects whose design, construction or operation significantly reduce their environmental impact. The terms are granted upon the presentation of certain obligations, such as energy efficiency, water

conservation, materials used and justification of the use of natural resources, in addition to waste control and recycling.

In 2012, the Bank issued R\$ 1.2 billion in real estate financing. Throughout the year, the loan portfolio grew 29%, or R\$ 504.9 million, moving up from R\$ 1.7 billion to R\$ 2.2 billion. That performance exceeded the institution's projections, which had called for an increase of 20% to 25% in the period.

Investments

Composed of shares of stocks listed on the BM&FBovespa's Differentiated Corporate Governance Stock Index, or IGC, the Banrisul Corporate Governance Stock Investment Fund focuses its resources on the assets of companies that have good levels of corporate governance. The fund ended the year with R\$ 1.84 million in net assets.

Rural Credit Lines* - GRI FS6

State	Sector	Amount (R\$)	Size	Percentage
Rio Grande do Sul	Agriculture and Livestock	1,343,240,783.83	Farmers (individuals and legal entities) and cooperatives	85.42%
Santa Catarina and Paraná	Agriculture and Livestock	227,359,216.17	Farmers (individuals and legal entities) and cooperatives	14.46%
Rio de Janeiro	Agriculture and Livestock	2,000,000.00	Farmers (legal entities)	0.13%
Total	Agriculture and Livestock	1,572,600,000.00	-	100%

* The organization follows the Institutional Manual, the Organizational and Administrative Rulebook, BNDES regulations, the Rural Credit Manual and the Resolutions of the Central Bank of Brazil. Goals and performance data are determined and monitored by the Strategy and Monitoring Nucleus, which involves the Rural and Commercial credit units, as well as the regional superintendences. The six-month goals to be met are set by branches and corporate divisions. Auditing also takes place. All of the goals pertaining to Banrisul's own resources have already been established, with those relating to resources transferred from BNDES and invested at the Bank's risk having been partially established. Banrisul does not determine regions and sectors of high social and environmental impact for the development of new rural credit lines. However, it does support the development of the communities in which it operates by seeking to make available lines of financing that meet their needs. As a financial agent of the state government's economic-financial policies, it offers resources for financing the activities necessary to the sustainable development of Rio Grande do Sul. The Bank is currently developing the Santa Catarina State rural credit expansion project, which includes opening new branches.



It is one of the 38 investment funds managed by the Bank, part of a third party resource portfolio assessed at R\$ 7.13 billion, up 7.5% over the 2011 balance. The portfolio holds 22 fixed-income funds, eight stock funds, one multimarket fund, one ID-indexed fund and six exclusive funds. The Bank also manages an individual planned retirement fund and two investment portfolios.

Commercial Operations

Banrisul's commercial operations were focused on acquiring new clients and retaining existing customers in 2012. The changes in the economic climate made it necessary for the Bank to further strengthen its service advantage. Specific products and services, as well as direct marketing and targeted credit lines, were developed for public servants. The potential to expand relationships with customers in the A and B classes resulted in the creation of Affinity Spaces and the Banrisul Platinum MasterCard and VISA credit cards.

The commercial strategy focused on the diversification and commercialization of strategic products, such as credit cards, insurance, consortia, real estate lending, financial investments and the BNDES card.

Banricompras

In October of 2012, the Banricompras network, which had already been processing MasterCard brand card transactions, began processing VISA and VerdeCard transactions as well. The expansion in acquiring operations was a measure that consolidated the system, which also works with Banricompras and Banrisul Serviços (Meals, Food, Fuel, Gifts, Benefits and Salary).

In the first month of multibrand operations, the network surpassed the one million transactions mark. That solid performance strengthened the channel's ties with the commerce industry, especially in the small



and medium-sized retail segment. Several exclusive agreements were signed in 2012, including with the Rio Grande do Sul Regional Dental Council, the GNC theater chain, Projeto Verão 2013 (Project Summer), Sam's Club of Walmart Brasil and Redecen (Supermarket Chain Center). At the end of the year, more than 118 thousand establishments were accredited with Banricompras.

Technological innovation also guided the actions of Banricompras in 2012. Along with other acquirers, the channel led the creation of a national map for including PIN Pad cryptographic keys, enhancing the security of the channel.

The Banricompras network's transaction volume totaled R\$ 7.59 billion, 23.2% higher than the 2011 figure. When just the Banicompras brand is considered, the growth rate was 14.3% compared to the previous year, and the total came to R\$ 6.32 billion. Revenues from fees totaled R\$ 113.2 million, 11.2% higher than in 2011.

Banricompras Multibrand Network Figures

Brand	2012 financial transaction volume (in R\$ millions)
Banricompras	R\$ 6,324.8
Banrisul Serviços	R\$ 820.1
MasterCard	R\$ 250.5
VISA	R\$ 176.3
VerdeCard	R\$ 26.4
Total	R\$ 7,598.1

Acquisitions and Partnerships

Amid ever-increasing competition, Banrisul acquired 49.9% interest in Credimatone Promotora de Vendas e Serviços S.A., which includes the payroll lending structure of Banco Original S/A. In conjunction with MatoInvest, the bank assumed control of the company's businesses, which include more than 400 thousand customers and 73 stores spread throughout all of the states of Brazil.

The acquisition, assessed at R\$ 40 million, is part of Banrisul's commercial expansion strategy. Without interfering with plans to expand the Bank's own service network, the acquisition of Bem-vindo aims to leverage customer relationship channels, increase the credit portfolio and enhance the potential to distribute financial products and services throughout the country. At year's end, the balance of credit operations generated by the network totaled R\$ 1.67 billion.

Fundraising

In an effort to increase its financing capacity, Banrisul expanded its funding operations by seeking financial resources in foreign markets. In 2012, the institution raised funds in the amount of US\$ 775 million in two issues to foreign investors. The proceeds were used to increase loans to Rio Grande do Sul exporters.

In addition to those foreign subordinated debt issues, Banrisul's fundraising structure is, to a large degree, composed of time deposits, certificates of deposit (CDB), savings deposits and financial and development funds. In 2012, the Bank also obtained funds by issuing real estate bonds. In the course of the year, the institution raised R\$ 40.9 billion, 20.2% more than in 2011.

Portability

One of the major challenges faced by Banrisul last year was the banking portability of payroll lending and loans to civil servants, which went into effect in January of 2012. As of that date, employees were able to request that their salaries be automatically transferred to the bank of their choice. Private sector employees have had that right since 2009.

Since Banrisul's Individuals customer portfolio is made up primarily of municipal and state civil servants, it devised strategies for retaining those customers and strengthening their loyalty. Competitive advantages relating to proximity and strong relationships with public sector workers were emphasized by branch sales teams and by the Call Center. Specific measures, such as creation of the State Civil Servant Real Estate Lending Program, were also taken.

Partnership with BNDES

With a shared responsibility to improve the quality of life of the population and to reduce regional inequalities, Banrisul and the Brazilian National Development Bank (BNDES) strengthened their partnership in 2012. In December, the institutions announced that coverage of the BNDES Card had reached 100% of the state's municipalities.

Banrisul began BNDES Card operations in 2010, becoming one of five financial institutions in Brazil to offer the product, which is a pre-approved line of credit for financing the investments of micro-, small, and medium-sized enterprises. The product offers business owners a number of advantages, such as faster loan approval and access to funds, terms of up to 48 months, fixed and equal installments and exemption from the IOF financial transaction tax and the annual fee. The Bank has already issued 8 thousand cards, which have been used in 13.1 thousand credit operations totaling R\$ 178.4 million.

Insurance and Capitalization

The insurance market, which is increasingly seen as an income alternative and a guarantee of personal asset protection, remained hot in 2012. Banrisul took advantage of that climate to expand the solutions it offers its customers. One example was the Overdraft Installment Insurance program, launched in December as an option for ensuring the settlement of the outstanding balances of overdraft transactions in case of death of any kind.

Additionally, the Bank launched six other new products in 2012: Prestamistas Pagamento Único (Installment Single Pay), Banrisul Auto HDI, Seguro Residencial

BanrisuLar (residential insurance), Seguro Empresarial HDI (corporate insurance) and the BanriCap Super and BanriCap Top capitalization plans. Sales campaigns and promotions were also created to stimulate sales and expand the offer of insurance solutions for clients.

In 2012, Banrisul recorded approximately 697 thousand active insurance and capitalization transactions, a volume 47% higher than in 2011. Revenues reached R\$ 58.3 million, up 99.3% over the previous year.

Banrisul raised
US\$775
 million through two fund
 raising operations with
 foreign investors
 in 2012



Corporate Governance

Corporate Governance

Responsibility and Transparency

Consistent with its commitment to transparency and good management, Banrisul is a member of the Level 1 Corporate Governance segment of the São Paulo Stock Exchange (BM&FBovespa). That listing segment is reserved for the trading of shares from companies which voluntarily commit to adopt more stringent corporate governance practices. Such companies must facilitate access to their information, meeting higher standards than those specified in the Brazilian Corporation Law.

The Bank has also voluntarily adopted some rules established for firms with shares listed on the Novo Mercado segment and has included them in its Bylaws. Because of this, at least 20% of the members of its Board of Directors are independent. The Bank also has the obligation to hold public stock offerings that meet certain conditions, as well as to extend to all shareholders the same terms secured by the controllers in the case of transfer of control of the Bank. Furthermore, the organization, its controlling shareholders, managers and members of the Fiscal Council are also subject to the regulations of the Bovespa Market Arbitration Chamber.

The Banrisul shareholding distribution meets the standards required by its corporate governance level. At least 25% of its shareholders must not have any ties to the institution. At 42.83%, the Bank's free-float percentage (shares in free circulation in the market) is significantly higher than required. GRI 4.3

In 2012, Banrisul hosted the last monthly meeting of the Interbank Payment Clearing House Services Commission (CIP) in the state capital of Porto Alegre. It was the first time the event was held there. CIP brings together financial institutions throughout Brazil and aims to make available to the National Financial System (SFN) services and integrated technology solutions.



New Steps Forward

Banrisul's corporate governance took several steps forward during 2012. It made gains in terms of transparency and in meeting market requirements, which involved relationships between shareholders, the Board of Directors, the Board of Executive Officers, the Independent Auditor and the Fiscal Council. GRI 4.1

Risk Control Board

The Risk Control Board was created. This unit focuses on the integrated management of risks and on the strengthening of the internal control system.

Its primary functions include monitoring the implementation of methods and procedures related to the monitoring and assessment of controls and corporate risks, particularly those actions undertaken to reinforce the security of the Bank's customers by establishing the Information Security Laboratory [read more about this in the Technology and Innovation chapter]. GRI 4.1

Corporate Risk Management Unit

The Corporate Risk Management Unit is responsible for managing the risks inherent in the Bank's business processes and minimizing their impact on the operability of the various General Directorate bodies.

In 2012, the Bank consolidated the Risk Management and Capital Risk structures. The establishment of the Credit Risk, Market Risk, Liquidity Risk, Operational Risk and Capital Risk management structures facilitates proper management of the risks involved and helps ensure that the institution stays within Basel Accord parameters. GRI 4.1

In 2012, Banrisul drafted its Manual of Procedures for Disclosing Material Facts or Acts

Corporate Risk Committee

The Corporate Risk Committee was established for the purpose of strategically managing the institution's capital and risk (credit, market, liquidity and operational). Its primary functions include approving the methods used to measure risks, ensuring that credit risk management policies are appropriately applied and approving exposure limits in accordance with suitable risk levels. GRI 4.1

Compensation Committee

In observance of Central Bank Resolution 3,921, Banrisul established its Compensation Committee in 2012. The measure was approved at the Extraordinary General Shareholders' Meeting held on April 30, 2012.

The committee is a collegial body that provides counsel and guidance and reports directly to the Bank's Board of Directors. Jorge Luis Tonetto, Francisco Carlos Bragança de Souza and Marcelo Tuerlinckx Danéris were elected as its members on August 7 and will serve three-year terms. GRI 4.1

Procedures Manual

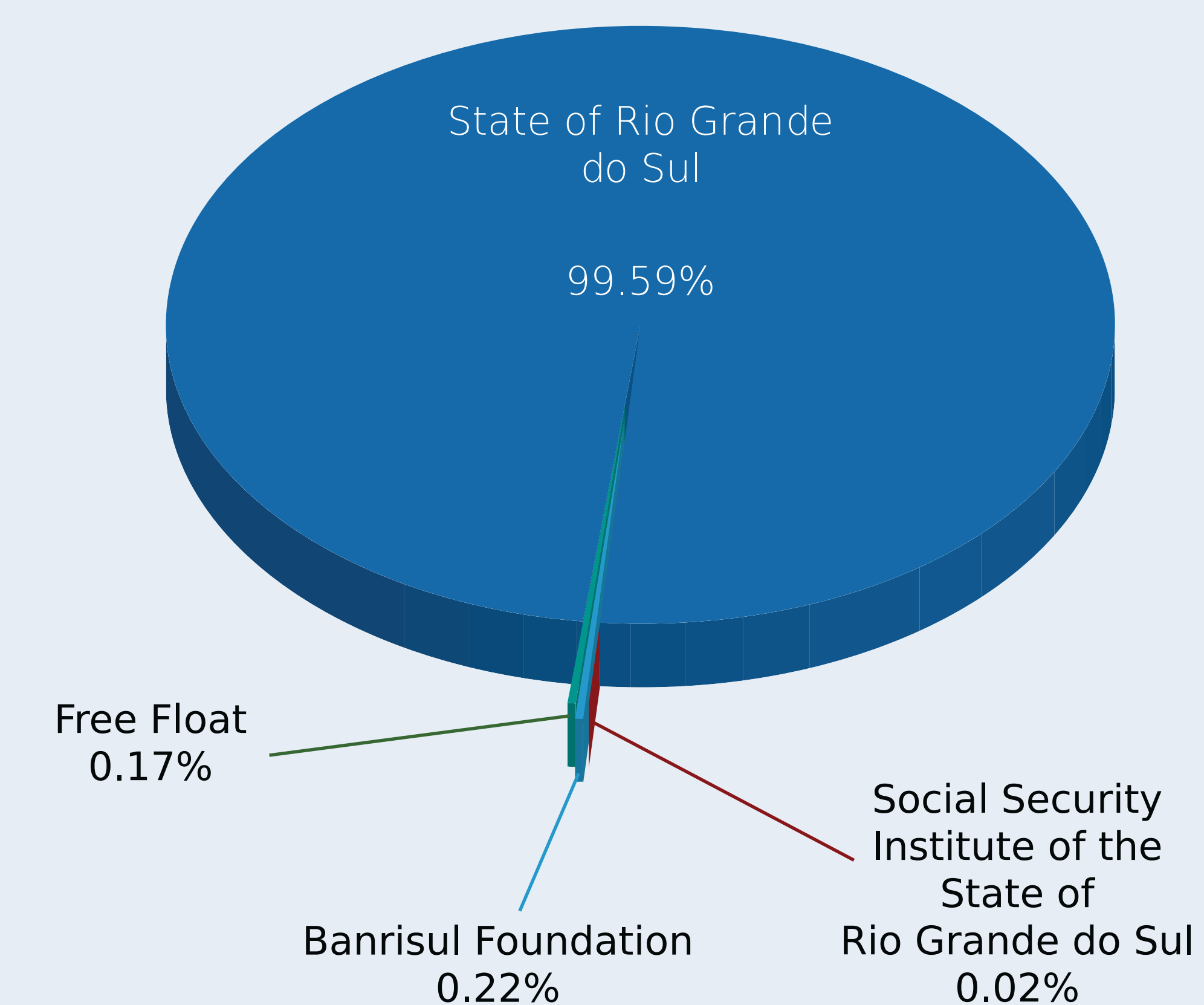
In 2012, Banrisul drafted its Manual of Procedures for Disclosing Material Facts or Acts, Use of Information, and Securities Trading Policy. The document reiterates the Bank's commitment to quality and consistency of information, equal treatment, access to information and timely reporting to the capital markets.

The manual stipulates, for example, that related persons must keep confidential any information relating to material acts and facts of which they have privileged knowledge until they are disclosed to the market. Cases of noncompliance are subject to the penalties set forth in the Personnel Regulations.

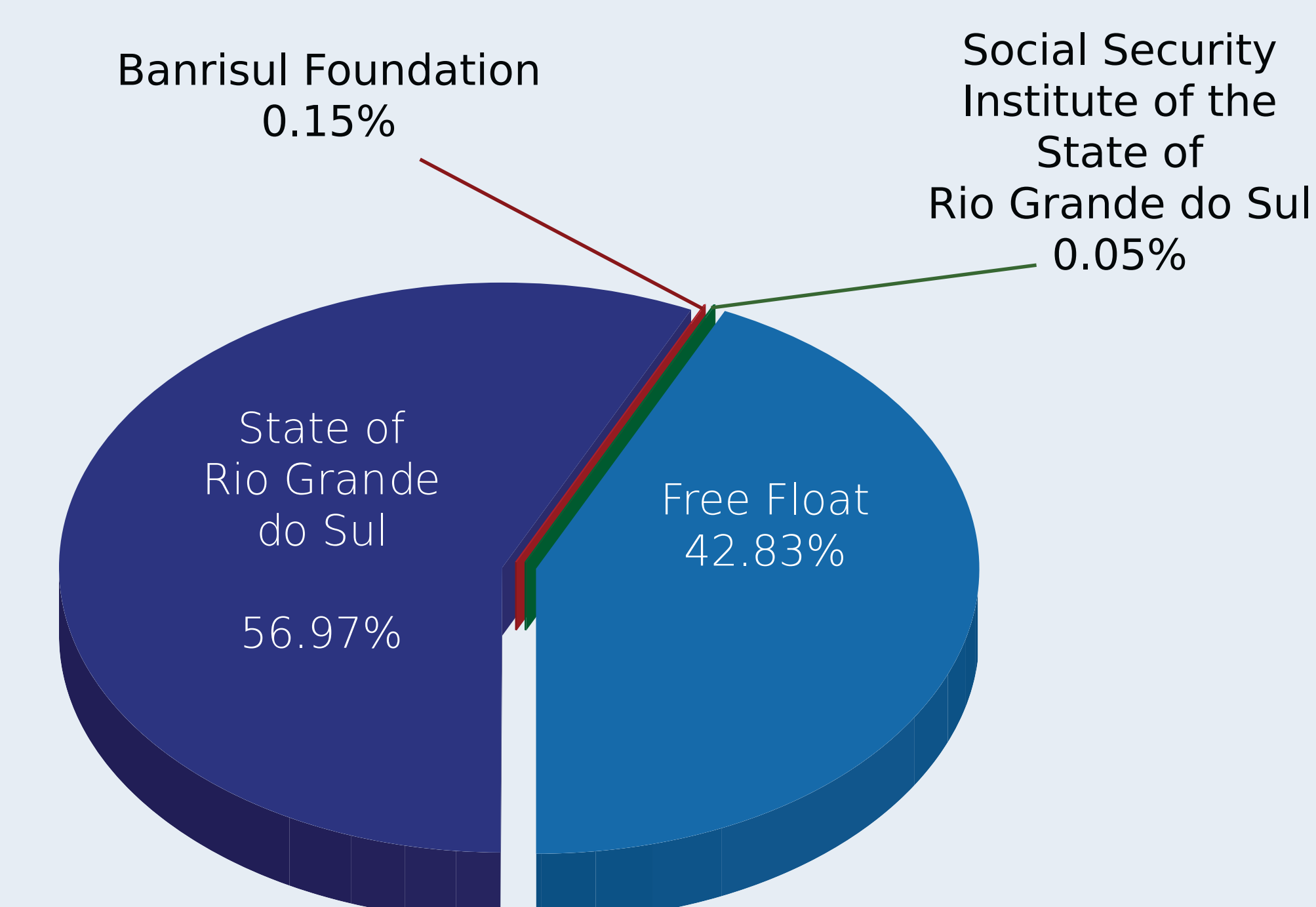
The document establishes the procedures and guidelines to be adopted by all employees and related persons, consistent with the rules and laws established by regulatory bodies and through statutory provisions.

Shareholder Structure* (%)

Voting Capital

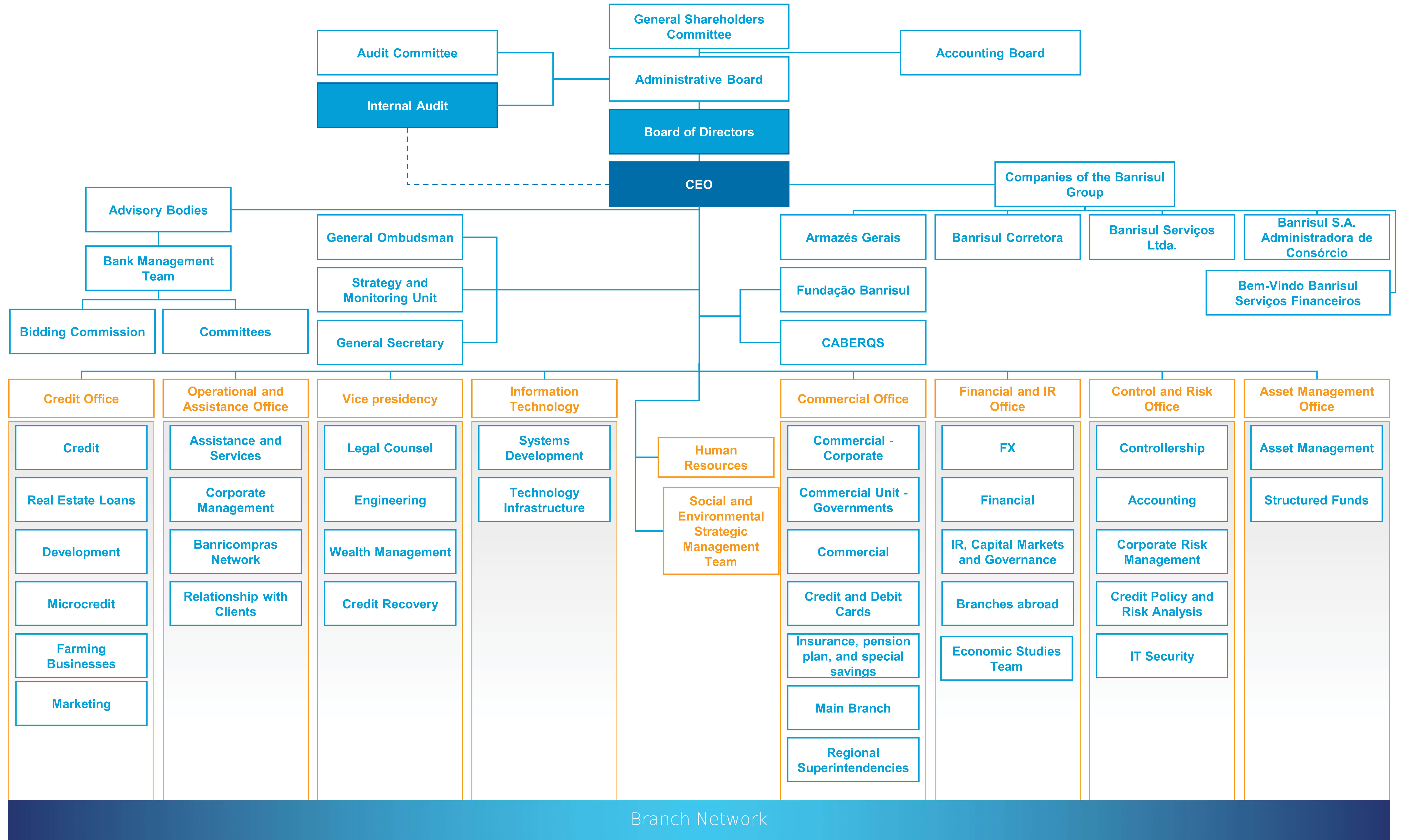


Total Capital



*Data as of December 31, 2012.

Organizational Chart - GRI 4.1



Corporate Governance Structure

Board of Directors

The Board of Directors works to continuously improve the Bank's governance policies and to determine business strategies. It also supervises the management of Banrisul's executive officers, determining and defining their responsibilities, as well as making any changes to Executive Board membership.

The Board's membership consists of between five and nine members elected to a unified two-year term by the General Shareholders' Meeting, which may also remove members at any time. Members may be re-elected. **GRI 4.1**

The Board's membership includes three independent members who perform their duties free of any influence by the organization's managers or specific shareholder groups, particularly the controlling shareholders. They are charged with providing critical and objective oversight of the performance of the executives. This ensures that the interests of all shareholders are protected and that conflicts are avoided. **GRI 4.3**

The Bank's bylaws stipulate that the Rio Grande do Sul State Finance Secretary serve as the chairman of the Board, that Banrisul's chief executive officer serve as the vice chairman and that the Bank's vice president serve as a Board member. Four of the remaining members are appointed by the Majority Shareholder, and one is chosen by the preferred shareholders. The names of all of the Board members are submitted to the Central Bank.

The chairman of the Board of Directors, Odir Alberto Pinheiro Tonollier, is not a member of the institution's Board of Executive Officers. **GRI 4.2**

Fiscal Council

The primary responsibilities of the Fiscal Council are to review the activities of the institution's managers to ensure that they execute their legally mandated and statutory duties, to monitor the financial statements, to supervise the actions of the managers and to make reports to shareholders.

In addition to the duties and powers conferred by the Brazilian Corporation Law, the Fiscal Council must convene any time the Board of Directors or the Executive Board request that it issue an opinion on matters submitted for its consideration.

The Council is installed each year by the General Shareholders' Meeting and consists of five members and five

alternates. It is a permanent body which acts independently of management. **GRI 4.1**

Audit Committee

The Audit Committee is a permanent body that reports directly to the Board of Directors and is responsible for carefully reviewing the Bank's accounting operations. The Committee advises the Board of Directors with respect to its oversight duties. Its primary activities include preparing the Audit Committee report, ensuring its availability to the Brazilian Central Bank and to the Board of Directors for at least five years.

The Committee consists of three members appointed by the Board of Directors. They serve one-year terms, which may be renewed with Central Bank approval, and they may be removed at any time. The Audit Committee meets at least once every quarter. **GRI 4.1**

The Board of Directors has Independent board members, who perform their duties of Management or groups of shareholders.

Board of Directors

Chairman
Odir Alberto Pinheiro Tonollier

Vice Chairman
Túlio Luiz Zamin

Board Members
Aldo Pinto da Silva
Dilio Sergio Penedo
Erineu Clóvis Xavier
Flavio Luiz Lammel
Francisco Carlos Bragança de Souza
Marcelo Tuerlinckx Danéris
Olivio de Oliveira Dutra

Fiscal Council Membership

President
Cláudio Morais Machado

Members
André Luiz Barreto de Paiva Filho
João Victor de Oliveira Domingues
Rafael Rodrigues Alves da Rocha
Rubens Lahude

Alternates
Aniger Lorena Ribeiro de Oliveira
Eduardo Ludovico da Silva
Felipe Rodrigues da Silva
Flavio José Helmann da Silva
Irno Luiz Bassani

Audit Committee Membership

Members
João Acir Verle
Orion Herter Cabral
Valdir Heck

Management Committees - GRI 4.1

Banrisul has 15 management committees, which support the Executive Board. Each committee is composed of between four and 12 members. You can read more about the functions and membership of the committees on the Investor Relations [site](#).

- Cards and Acquiring Committee
- Credit Committee
- Administrative Management Committee
- Banking Management Committee
- Commercial Management Committee
- Internal Controls Management Committee
- Marketing Management Committee
- People Management Committee
- Information Technology Management Committee
- Economic Management Committee
- Social and Environmental Management Committee
- Investments Committee
- Asset Pricing Management Committee
- Corporate Risk Committee
- Treasury Committee

Internal Control System

As part of the guidelines it establishes, Banrisul's upper management has aligned the Bank's internal control system with the goals for its overall business strategies and other instituted policies.

Internal controls are developed by means of systematic monitoring of actions in conjunction with the customers, products, and processes management units in an effort to improve routines, adopt best practices and disseminate ethical standards. Such efforts reinforce the importance of formalizing control policies, responsibilities and procedures in order to mitigate and manage risks.

Prevention of Money Laundering

The Bank complies with the legal provisions contained in its own Money Laundering Prevention Policy, the purpose of which is to provide effective procedures by means of a control structure that seeks to minimize the risk of money laundering in the Bank's financial operations.

All employees, from the strategic to operational levels, are responsible for establishing a permanent climate of control in which all operations may be monitored for the purpose of identifying illicit acts associated with money laundering crimes. Employees receive specific training on how to keep consolidated internal records which, in addition to facilitating proper customer identification, allow for them to verify compatibilities between specific banking transactions and legitimate economic purposes.

Financial transactions whose characteristics may be indicative of criminal activity are reported to the Comp-

troller, which communicates the information to the Financial Activities Control Council (COAF) after technical analyses confirming the evidence. **GRI SO4**

A instituição adota também a Política Conheça seu Cliente e Suas Atividades, seguindo recomendação do Comitê de Basileia, na qual estão estabelecidas as regras e os procedimentos, com a finalidade principal de identificar e conhecer a origem dos recursos financeiros de seus clientes. Dessa forma, reduz os riscos de seus serviços serem utilizados para legitimar recursos provenientes de atividades ilícitas.

Corruption

The values that guide the conduct of Banrisul employees are enumerated in the [Bank's Code of Professional and Ethical Conduct](#) and in its Internal Personnel Regulations. No employees were fired or sanctioned for corruption in 2012. Likewise, no non-renewal of partnership agreements resulted from incidents of corruption.

If there is evidence of corruption, the information relating to the employees is forwarded to the Personnel Management Unit. If proof is found, the People Management Committee applies the disciplinary measures outlined in the Bank's documents. In addition, the Legal Department files civil and criminal lawsuits, which are recorded in a system that tracks all cases in which the Bank or other Group companies are parties (BKR System).

In the case of administrative contracts, administrative cases are opened to ascertain contract irregularities. If proof is found, the sanctions set forth in the contractual clauses are applied in accordance with Law 8,666/93. Such sanctions are recorded on a prevention registry in the Registry of Suppliers Barred from Bidding and Contracting with the State Government (CFIL/RS) and in the Suppliers' Payment System (BMP System). If there is evidence of a crime, the Public Ministry may be notified so that it may take appropriate measures.

As a complement to the Money Laundering Prevention Policy, Banrisul has instituted the Know your Employee Policy, the purpose of which is to enhance familiarity with its employees by monitoring aspects of their behavior and lifestyles, in addition to unusual deviations in those variables.

Likewise, the Bank has established procedures for the treatment of Politically Exposed Persons (PEPs), which iden-

Independent Board Members - GRI 4.3

Name	Title	Date of Election	Term Expires
Dilio Sergio Penedo	Independent member (elected by preferred shareholders)	6/07/2011	2013 EGSM
Erineu Clóvis Xavier	Independent member	4/29/2011	2013 EGSM
Francisco Carlos Bragança de Souza	Independent member	6/07/2011	2013 EGSM

*Extraordinary General Shareholders' Meeting

tify aspects to be observed in the monitoring of their business relationships and financial transactions. This category includes public officials currently performing, or who in the past five years have performed, relevant jobs or functions in Brazil or in foreign countries, territories and dependencies, as well as their representatives, relatives and persons closely related to them. GRI SO4

Administrative Measures

In cases not involving corruption, such as operational errors, frauds perpetrated by scammers and noncompliance with the credit policy, the analysis is carried out by the Auditor, which generates special reports.

These reports, which contain all of the information about an incident, are forwarded to the Personnel Management Unit, which prepares a report for the People Management Committee and, in certain cases, suggests

Administrative Measures

Type	Number
Warnings	90
Notices	265
Severe reprimands	40
Dismissal with just cause	14
Dismissal without just cause	67
Suspensions	20
Total	506

the application of a particular disciplinary measure.

Upon conclusion of the deliberation, the employee is notified of the Bank's decision, which is subsequently recorded in his or her employment file. In 2012, there were approximately 186 administrative processes, which resulted in 506 disciplinary measures.

Investment grade

In January of 2012, Banrisul was rated investment grade by [Moody's Investors Service](#). That marked the first time in the Bank's 84-year history that it has attained that recognition. The designation is based on the institution's business position, capital, profitability, fundraising profile, risk position and liquidity ratio.

In March of the same year, [Standard & Poor's Rating Services](#) also granted Banrisul investment grade status. The credit risk rating agency assigned the Bank a BBB- rating on the international scale and an AAA rating on its domestic scale, the highest level possible for Brazilian firms.

Indicative of a stable outlook, these investment grade ratings facilitate Banrisul's access to institutional investors in the domestic and international markets. They also broaden the range of resources to be allocated as credit assets.

Transparency Policy

Banrisul is committed to reporting its data to and communicating with the market in a transparent manner. On its [Investor Relations website](#) the public has access to its results, reports and financial statements, as well as other information about the company. In addition to this tool, we maintain constant contact with market analysts who monitor our numbers.

Because it is a mixed-ownership entity, the bank does not donate, directly or indirectly, to political parties, in observance with the terms of Article 31 of Law 9,096/95, which prohibits pecuniary aid of any kind for any reason. GRI SO6

Marketing Communication

Banrisul has adhered to the self-regulation codes established by the Brazilian Federation of Banks (FEBRABAN) and by the Brazilian Association of Credit Cards and Services (ABECS). However, it does not have in place formal procedures for assessing its compliance with these standards. GRI PR6

The Bank did not identify any cases of noncompliance with marketing communication rules in 2012. GRI PR7

Discrimination

The repudiation of prejudice - whether it relates to social class, race, religion, sex, disability or any other factor - is a key principle in Banrisul's Code of Ethical Conduct. The Bank's Personnel Regulations set forth disciplinary measures to be applied when rules of the institution's code are violated.

The Ombudsman has a system which, although not specific, can be used by both customers and non-customers to record such occurrences.

Complaints undergo a formal process, in which the parties are made aware of the case. At the end of the verification process, the complainant receives a follow-up report. In case of violations of the Code of Ethics, the matter is forwarded to the Ethics Committee by means of the Personnel Management Unit, which analyzes the case, issues an opinion and suggests actions to the Executive Board. The interested parties are given the opportunity to appeal any decisions.

In 2012, Banrisul's Ombudsman did not receive any complaints about discrimination in 2012. GRI HR4

Risk Management

Risk management is a strategic, fundamental tool for financial institutions. Risks inherent to banking operations range from those directly associated with financial concerns (market, liquidity and credit risks) to those which are not directly associated but which nonetheless are extremely important (operational risks, risks to corporate image, etc.).

The adoption of best market practices and the maximization of investor profitability are achieved through the

best possible combination of asset investment and the use of regulatory capital. The systematic improvement of risk policies, internal control systems and safety standards, and their alignment with the strategic and marketing objectives of the institution, are a continuous part of this process.

Banrisul's corporate risk management is carried out in an integrated fashion, which allows for faster and more efficient processes and decision-making. It is also aligned with best practices and with norms established by Brazil's Central Bank, consistent with Basel Accord standards.

Banrisul has Management committees assisting the Executive Board.



Assessed Risks

Credit Risk

Credit risk refers to the possibility of losses associated with non-compliance by the borrower or counterparty with their respective financial obligations under the agreed terms, to the depreciation of the loan agreement arising from the deterioration in the borrower's risk rating, to the reduction in gains or remuneration, to the advantages granted in renegotiation and to recovery costs. In order to assess credit risk, the organization utilizes a credit and behavior score system, which helps to determine preapproved credit levels in accordance with risk classifications based on statistical models.

Liquidity Risk

Liquidity risk refers to the possibility that the Bank will not be able to honor its obligations or will not be able to do so without incurring significant losses. Banrisul monitors this risk through the analysis of liquidity indicators. The institution reports on the management of liquidity risk periodically. The documents are forwarded monthly for consideration by the Corporate Risk Management Committee and quarterly to the Executive Board and to the Board of Directors.

Market Risk

Market risk involves the possibility of negative impacts to results or capital resulting from changes to the market prices of financial instruments. These may be caused by fluctuations in stock prices, commodities prices or interest rates and exchange rates. Risk management is carried out on transactions pertaining to the trading and non-trading portfolios and exposures subject to foreign currency variation.

Operational Risk

Refers to the possibility for losses resulting from the failure, deficiency or inadequacy of internal processes, people and systems or from external events, including legal risk. The institution's Operational Risk Management Policy's include guidelines for all areas of the Bank, including its affiliates and subsidiaries. The purpose of those guidelines is to ensure the effectiveness of the management process and to preserve trust in all levels of the business.



Technology and Innovation

Technology and Innovation

Constant Evolution

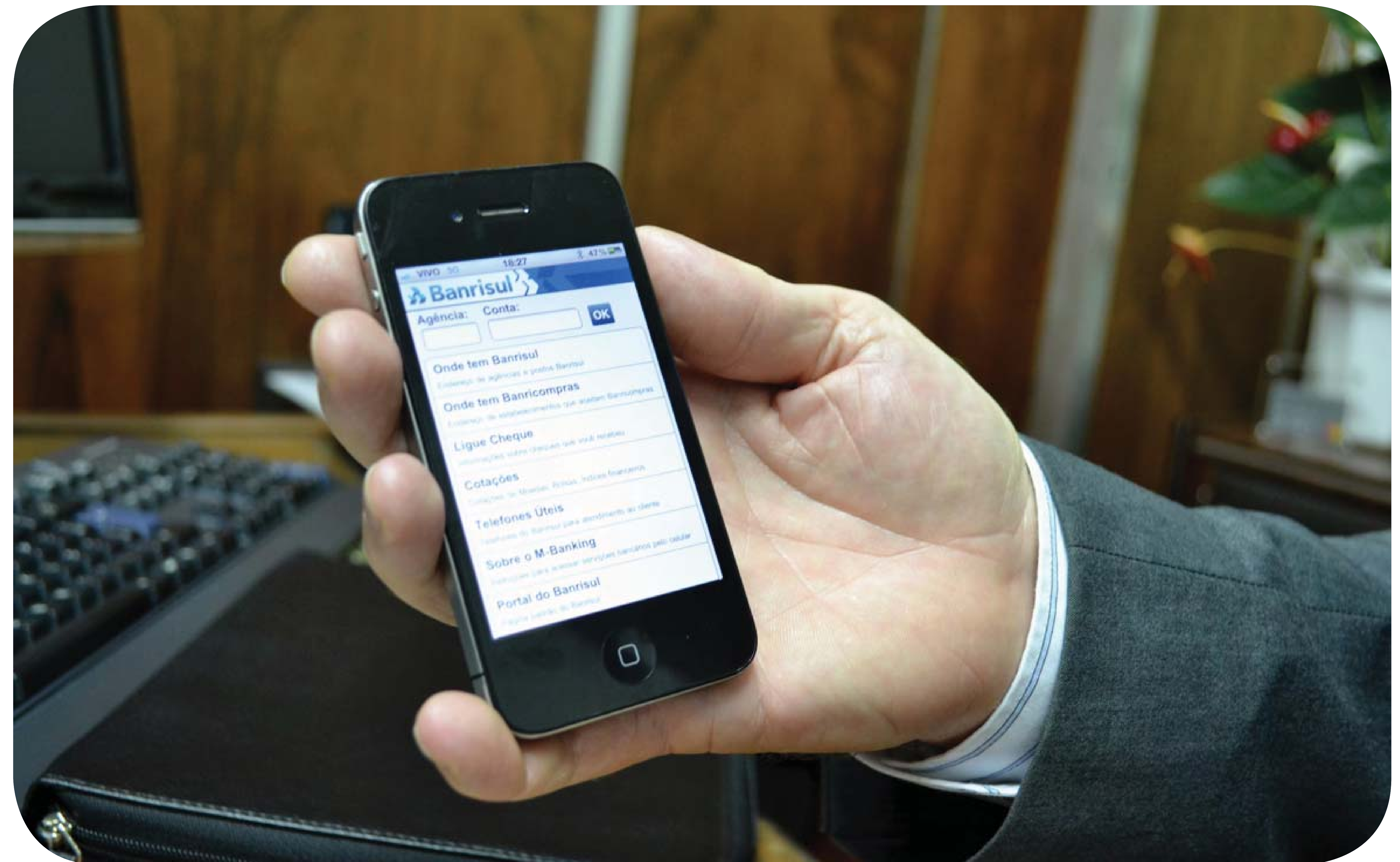
Technological modernization was one of Banrisul's priorities in 2012. R\$ 251.8 million were invested during the year in hardware, software and asset maintenance. IT projects in the period included the replacement and expansion of large-scale computing capacity, the conclusion of the installation of micro-computers and the updating of the operating systems of the branch servers.

Banrisul's efforts to continuously improve its technological processes paid dividends. In 2012, the bank garnered technical approval of the Banrisul Multiple Card, the first in the Brazilian banking sector to allow withdrawals, debits, credit transactions, access to internet banking and e-government functions within the public keys infrastructure certification chain of the National Information Technology Institute (ITI) – a federal agency linked to the Civil Office of the Cabinet of the President of Brazil. That recognition is further proof of the Bank's commitment to providing security and technology to its customers.

Saque e Pague (Pay and Withdraw)

In October of 2012, Banrisul joined the Saque e Pague network, whose primary innovation is the convenience with which deposits can be made to checking accounts. Thanks to the partnership with GetNet, the Bank's customers now have access to ATMs in convenient locations, such as malls, supermarkets and shopping centers.

The system allows customers to make digital deposits using checks or cash and without envelopes. The ATM



sends a digital image to the bank for electronic processing. Non-account holders may also use the system to deposit funds into the accounts of Banrisul customers.

The Saque e Pague network uses an unprecedented bills recycling technology whereby money that comes in is reused at the same ATM, ensuring that the terminals are constantly stocked. In addition to receiving deposits, the terminals may also be used to pay bills via credit card, for balance checks and to reload cell phone credit.

Since the service was not implemented until late 2012, it was not possible to determine the total amount of paper saved during the course of the year. The Bank will expand its Saque e Pague operations in 2013, but a consolidated estimate has not yet been produced.



Information Security

Banrisul has a laboratory for the analysis of malicious programs used by hackers who attempt to obtain customer information from emails, among various other kinds of attacks. These security measures are performed in collaboration with other Brazilian banks.

The Information Technology Security Unit implements actions to institutionalize mechanisms and tools consistent with the latest market standards. It strives to prevent threats and vulnerabilities, conducts research and adopts technologies designed to enhance the security of the Bank and its customers, improving internal controls and training and increasing the awareness of internal and external publics. 76% of the unit's employees are post-graduates and more than 90% have additional certifications.

Systems Development Projects

26% of all the projects in the area of technology were focused on the innovation of the Bank's products and services, accounting for approximately 160 thousand hours of technical work. Almost fully concentrated in the Systems Development Unit, investments reached R\$ 17 million and were used for improvements to products and services provided through the branches network, the virtual branch, the SAC/SOS and the Bank's other channels.

The table below lists the main projects.

Banrisul has a laboratory for the analysis of malicious programs used by hackers

Systems Development Projects

Project	Description
Internet banking	<ul style="list-style-type: none"> Allowed foreign exchange transactions without the need to go to the bank. Made improvements in online access for the visually impaired
Payroll	<ul style="list-style-type: none"> Allowed for use of internet banking for payroll deposits.
Checking account statement	<ul style="list-style-type: none"> Migrated checking account statement generation to the low platform, now processed on virtualized servers. Creation of historical statement, eliminating paper version and microfiche information storage.
Self-service deposit module	<ul style="list-style-type: none"> Made deposit modules available on ATMs, allowing customers to deposit funds without having to travel to bank branches, seven days a week.
Reintegration card	<ul style="list-style-type: none"> Creation of a card for occupants of the Rio Grande do Sul prison system who work with the Prison Services Department (SUSEPE).

Internet banking

During 2012, Banrisul’s internet banking service recorded 61 million accesses. The Bank offers three virtual service channels: Home Banking (which, in addition to queries and transactions, allows individuals to manage their accounts), Office Banking (which, in addition to queries and transactions, allows legal entities to manage their accounts) and M-Banking (providing access on mobile devices, such as smartphones and tablets).

The following table outlines the performance of Banrisul’s internet banking channels.

Information Technology Forum

More than 2 thousand people participated in the Fifth International Banrisul IT Forum, held at the Bourbon Country Theatre in May of 2012.

Since it was first held in 2008, the forum has sought to increase awareness of current topics relating to information technology by facilitating debate and dialogue among panels of national and international experts on governmental and banking and legal issues and through discussions of major companies in the commercial and industrial segments.

The fifth edition, which was focused on mobility and the challenges of digital convergence, gave the Bank an opportunity to progress in terms of the use of mobile applications. As a result, Banrisul created new products and services for customers and citizens.

In addition to the two days of panels, an event related to the Bank’s social and environmental practices was also held. Participants were able to properly discard electronic devices, cell phones and domestic batteries.

You can watch a video of the Fifth International Banrisul IT Forum [here](#).



Internet Banking Banrisul in 2012

Channel	Accesses	Transactions	Volume (R\$)
Home Banking	38,900,593	7,309,553	6,112,753,366.94
Office Banking	21,601,436	19,062,596	109,506,179,830.84
M-Banking	520,378	65,989	24,091,251.86
Internet Banking	61,022,407	26,438,138	115,643,024,449.64



Relationships with Stakeholders

Relationships with Stakeholders

A Close Bank

One of Banrisul's most noted characteristics is the close relationship it maintains with its customers, investors, suppliers and the community. These relationships are constantly guided by dialogue, transparency and ethical principles. To strengthen them, the Bank has implemented a series of policies, actions and procedures to meet the needs of each group.

Customers

Banrisul implemented a number of initiatives in an effort to enhance customer satisfaction in 2012. These included the use of surveys, training processes, schedule lengthening, increasing the number of employees, training programs, the opening of new branches, expanding the number of points of service, system improvements and new IT projects. GRI PR5

Relationships with Customers

Banrisul's telephone service channels underwent a transformation in 2012. The organization began to replace interns – who prior to the change had been mostly responsible for this service – with employees and youth apprentices. We ended the year with 26 apprentices and 180 employees for a total of 206 service representatives.

The Bank invested in a series of actions in 2012 aimed at enhancing convenience for customers. One



example was providing a 24-hour online bill paying service. We also added more M-Banking services, such as transactions, balance and fund statement inquiries, payment and transfer inquiries and the addition of Authorized Direct Debit (Débito Direto Autorizado, or DDA) capability.

The capacity to announce and to sell products and services was added to the Banrifone and Branch Call Center service channels.

Another important initiative was the establishment of the Quality Center, which combined the Quality, Training and Service Portal areas. The purpose of

that move was to create the conditions necessary for evaluating and assessing service procedures in order to improve customer satisfaction.

In 2012, 7,786,762 calls were received through the following channels: Banrifone – Electronic Service, Banrifone – Human Service, Branch Call Center, Consortium Service, SAC, SOS, Virtual Branch Support, Banricompras Network and Refeisul. These processes recorded 275,919 financial transactions accounting for a total volume of R\$ 211,125,154.07.

For more information about internet banking, see the Technology and Innovation chapter.

Government Business Managers

During 2012, new Government Business Managers (GBMs) were trained, in accordance with Resolution 4,551, of May 5, 2011, which aims to improve public sector customer service. The Bank's strategy is to make GBMs responsible for managerial and marketing activities.

Their duties include negotiating the sale of products, services and solutions developed for the segment. Furthermore, these executives monitor the performance of signed agreements and implement local prospecting strategies. They are also responsible for recommending the development of customized actions and for identifying business opportunities.

As a result of this processes, public sector customers benefited from more personalized and qualified service. In 2012, the municipal government offices of all of the state's 496 cities were visited by the GBMs, leading to an uptick in the number of contracts signed and greater adoption of Banrisul credit cards, payroll loans and the other products and services it provides. **GRI PR5**

You can read more about this topic in the Social and Environmental Development chapter.

Survey of Municipal Governments

In 2012, Banrisul administered a satisfaction survey to 70 municipal government offices in the state of Rio Grande do Sul. The projected involved 116 banking service posts located in communities where the Bank was already operating.

The surveys were administered after extending the hours at the service posts by at least four hours, increasing the self-service schedule, having at least two employees provide service at the posts and converting posts into branches.

The first survey, administered in January, included 26 cities in which the innovations to the posts and addition of advanced services had occurred in the previous three months. The 24 mayors and deputy mayors interviewed assessed the Bank's service as follows: excellent (35%), very good (38%), good (15%), poor (8%) and extremely poor (4%).

The second study, which took place in March and April covered 44 cities in which the modernization efforts had

been implemented between December 15, 2011 and January 15, 2012. The mayors surveyed in these cities rated the institution's services as follows: excellent (38%), very good (52%) and good (10%).

Among all interview participants, 62% in the first round and 90% in the second round reported noticing changes in the level of service provided by Banrisul in the previous few months.

Regarding the improvement of the service (induced research), 45% requested more visits by managers to the cities and 41% indicated the need for changes to post layouts, while improving employee knowledge and the need to adjust employee attitudes each garnered 7%. In addition to the predefined questions, 62% of mayors requested that the service posts be converted into branches.

In response to the requests, the Bank hired 80 employees to replace interns working in service operations who were let go when their contracts expired. Of the 116 banking service posts involved in the project, 38 were converted into branches since feasibility studies had already been completed relative to their expansion. Additionally, branches identified as needing layout modifications were evaluated, and the service schedule was extended to at least four hours.

In both studies, the awareness by government officials and by the community of the improvements made was confirmed, particularly with respect to the replacement of interns with permanent employees at the service posts and the extension of service hours. Both studies were one-time initiatives, and the Bank has not set up any defined frequency for their repetition. **GRI PR5**



CEASA Marketing Study

Banrisul carried out two marketing studies at the Rio Grande do Sul Supply Centers (Centrais de Abastecimento do Rio Grande do Sul, or CEASA), where it operates a branch. The first involved 98 local farmers from 35 cities in the state who sell their products at CEASA. The second involved the participation of 67 commercial establishment owners and wholesale dealers who work in CEASA pavilions A, B and D.

Of all of the survey participants, 29.6% were Banrisul account holders, with seven institutions being mentioned in the survey. Key topics highlighted in the study included the expansion of service hours, service delays, difficulties with ATM operations and interest in Banricompras card use. In response to those concerns, service hours were extended by one hour, and changes were made to the branch's administrative management. Furthermore, the survey helped to secure new business and customers. This study was a one-time event and has no set frequency. The Bank acted on the main requests regarding service at branches. For example, it extended service hours and made changes to administrative management. The results were also used to secure new businesses and customers. GRI PR5

Surveys to Assess Products and Services

Throughout 2012, Banrisul administered specific opinion surveys to customers aimed at assessing the acceptance of certain products and services. Similarly, the also Bank developed surveys to gauge overall satisfaction with in terms of service, product availability, the state of branches and employee attitudes. Among these, the key surveys were:

- **Banricompras Use:** The target public for this survey was individuals with a suitable profile for Banricompras use but who had not used the product between November of 2011 and August of 2012. The focus was to find out why they were not using the card, to identify their preferred method of payment and to research the factors that could encourage them to use Ban-

ricompras. Between October 8 and 15 of 2012, 1,156 phone interviews were conducted. The survey revealed that the primary reason for non-use of Banricompras is lack of awareness about the product, followed by the preference of other means of payment. Regarding that concern, 78% responded that they prefer cash transactions. A large portion of those interviewed did not say why they use Banricompras.

- **Clientes Afinidade (Affinity Customers):** The procedure used involved the classification by Banrisul of customers by level of income and funds raised. The purpose of the survey was to gauge acceptance of the creation of a differentiated service platform. It also explored the type of service the public expects Banrisul to provide through this new platform. The Bank prepared 128 valid questionnaires, which were distributed at four platforms from May 23 to 28, 2012. The factors identified by customers as being most important were agility, personalized service, well-trained employees, the absence of lines, and good relationships. In order to meet the expectations of this customer profile group, the organization invested in the training of employees and paid special attention to service procedures. All of the 38 account managers were also trained. An additional round of satisfaction surveys will be administered in the second half of 2013 to assess the impact of those improvements.

Measures adopted

The results of research and opinion polling relating to the sale of the INSS payroll operation, municipal employee portability and Affinity and Banrisul customers led Banrisul to adopt the following measures to improve its service to the public:

- **Training:** The training programs – primarily those relating to preparing employees for new roles and to new employees – were focused on customer service skills. To do so, external consultants and internal instructors developed modules on personal and professional marketing, attitude and etiquette, leadership and team management, customer rights, submission

of complaint reports to the Central Bank, customer relationship management, negotiation, resilience, customer prospecting and consultative selling. These trainings, which were specifically tailored for each job type, involved 143 supervisors, 120 business managers, 37 account managers and 1,624 new employees. A new two-month training program, consisting on modules on a wide array of content relative to legal entity products and services and covering operational and commercial aspects, was also created. In addition to theoretical classes, practical actions were also developed; these primarily involved simulations of approaches for selling the products and services offered in the Bank's portfolio. Training is necessary for efficient performance in an extremely competitive and dynamic market to improve service and to ensure the satisfaction of corporate clients.

- **Opening of new branches:** To maintain and grow its market share in the Southern region, the Bank opened 27 branches in 2012 (read more in the Profile chapter).

- **Projeto Verão (Summer Project):** Planned the main actions and guidelines to be adopted and made investment projections. The objective was to give the branches and other points of services the structure necessary to deal with summer demand levels. In the summer, in-bank and ATM demand typically increase by an average of 56% and 120%, respectively. Demand for other channels also increases.

- **Improvements in the banking correspondents system and approval of the business correspondents project:** Banking and business correspondents help the Bank to decentralize service, to augment convenience and to serve regions with few banking services. Their purpose is to take the Bank's products and services to such populations, expanding the points of service and prospecting for new business.

- **Saque e Pague:** The Bank innovated by joining this new ATM network. It began offering to its customers the ability to make cash and check deposits without using

envelopes and from outside the self-service areas. (Read more in the Technology and Innovation chapter.)

- **Approval of the Tecban 24 hour project:** These initiatives involved developing chip use in the Banco 24Hora ATM network and joining the shared network managed by Tecnologia Bancária (Tecban), a firm that specializes in financial and banking self-service network management. This step facilitates enhancement of transaction security, allowing the daily withdrawal limit for the Banrisul ATM network to be raised to R\$ 1,300.00. It will also allow Banrisul customers to make withdrawals at ATMs belonging to the other network banks. As a result of this integration, customers will have access to more than 30 thousand ATMs on the shared network.

- **Approval of the Call Center points of service:** The Branch Call Center provides information, answers inquiries and processes banking transactions. Its target public is customers and non-customer individuals who call the 66 Banrisul branches connected by the service channel. In 2012, six new branches were integrated into this special service modality. **GRI PR5**

- **Affinity Spaces Creation:** In September 2012, Banrisul opened its first Affinity Space, a branch representing the new concept of service focused on relationships and on differentiated businesses. The inaugural unit is located in the Barra Shopping Sul in Porto Alegre. The initiative will be expanded in 2013 to include new branches in other locations throughout the capital. What sets Affinity Spaces apart is the exclusive treatment customers receive. Specially trained professionals with expertise in financial consulting services advise customers with respect to topics such as investment, credit and insurance. Affinity Spaces will also have special hours, opening at noon and closing at 8:00 p.m. Monday through Friday. The self-service area, which will have five ATMs, will be accessible daily from 11:00 a.m. to 11:00 p.m., including on weekends and holidays.

- **Service Management Terminal:** In an effort to

expedite and better manage wait times at bank teller windows, Banrisul has developed and acquired a new system for issuing electronic service numbers. The system features a totem, a passwords issuer, a monitor, a display that shows the passwords and the respective teller windows, and a central server for communicating with users. The new terminals are in use at 300 branches where they help customers know where to go for service. The passwords generated by the system indicate whether the type of service is preferred or regular. Under the new system, customers are seated to wait their turn, with the order determined by specific need. Following installation of the service management terminals, an additional 12 thousand seats in row seating were installed opposite the teller windows, a portion of which have already been set aside for preferred customers, including the elderly and pregnant women.

Ombudsman

The Ombudsman issues a monthly report to provide information to the Bank's management, who are responsible for analyzing opportunities for improvements, fixing problems and presenting the results. The Ombudsman's form, available on the institution's website, includes a customer satisfaction survey. This initiative has been in place since 1999, and survey data can be consolidated at any time.

In 2012, 13,252 people filled out the satisfaction survey, yielding the following results: very satisfied (9.75%), satisfied (16.25%), not satisfied (35%), no answer (39%). The forms are most commonly filled out when clients are reporting complaints.

Information regarding research, services rendered, themes, issues and point of origin is indicated in the Ombudsman's monthly report. The document is subsequently forwarded to the Board, all units of the Bank and the Regional Superintendencies.

Every six months, the Ombudsman's Assurance of the Structure, Procedures and Systems report is forwarded to the Executive Board and to the Board of Directors. This report summarizes the performance indicators relative to the Ombudsman's duties. It summa-

rizes the complaints filed, their origin classification and resolution, as well as the monitoring of proposals for improvements forwarded to the managers. Because of the strategic nature of the report, which is sent to the Central Bank, its contents cannot be shared with the external public.

A goal of the anticipated alignment of the Ombudsman's activities with Banrisul's 2011-2015 Strategic Plan is the assessment and rating of relationships with customers. In July of 2012, the body began offering telephone-based service through the Audible Response Unit. This mechanism provides customers a voice message including the call purpose, service hours and any busy lines. The tool also directs account holders and non-account holders to the most appropriate service channel for their request, eliminating the need to call back. Furthermore, the service form was added to the institution's website, and accessibility features were made available for in-person service at the Ombudsman's office. These improvements involved the entrance area and access elevators, ramps, tactile flooring, and telephone equipment for individuals with hearing impairments.

By managing internal controls, the Comptroller acts as an instructor in training sessions organized by the Personnel Management Unit for new employees and trains supervisors and business managers. It trains these groups with respect to basic internal control issues, aspects of the institution's Code of Conduct and the Central Bank Accusation and Complaint Submission System (RDR/Bacen). The purpose of this training is to mitigate complaints and to present solutions aimed at improving customer service.

With respect to RDR actions, after allegations have been analyzed and clarifications have been issued to the Central Bank and to the claimant, the Comptroller forwards its findings to product and services managers with the respective units and to branch management teams. Examples of this initiative include the guidelines for proper use of the form for enrolling in service packages and for complying with terms described in the Service Policy with regard to the use of conventional service channels, as well as meetings to verify the flow of activities. **GRI PR5**

Prevention and Insurance

Anti-fraud Policy

The Information Security Policy contains specific guidelines for securely processing information in the different segments, internal and external processes. The general purpose of the Specific Rule for Information Classification is to provide the guidance necessary to ensure that data receive adequate treatment and protection. It also describes the security controls that should be adopted, as well as the responsibilities of users with respect to classified information. The Bank Personnel Rules also call for the taking of administrative measures necessary to protect information or data, and its non-observance constitutes a serious breach of existing security regulations.

In 2012, the Internal Auditor effected preventive measures involving the Information Systems Audit and the IT Processes and Infrastructure Audit modalities. These steps involved evaluating aspects relating to security and access control, function segregation, audit trails, systems relationship integrity, information classification, contingencies and processing routines.

In an effort to minimize the occurrence of fraud, nine strategies were implemented. One measure that stands out is the ability of the service agent to compare callers' phone numbers to those listed on online customer registration forms to ensure that they match. Trainings of service agents and supervisors were also intensified. Another measure that was implemented was the provision of recordings of previous service calls involving fraud so that service agents are better able to identify perpetrators.

Service agents also contact customers to verify transactions any time something suspicious happens during a service call.

Online auditing occurs in cases of DOC E and TED E transactions and in transfers between Banrisul accounts held by different individuals when the amounts are equal to or in excess of R\$ 2,000.00. When customers effect banking transactions involving the movement of funds, they are asked to verify four re-

gistration details randomly selected from among 10 (Positive Identification).

Although there were no recorded incidents of fraud in 2012, the organization added security procedures to its internet banking channels. These included a request that passwords be re-entered for transfers of funds to other parties involving sums in excess of R\$ 2,000.00.

Another of the Bank's formal policies is to record reports by customers to Banrisul's Public Services channel (SAC) in Lotus Notes. Those are later forwarded to the responsible areas, and clients receive a response in five business days or less.

Suspected incidents of fraud via transnational calls are reported using SISCALL, an internally developed control tool. These are subsequently sent to the Internal Auditor or confirmed through regular telephone contact. GRI PR8

Internet-based Attacks

Throughout the year, Banrisul kept an eye on trends and methods of attacks propagated via the Internet. It also reviewed the mechanisms it uses to protect itself from such attacks and performed updates and improvements to make them more resilient to threats. The mechanisms in place to protect our ATMs were also updated.

In order to improve our effectiveness in this area, we are implementing measures to enhance the security of our mobile banking operations. GRI PR8

Initiatives to Expand IT Security - GRI PR8

- Encryption of the stored card data
- Encryption of card data transmitted via POS terminals
- Network segmentation to isolate PCI servers from other servers
- Creation and maintenance of network and card data flow typology
- Licensing of SIEM¹ system to concentrate and correlate PCI asset logs

- Formalization of hardening processes (security checklists)
- Vulnerability monitoring and server updates
- Segregation of ATM monitoring via BZG
- Implementing measures to protect ATMs from attacks
- Smartcard-enabled corporate logon
- Electronic licensing that ensures the integrity, confidentiality and authenticity of electronic documents
 - Receipt authentication to avoid frauds involving forged receipts²
 - Encryption of servers and data channels to protect confidentiality of stored and transmitted data
- Device Control³
- PAM encryption for databases
- Use of authentication for internet banking and Banri-compras.com e-commerce involving the multiple card⁴
- Use of chip-enabled card on Banco 24hour and Saque e Pague ATM networks
 - VISA and MasterCard credit cards with EMV-standard ships for credit card transactions,⁵ purchases on the commercial network and one-time passwords for service channels⁶

¹ Security Information and Event Management

² The system issues and validates an authentication code for receipts issued at branch teller windows

³ Mobile device control at stations

⁴ Use of chip-enable cards (smartcard) equipped with the Multos system

⁵ This measure significantly increases the security of ATM withdrawals

⁶ Contingency for authentication of chip-enabled cards and a mandatory prerequisite on the Banrifone system

Privacy Violations

Two incidents of violation of privacy were reported between January and December of 2012. The first involved a supplier that provided credit recovery services. A telemarketing agent seeking a Banrisul customer at his workplace left a message for a third party, exposing the customer.

The complaint was submitted to the Ombudsman, which referred it to the Comptroller for action, since it involved a third-party firm (supplier). The Comptroller (Office of Administrative Contract Management) opened an administrative case. The procedure adopted by the supplier violated the Consumer Code as well as the terms of the contract between Banrisul and the supplier company. As a result, the penalty issued was a warning, consistent with the contractual clauses and [Law 8,666/93](#).

Information with respect to administrative contract irregularities is stored on SharePoint, a document storage and management program. The records contain the name of the company, the case number, the motivation, status (indicating its place in the procedural flow) and the record of the decision, among other pertinent details.

Administrative cases result in the creation of a single, physical file, which is filed in the office of Banrisul's Comptroller. The Processes Enforcement area monitors the irregularities and proposes improvements to existing and draft contract clauses. Those recommendations are always analyzed by the managers and by the Legal department prior to adoption.

Just one complaint of violation of privacy was recorded in reference to the Banrifone channel. The service agent provided the customer's telephone number to a third party. Upon verification of the adopted procedure, the training of service agents with respect to the issue was reinforced. That training specified that all data which appear on screens during service calls are confidential and may not be disclosed to third parties. **GRI PR8**

Investors

Since adopting the Level 1 Corporate Governance standards in 2007, Banrisul has been working to enhance transparency with its customers and investors. The process begins with the



reporting of information to the market, making it aware of the institution's operations.

The Bank maintains ongoing contact with market analysts and participates in disclosure events. It thus engages in impartial communication, serving investors, shareholders and stakeholders.

Periodically, the institution also presents its results in meetings of the Association of Capital Markets Analysts and Investment Professionals (APIMEC). In 2012, Banrisul participated in three APIMEC meetings, which we held in São Paulo, Rio de Janeiro and Porto Alegre. In the event held in the capital of Rio Grande do Sul State, APIMEC Sul presented the organization with a plaque in commemoration of its attendance. The Bank has publicly reported on its performance to the market for six consecutive years.

The institution also participates in domestic and international conferences and roadshows in which it interacts with institu-

tional investors. In the course of 2012, the Bank participated in 201 meetings, conference calls and other events, interacting with a total of 1,113 people.

In an effort to build even closer ties with investors, Banrisul's executives also participated in meetings in various Brazilian states and in other countries. With respect to foreign meetings, they met in 104 forums held in locations including Amsterdam, Boston, Brussels, Chicago, Copenhagen, Delaware, Stockholm, Greenwich, The Hague, London, Los Angeles, Philadelphia, New York, New Jersey, Paris, Rotterdam, Toronto, Washington and Wilmington. These were opportunities to interact with the market, investors and individual and institutional shareholders in Brazil and in other countries. **GRI 4.4.**

At year's end, the Bank had 55,595 shareholders residing in Brazil (accounting for 98.9% of the entire investor base and 63.4% of the organization's shares) and 621 shareholders residing in other countries (1.1% of the investor base and 36.6%

of the shares). The institution's capital stock, composed of 408,974,477 shares, was valued at R\$ 3.5 billion. Of that total, 205,043,374 shares are common shares, and 203,931,103 are preferred, book-entry, no par value shares.

In May of 2012, Banrisul's Class B preferred stock was listed on the BM&FBovespa Dividends Index, which tracks returns of a portfolio consisting of the companies generating the highest dividend yields.

Communication and Relationship Events in 2012

Type of Event	Number
Meetings	43
Conference Calls	51
Events Abroad	104
APIMEC Meetings	3
Total	201

Service to Shareholders

Banrisul's Shareholder Services meets the terms of section VIII, Article 36 of CVM Instruction 409. The purpose of this service is to resolve concerns and to field complaints relating specifically to investment funds and products managed by the Bank. Housed in the Liabilities Comptroller's Office, as set forth in Article 36 of the Investment Fund Regulation and Best Practices Code established by the Brazilian Association of Financial and Capital Markets Entities (ANBIMA), the service is provided by trained professionals who have received ANBIMA Series 20 Professional Certification (CPA – 20).

Furthermore, we adopt operational procedures to meet the needs of our shareholders in observance of Normative Instruction 15 (Communications), when they are referred from Banrisul's Ombudsman. When they are fielded via telephone by Shareholders Services, they generally are resolved immediately. In certain other cases, depending

on the topic, calls are returned as quickly as possible to the number provided by the shareholder.

All telephone calls are recorded and made available to internal and external auditors, to the Brazilian Securities and Exchange Commission (CVM) and to ANBIMA. Requests sent via email or regular postal mail are answered by the channel to which they are sent, with a copy filed in the organization's records.

We did not keep track of the total number of service calls handled by this area in 2012. Shareholder Services will begin tracking that data on July 1, 2013 when CVM Instruction 529, which provides for installing the Ombudsman in the securities market, go into effect. **GRI PR5**

Suppliers

The relationship between the Bank and its suppliers is guided by the organization's commitment to transparency. Contracts with suppliers must meet all of the terms of Law 8,666/93 (the so-called Bidding Law) and be consistent with the social and environmental practices adopted by the institution.

The Bank requires that all of its contracts contain a stipulation prohibiting child labor. The Comptroller enforces contractual terms relating to slave labor, endeavoring to curb the practice.

During 2012, in an effort to spread sustainable practices within the organization, a multidisciplinary team drawn from several of the Bank's units participated in a sustainable bidding training session.

Security Guards

For purposes of security services, Banrisul hires only companies that employ workers who have been certified through the Federal Police's Security Guard Training Course. This institutional policy is formalized in the agreements signed between Banrisul and its security providers.

The guards must complete 200 hours of training administered by companies supervised by the Federal Police. The program includes: applied law and human rights (20 hours), private security concepts (8 hours), workplace re-

lationships (10 hours), public security and organized crime system (10 hours), firefighting and prevention (6 hours), first aid (6 hours), physical education (12 hours), self-defense (20 hours), weapons and shooting (24 hours), surveillance (14 hours), radio communications (10 hours), concepts in electronic security (10 hours), concepts in criminology and prior interview techniques (8 hours), use of progressive force (8 hours) and crisis management (8 hours).

Upon completion of the course, the trainees receive a National Security Guard Card, which is valid for five years. Every two years, they must undergo a refresher course, pursuant to the provisions of Law 7,102 and Ordinance 3,233-DPF.

Also in accordance with the law, the guards' performance is evaluated by management on a continuous basis. In order to ensure that the guards comply with human rights requirements, their performance is systematically evaluated by means of a monthly visit by supervisors to the patrolled locations. Thanks to the adoption of this procedure, continuous improvement has been noted in guard services.

In an effort to make even greater gains in this area, Banrisul has adopted a series of other actions, such as: reduction in turnover and delivery of services in accordance with the agreed upon terms; disclosure of the procedures to be adopted by the contracted forms, as set forth in the Security Guards Procedural Manual; and meetings with the companies' supervisors and inspectors. The Bank currently employs 1,601 third-party security guards. **GRI HR8**

The Bank requires that all of its contracts contain a stipulation prohibiting child labor.

The Community

The Judiciary

In 2012, Banrisul received 1.3 million documents, all containing bar codes, in connection with service provision agreements with the Judiciary (tax collection, court costs and judicial deposits management). Advances in digital processing facilitate greater control over and transparency of information. Following this same line of improving services, judicial licensing was automated, ensuring agility and security in procedures in which the state is a creditor.

Actions that Serve Cities

Among actions undertaken in 2012 in collaboration with city governments one highlight was the expansion of the civil servants payroll lending card base.

Banrisul also hosted 11 Economic Conditions and Retirement Funds seminars. The events targeted cities that use the Special Social Welfare Policy (Regime Próprio de Previdência Social, or RPPS). The Bank also signed exclusive agreements to grant real estate loans to city government workers.

Events, Sociocultural Projects and Sports

Banrisul's role as a supporter of events and social and cultural projects strengthens its relationships with the communities in which it operates. In 2012, it was involved in initiatives such as the Gramado Cinema Festival, the Porto Alegre Book Fair, the Hipólito José da Costa Museum, the Porto Alegre Symphonic Orchestra Theatre, the Rio Grande do Sul Youth Orchestra and the Mamóvel mobile mammogram program.

With regard to sports, the organization sponsors the Grêmio and Internacional soccer clubs. Due to contractual confidentiality clauses, we are not able to disclose the amounts of those sponsorships. The Bank also participates in the Sogipa Permanent Olympics Program (Sogipa is the Porto Alegre Athletics Association).

Social Engagement

Through the Children and Adolescents Rights Fund (Funcriança) and the Fund for the Elderly, Banrisul supports actions serving at-risk children and youths, as well as the elderly, protecting the essential rights of these groups. The institution's goal is to expand on these partnerships by broadening the regional scope of the projects.

Initiatives favored by the Children and Adolescents Rights Fund and the Fund for the Elderly are referred to the Social and Environmental Management Strategy Group, which evaluates each project and refers them to the Executive Board and to the Social and Environmental Management and Administrative Management committees. In 2012, the Bank allocated R\$ 1.66 million to Funcriança and R\$ 1.65 million to the Fund for the Elderly.

Public Policies

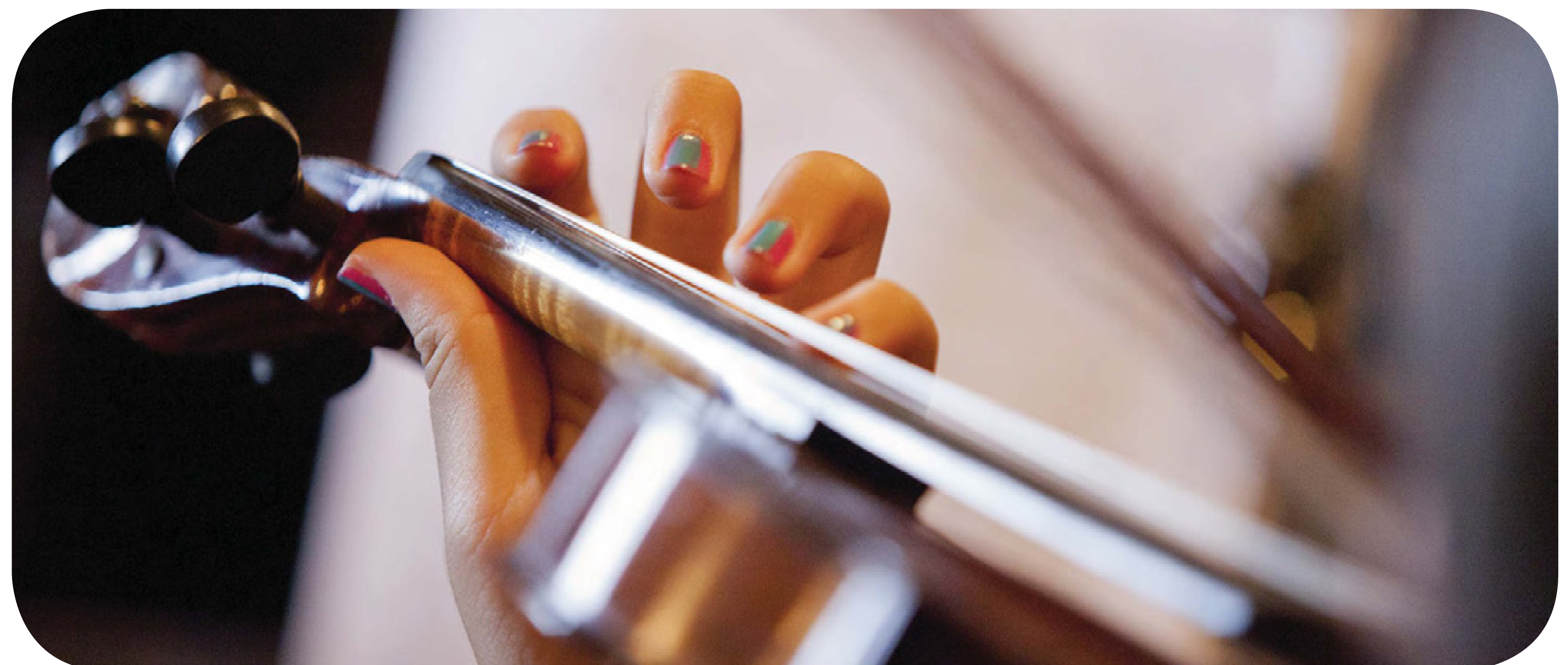
Banrisul's priorities include strengthening and improving its relationships with the government. The Bank participates in the Young Apprentice Program, which serves 100 youths from the Pão dos Pobres (Bread of the Poor) Institute who take part in a technical training course and receive one-half

of regional minimum salary and a signed labor card.

The program also serves 90 youths from institutions such as Acompar, the Center for Business-School Integration (CIEE), the Murialdo Institute, Pequena Casa (Small House), the Movement for the Rights of Children and Adolescents (MDCS), Pão dos Pobres and the São Francisco de Assis Center for Protection of Children and Adolescents (CPCA), which host practical activities at the Bank's General Directorate units and Central Branch.

In May of 2012, in collaboration with the Socio-educational Service Foundation (FASE) and CIEE, the Bank signed an exclusive agreement to implement the Cool Apprentice (Aprendiz Legal) projection, which is part of the Young Apprentice Program. This initiative provides professional training to 130 youths who meet FASE's socio-educational measures. They will spend a year in theoretical and practical classes, receive one-half of a regional minimum salary and a signed labor card. The courses are taught at FASE facilities in Porto Alegre, Caxias do Sul, Novo Hamburgo, Uruguaiana and Santa Maria.

The organization also supports the Banrisul Pescar Project, of which is supporter and provides 20 youths with qualification each year at the Bank's Training Center. (Read more in the Social and Environmental Development chapter).



Rural Businesses

Banrisul participates in an ongoing basis on important committees, programs and sector chambers in an effort to strengthen the state's farming and ranching industries. These activities include the Rio Grande do Sul Fisheries and Aquaculture Program, coordinated by the Rural Development, Fisheries and Cooperatives Department; the More Water, More Income Program, coordinated by the Agriculture, Livestock and Agribusiness Department; The ABC Program (Low Carbon Agriculture Program), coordinated by the Ministry of Agriculture, Livestock and Food Supply; the More Milk Program, coordinated by the Agriculture, Livestock and Agribusiness Department; and the Rural Emergency Card program, coordinated by the Rio Grande do Sul state government.

The Bank also sits on specific chambers for the Corn, Wheat, Rice, Yerba Mate, Citrus, Beekeeping, Beef Production and Marketing, Olive, Cachaça and Beer, Wine, Energy and Planted Forest sectors. It is also a member of the management committees of the Ministry of Agrarian Development's Sustainable Rural Development Council; of the state government's Harvest Plan, of the Rural Cooperatives Program and the Family Farm Irrigation Program, both of which are coordinated by the Rural Development, Fisheries and Cooperatives Department. As a member of the state financial system – composed of the Rio Grande do Sul Development Bank (Badesul), the Extreme South Development Bank (BRDE) and Banrisul – the Bank engages in joint BNDES on-lending transactions. It issues National Family Farm Program (PRONAF) loans and develops partnerships with the Ministry of Agrarian Development.

Banrisul also operates in rural regions facing challenges by offering lines of rural credit that promoted the recovery of areas affected by weather calamities and fomenting projects aimed at improving the quality of life for the state's residents. The purpose of such efforts it to recover the affected enterprises and reduce rural migration.

Furthermore, the institution's brand value enhanced through its participation in events and programs in which agricultural credit plays a key role, such as agricultural and business fairs, including the International Animals,

Machinery and Agricultural Tools and Products Exposition (Expointer) and Expodireto Cotrijal (an international agribusiness fair), held in Esteio and Não-Me-Toque, respectively. GRI SO5

Development

As a participant on governmental committees, Banrisul discusses mechanisms for supporting the development of Rio Grande do Sul with public and private institutions. The Bank participates in these groups as an invited guest and provides information about the various lines of credit available to support the priority sectors of the state's traditional and new economies, consistent with the Industrial Policy. The initiatives in which Banrisul is involved include:

- Rio Grande do Sul Company Operation Fund (FUN-DOPEM/RS);
- State Nucleus of Local Production Arrangement Cross-Cutting Actions;
- Investors Room: a space created for meeting with potential investors in Rio Grande do Sul industries;
- Rio Grande do Sul Industrial Policy;
- Rio Grande do Sul Natural Gas, Oil and Naval Industry

Structuring, Investment and Research Program (PGPin);

- Inland expansion and workshops promoted by the state government in cities of the interior to discuss local development. GRI SO5

Gaúcho (Rio Grande do Sul) Microcredit Program

Banrisul is an intermediary of the state government-administered. In that role, it has worked to support municipal governments to implement a public policy of economic solidarity encouragement and to support micro- and small enterprises. Prior to the signing of exclusive agreements with the cities, meetings are held in which the terms of the program, the role of the municipal government and the connections between the initiative and local development policies are explained.

In 2012, Banrisul loaned R\$ 137.31 million to 15.444 microentrepreneurs in 320 locales. The transfers were facilitated by a network composed of 45 member microcredit institutions with 142 Banrisul service points.

The Gaúcho Microcredit Program was instituted by the Rio Grande do Sul state government by State Degree 48,164, of July 15, 2011. (Read more in the Challenges and Opportunities chapter). GRI SO5





Human Development

Human Development

Focus on People



As of the close of 2012, Banrisul's workforce numbered 11,456 employees. In order to ensure sustainable development, the Bank has adopted several measures. It has invested in training, improved employee performance by means of evaluation processes, created and improved programs designed to enhance quality of life, offered benefits and remained open to dialogue.

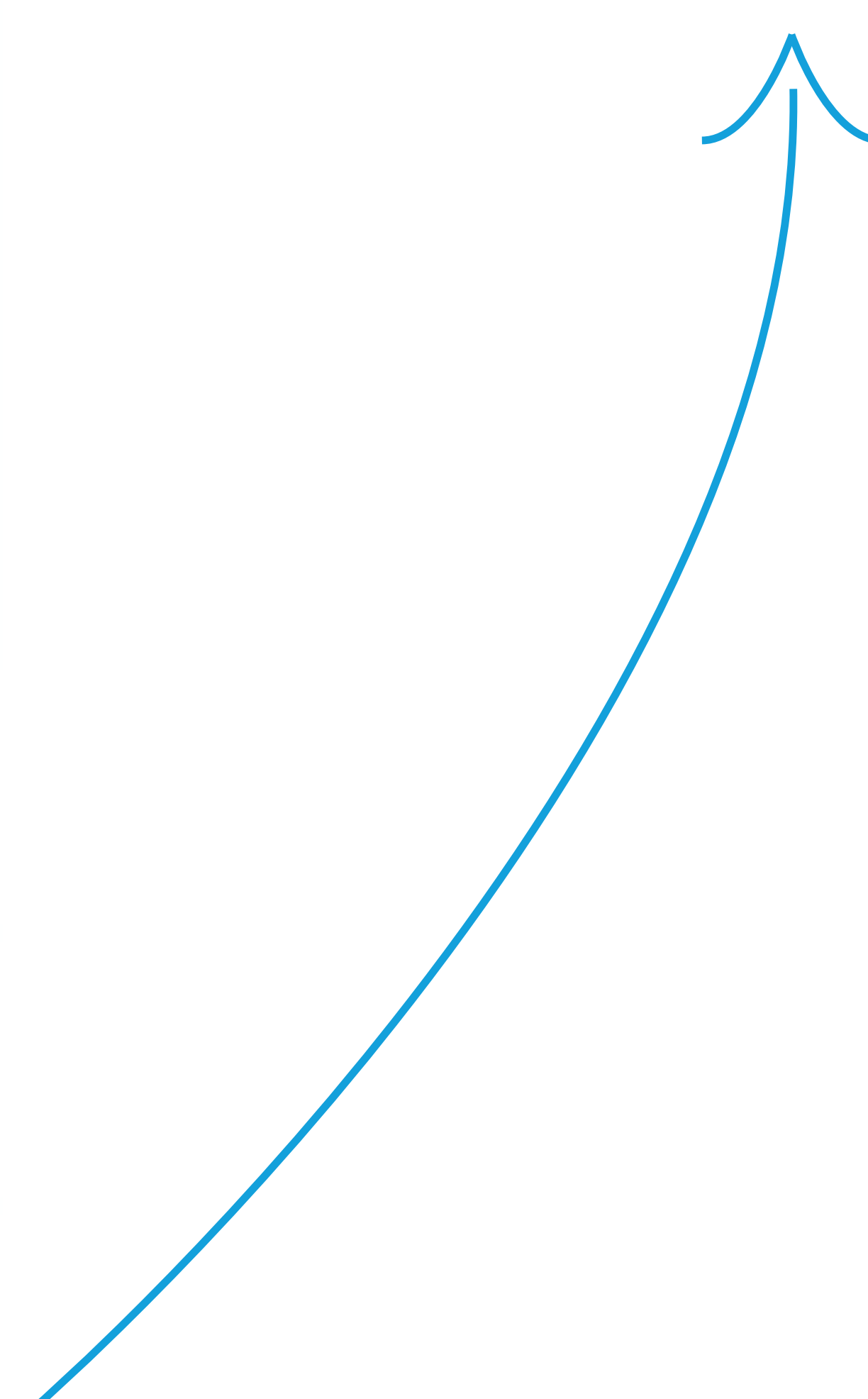
During 2012, Supervisors and Business Managers Training Programs took place and 240 employees now have business and administrative skills

Total Number of Personnel – GRI LA1

	2010	2011	2012
By functional level ¹			
Executive Board	8	9	9
Management	923	977	1,067
Command/Coordination	115	132	156
Technical/Supervision	557	635	643
Administrative	1,467	1,528	1,885
Operational	6,283	6,953	7,696
Total	9,353	10,234	11,456
By contract type ²			
Set term	5,000	4,454	2,723
Indefinite term	9,345	10,225	11,447
Total	14,345	14,679	14,170
By schedule type ³			
Full time	11,700	12,079	11,535
Part time	0	0	0
Total	11,700	12,079	11,535
By external employee type			
Third-party employees	2,645	2,600	2,635
Apprentices	0	0	0
Trainees	0	0	0
Interns	2,347	1,845	79

	2010	2011	2012
Total	4,992	4,445	2,714
By region ⁴			
South I (Rio Grande do Sul)	8,784	9,660	10,870
South II (Santa Catarina and Paraná)	408	436	399
Southeast	122	102	141
Midwest and Northeast	39	36	46
North	0	0	0
Total	9,353	10,234	11,456
Overall Total	14,345	14,679	14,170

1 Employees working abroad are associated with the headquarters unit.
 2 Members of the Executive Board, interns and third-party or outsourced workers are considered set-term employees; all others are classified as indefinite-term workers.
 3 Does not include third-party or outsourced workers.
 4 Does not include third-party or outsourced workers.



In 2012, Banrisul had 14,170 employees, 76.7% of them working in the state of Rio Grande do Sul.

Total Number of Personnel Departures – GRI LA2

	2010	2011	2012
By function			
Executive Board	0	0	0
Management	71	70	47
Command/Coordination	0	0	3
Technical/Supervision	0	0	12
Administrative	91	88	49
Operational	264	252	285
By gender			
Men	286	286	270
Women	140	124	126
By age group			
29 years old or younger	109	93	109
30-50 years old	99	90	127
51 years old or older	218	227	160
By region			
South I (Rio Grande do Sul)	397	382	352
South II (Santa Catarina and Paraná)	15	14	31
Southeast	8	10	10
Midwest and Northeast	6	4	3
North	0	0	0
Total	426	410	396

Turnover Rate – GRI LA2

	2010	2011	2012
By function			
Executive Board	0	0	0
Management	0.76	0.68	0.41
Command/Coordination	0	0	0.03
Technical/Supervision	0	0	0.1
Administrative	0.97	0.86	0.43
Operational	2.82	2.46	2.49
By gender			
Men	3.06	2.79	2.36
Women	1.5	1.21	1.1
By age group			
29 years old or younger	1.2	0.9	0.95
30-50 years old	1.1	0.9	1.11
51 years old or older	2.3	2.2	1.4
By region*			
South I (Rio Grande do Sul)	4.24	3.73	3.07
South II (Santa Catarina and Paraná)	0.16	0.14	0.27
Southeast	0.09	0.1	0.09
Midwest and Northeast	0.06	0.04	0.03
North	0	0	0
* There has been a change in the regional breakdown categories used in the 2011 report. The South or Southern region has been divided into two categories, and figures for the Midwest and Northeast have been consolidated. GRI 3.10, 3.11			

Education and Training

In 2012, Banrisul began putting together its own distance education platform, which is scheduled to be completed in May of 2013. This initiative will enhance possibilities for employees to learn about business and other areas related to the Bank's operations, allowing Banrisul to expand the scope of its corporate education efforts.

The organization spent R\$ 11.3 million on professional development courses alone in 2011. Of that amount, R\$ 917 thousand were allocated to undergraduate programs; R\$ 888.7 thousand to graduate education; and R\$ 303.7 thousand to language training.

One of the biggest pieces of the Bank's training strategies is the MBA in Banking Management program, which involves a partnership with the Federal University of Rio Grande do Sul (UFRGS). The course, which is meant to prepare new managers, was completed by 202 Banrisul employees.

The institution also offered the business manager and supervisor training programs in 2012. A total of 240 employees participated and were trained to carry out commercial and administrative functions.

In 2011, 11,616 employees participated in 1,934 trainings. The following year that number rose to 13,727 employees, 12,764 of which attended face-to-face classes and externally hosted distance learning classes, with 963 enrolling in Banrisul's distance learning. Those figures include all of the training sessions delivered in 2012 and recorded in the BGU System through 5/17/2013. The system allows information to be retroactively updated through the closing of each registration. That explains why the results differ from those published in the January 2013 financial statements. The current registration system does not allow for determination of the functional categories of the participants. For the purposes of preparing of this report, it was determined that the 2011 training hours calculation basis equaled the hourly load multiplied by the number of participants, which the criteria indicated is the sum of the hourly load of each class.

In the course of the year, 605 employees received support for undergraduate and graduate studies, with 136 receiving support of language classes. With res-

pect to undergraduate studies, Banrisul offers a 40% incentive with a R\$ 3,000 per-semester limit. For graduate studies, the subsidy is 70%, capped at R\$ 6,000 per program, or 100% support for employees acting as instructors for internal training. For languages, the same percentage is used, with the limit set at R\$ 700 per module, or 100% support for employees subject to previous regulations. The current registration system does not allow for the individual hourly loads in the undergraduate, graduate or language studies to be determined. However, the average total number of training hours per employee came to 59.64 in 2012 – with 59.22 corresponding to face-to-face and externally hosted distance learning classes and 0.42 hours corresponding to enrollments in the Banrisul distance education platform. In 2011, the per-employee average was 92.91 hours. The bases of these figures were 11,456 employees in 2012 and 10,234 in 2011.

Commitments to Training in 2013

- CPA10 or CPA20 certification of all employees working in the commercial area
- Training of 150 internal instructors
- Completion of 250 employees of the First Management program
- Training of managers on improving their ability to manage small, medium-sized and large branches
- Training of 150 supervisors, 150 business managers and 150 business operators
- Training of 300 employees in Brazilian Sign Language
- Hiring of 500 new employees
- Update training for Branches Network employees
- Training of the executive of the General Directorate
- Completion of the Banrisul distance learning platform

Performance Evaluation

In November of each year, Banrisul engages in the formal process of Performance Evaluation. According to the Bank's own internal regulations, all employees who have worked at least 60 days in the period running from November 1 of the previous calendar year and October 31 of the year in question must undergo the process.

Employees on INSS leave, unpaid personal leave or who have been assigned to external Bank bodies for more than 60 days are not evaluated. Members of the Executive Board, exempt employees and employees hired after the generation of the Evaluation Form also are not evaluated as part of this process.

In 2012, 10,411 employees, or 91% of the total workforce, underwent Performance Evaluation. Eleven factors were virtually evaluated, including responsibility, relationships and initiative. Individuals who disagree with their evaluations may meet with the evaluator to seek consensus.

After setting the number of vacancies per group/standard, the evaluation results identify employees who will be promoted. Employees scoring less than 50% of the total points per group are enrolled in the Workplace Effectiveness (Proget) program for performance improvement.

In the second half of 2012, we also initiated implementation of the Branch System Performance Evaluation Policy. This procedure covers six indicators (including Performance Evaluation), giving them difference weights depending on each employees job area. Calculation of the final score takes into account all of the indicators, the results of the Knowledge Exam, certifications required for each position and scores from training programs.

Depending on their function-specific ranking, employees are classified as Highly Eligible, Eligible and Not Classified. The first two classifications qualify employees for possible promotions, while those in the Not Classified category must undergo corrective measures. Those who are not able to make improvements are demoted, with possible penalties including loss of commissioned position or decertification as Business Operators.

The Branch System Performance Evaluation Policy should be fully implemented in 2013. Performance evaluation measures are consistent with Banrisul's strategic objectives. GRI LA12

Performance Evaluation – GRI LA12

	2010	2011	2012
Total Employees	9,353	10,234	11,456
Men	5,249	5,699	6,244
Women	4,104	4,535	5,212
Total Employees Evaluated	8,802	9,393*	10,411
Men	4,915	5,238	5,707
Women	3,887	4,155	4,704
Percentage of Employees Evaluated	94%	92%	91%
Men	94%	92%	91%
Women	95%	92%	90%

* Correction: Because of a data entry error the 2011 Sustainability Report incorrectly reported that 9,993 of the Bank's employees underwent Performance Assessment that year. This report corrects that error. **GRI 3.10**

Banrisul has developed several initiatives to encourage healthy habits

Quality of Life

It has developed several initiatives to encourage healthy habits and promote the welfare of its personnel. These consist of activities that combat sedentary lifestyles, encourage healthy involvement sports and promote personal interaction.

The Banrifitness program, which took place on an annual basis through 2011, has engendered two additional, more frequently occurring initiatives: BanriRunners and Grupo de Caminhada (the Walking Group).

BanriRunners

In 2012, the Bank launched BanriRunners, a running group made up of the organization's workers. Participants are advised by specialists from the Physical Education area who lead off-site practice sessions and keep track of all participation in national circuit street runs.

Furthermore, the Banrisul team competes in competitions. On June 3, a 50-member group participated in the 29th International Porto Alegre marathon. The runners competed in the marathon, rustic, and two-member, four-member, and eight-member relay modes.

Walking Group

The Walking Group provides a practical aerobic and conditioning exercise option. The open-air walks offer contact with nature and help employees to reduce stress levels and to improve their pulmonary conditioning.

In 2012, the group engaged in an average of three walks per week, in Porto Alegre, as well as in Novo Hamburgo. On November 10, a group of close to 70 employees hiked four kilometers in Morro do Osso, a park in the state capital.

Banribike

The program facilitates the use of bikes for employees working at the headquarters by providing secure bicycle parking and a clean-up area. The pilot experiment, which began in 2012, was advised by Embarq Brasil and

contributed to Porto Alegre's Bikeways Master Plan.

In addition to enhancing Banrisul's adherence to the Green Protocol, the Banribike program encourages cycling as a way to mitigate the effects of climate change, to transform the urban landscape and to guarantee greater urban environmental sustainability. The program is used to share tips relating to safe cycling and transit laws for cycles at a variety of environmental events. **GRI EN14**

Workplace Exercise Program

Implemented by the Bank in 1999, the Workplace Exercise Program helps to reduce stress levels and the occurrence of diseases resulting from occupational activities. The exercises, completed by the organization's employees daily, help to avoid problems such as repetitive stress injuries (RSIs) and muscular tension.

In recognition of its involvement with more than 10 years of offering the program, the Bank was honored by the state Regional Physical Education Council (CRE-F-RS). In 2012, the organization's workforce included 300 professionals in the Physical Education area.

Labor Practices

Seeking to meet the needs of its employees and tailor the Bank's services to the current realities affecting of financial institutions, Banrisul made progress in structuring its career plan in 2012. The initiative, which is currently under discussion, will include reforms to positions, salaries and ascension career mechanisms.

In 2012, the organization began the process of replacing trainees with contract employees. The Public Ministry's prohibition of hiring interns Bank recruited and selected by the Bank the measure's implementation, which also enhanced the transparency and impartiality of the process.

In 2013, the organization plans to discontinue the intern program and propose new hiring procedures. These moves are intended to improve relationships with customers, strengthening their loyalty, which had suffered because of the high turnover rate on interns.

Workplace Health and Safety¹ – GRI LA7

	2011	2012
Injury rate ²	0.67%	0.43%
Occupational illness rate ²	0.77%	0.63%
Lost working days rate ²	0.2%	0.18%
Absenteeism rate ³	3.1%	2.99%
Deaths	0	0
Accidents with temporary absence ⁴	18	14
Accidents without absence	39	27

1 In the 2011 report, we presented actual numbers for injuries, working days lost and absenteeism. When calculating the working days lost for 2011, we considered only absences taking place after 01/01/2009. The comprehensive, recalculated figures are therefore being presented in this report.

GRI 3.10, 3.11

2 Since Banrisul uses two workdays – one for clerical staff (6 hours/day) and another for commissioned employees (8 hours/day), calculations reflect the following: total hours worked = number of commissioned employees x 40 weekly hours x 50 weeks + number of clerical staff employees x 30 weekly hours x 50 weeks. The number of employees is based on personnel figures as of 12/31/2012 and 12/31/2011.

3 Based on calendar days (365), since attestations and licenses are granted on the basis of consecutive calendar days rather than business days. The formulas used for compiling these data conform to the GRI protocol method used in the English version available online.

4 Accidents with temporary absence were defined as those in which employees were granted licenses by the INSS.



In 2012, the Bank launched BanriRunners, a running group made up of the organization's workers

Serious Illness Programs – GRI LA8

Program Name	Beneficiaries	Purpose	Description
Breast Cancer Prevention Program (Promama)	Employees and employees' families	Prevention and risk control	Develops actions that assist in the prevention of risk factors and early detection of breast cancer.
Tobacco Use Treatment and Prevention Program	Employees and employees' families	Treatment, prevention and risk control	Has four main objectives: to develop, through education, awareness about the importance of preventing and treating tobacco use; the early diagnosis of diseases resulting from tobacco use; to specifically address the issue of tobacco addiction; and to encourage treatment for tobacco use and combat the stigma of treatment. The program is carried out in collaboration with Cabergs.
Flu Vaccination Campaign	Employees and employees' families	Prevention and risk control	Proporciona, em parceria com a Cabergs, a imunização contra as gripes comum e H1N1, buscando diminuir o número de beneficiários acometidos pelos vírus. Também incentiva a saúde preventiva e reduz os custos com realização de tratamento de gripe e suas consequências.
Participation in Sponsors' Events	Employees, employees' families and members of the community	Education, training, prevention and risk control	Raise awareness regarding the primary risk factors for chronic noncommunicable diseases, such as dyslipidemia, diabetes, systemic hypertension and obesity. Cabergs participates in events put on by sponsors and in health education and awareness campaigns.
Alcohol and Drug Problem Prevention, Diagnosis and Treatment Program (PAD)	Employees and employees' families ²	Education, training, counseling, prevention and risk control	Offers assistance to employees who have problems related to alcohol and other drugs, seeking to improve quality of life and the resumption of work duties.
Attention to and Monitoring of Employees in Stressful Situations Program (PASS) ¹	Employees and employees' families ²	Education, training, counseling, prevention, risk control and treatment	Implements preventive measures and health care to employees who experience episodes of occupational stress, especially those caused by assault or kidnapping.
Occupational Illnesses and Accidents Prevention, Diagnosis and Treatment Program (PROAT) ¹	Employees	Education, training, counseling, prevention, risk control and treatment	Establishes procedures for identifying, referring and treating workplace accidents and occupational illnesses, such as RSI repetitive stress injuries and work-related musculoskeletal disorders. ¹ It seeks to provide quicker and efficient treatment to employees so as to speed recovery and resumption of work duties.

¹ Work-related musculoskeletal disorders are one of the most frequent kinds of illnesses in the banking sector, along with emotional harm from workplace robberies. This is why Banrisul offers the PASS and PROAT programs to its employees.
² Here, family members qualify for counseling only.

Salaries

In all cases, the lowest compensation levels paid by Banrisul are higher than the minimum wages in the states in which it operates. In Rio Grande do Sul, the lowest monthly salary paid by the Bank in 2012 was R\$ 1.772.16 – compared to the minimum of R\$ 1,519.00 for clerical staff (see details in the related chart). Salaries at Banrisul are linked to a mandatory bonus.

Since it has its own collective bargaining agreement, the organization did not adopt the minimum wage increases implemented between 2011 and 2012, at either national or local levels. During the period, the state minimum wage increased by 14.75%, while Banrisul granted an 8.5% increase to its employees earning at the lowest level. Those composing other categories received 7.5% raises.

Although most of its branches are in Rio Grande do Sul, the Bank pays equal compensation throughout Brazil. Differences are based only on the functional levels of employees. GRI EC5

In all cases, the lowest compensation levels paid by Banrisul are higher than the minimum wages in the states in which it operates

Salaries Paid – GRI EC5

	RS		SC and PR		SP, RJ, MG and ES		MA, PI, CE, PE, BA, RN, PB, AL, SE and DF	
	2011	2012	2011	2012	2011	2012	2011	2012
Lowest salary paid by the Bank (R\$) ¹	1,633.33	1,772.16	1,633.33	1,772.16	1,633.33	1,772.16	1,633.33	1,772.16
Local minimum salary (R\$) ²	1,400.00	1,519.00	1,400.00	1,519.00	1,400.00	1,519.00	1,400.00	1,519.00
Proportion of lowest salary x minimum local salary (%)	16.67	16.67	16.67	16.67	16.67	16.67	16.67	16.67
Percentage of employees per location receiving the lowest salary (%)	51.92	34.44	1.97	1.34	0.5	0.15	0.22	0.09
Estimated lowest per-hour salary paid by the Bank (R\$) ³	7.78	8.44	7.78	8.44	7.78	8.44	7.78	8.44

¹ The calculation considered the base salary for clerical workers (Standard K when beginning a job) + the regular mandatory bonus. In 2011: R\$ 1,400.00 + R\$ 233.33; and, in 2012: R\$ 1,519.00 + R\$ 253.16.

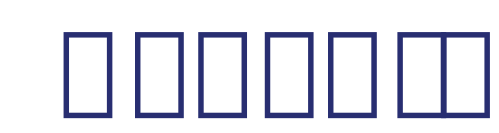
² Based on the amounts in effect as of December 31, 2012 for each year, as stipulated by the 2011 and 2011 Collective Bargaining Agreements with FEBRABAN, which are valid for the banking category throughout Brazil.

³ The hour amount calculation was based on 30 days per month and 6 hours of work per work day, only considering salary, without bonus, since this refers to 14th and 15th salaries. GRI 3.10, 3.11

Employees Receiving the Lowest Salary, by State – GRI EC5

State	2011	2012	
	Total	Total	Percentage*
Bahia	5	3	0.03
Ceará	7	5	0.04
Distrito Federal	3	-	0
Minas Gerais	4	4	0.03
Pernambuco	8	2	0.02
Paraná	12	11	0.1
Rio de Janeiro	15	3	0.03
Rio Grande do Sul	5,314	3,945	34.44
Santa Catarina	190	142	1.24
São Paulo	32	10	0.09
Total	5,590	4,125	36

* Formula used for the calculation: number/11,456 x 100.



Banrisul offers several benefits, which show its employees how much it values them and helps to improve their quality of life. The Bank covers half of the costs of prescription drugs for employees. Bank employees pay just 4% of their salary for the transportation voucher, less than the 6% rate established by law. The organization also provides a health care plan for more than 40 thousand people, including retirees, employees and their dependents.

The institution also covers 46% more of food basket support for its employees than is required by FEBRABAN.

Union Relationships

The Bank has a permanent commitment to building consensus and seeking to satisfy all parties. This perspective also informs its interactions with unions.

In addition to general issues pertaining to the banking category, such as the wage increase rates and working conditions, one of the specific demands of the strike of 2012 was the establishment of a career plan.

As a result, the Personnel Management Unit superintendence coordinated dialogue between the entities. In order to promote dialogue between the category's representatives, Banrisul used the committees set up for that purpose as a communication channel. The main results of this process, which ended in September, were higher than initially proposed raises and the drafting of a career plan, scheduled for completion by March 31, 2013.

Accessibility

Banrisul has developed a series of actions aimed at improving access to financial services by disabled individuals. For example, it actively seeks to place persons trained in Brazilian Sign Language throughout its entire Service Network. To do so, it offers sign language classes to two employees per branch, one of whom is trained in teller functions, the other in services platform duties. At the close of 2012, the Bank had 513 trained employees.

In observance of state law, 418 branches issue electronic

passwords to customers, allowing them to be sorted on the basis of their needing regular or preferential service. The Bank also makes available 2,275 ATMs and 354 check dispensers for wheelchair-bound or visually impaired customers at 467 branches and service posts (in accordance with ABNT NBR 15250/2005 and ABNT NBR 9050/2004), pursuant to Decree 5,296/04. Another initiative designed to help disabled persons or those with reduced mobility is the installation of ramps in all of the Bank's ATMs at fairs and events.

To assist individuals with hearing or speaking impairments, Banrisul offers the TSPC-CAS product, a hardware and software solution for service customers and non-customers. Using special terminals, disabled persons can call a toll-free number (0800 648 1907), which connects them to a service representative and allows for keyboard-enabled communication.

In 2012, 105 branches were outfitted with adapted works stations, which were identified with an accessibility symbol. The purpose of these special work stations is to offer priority service to persons with disabilities, customers aged 61 or older, pregnant women, nursing mothers and persons holding small children. Throughout its Branch Network, the Bank also provides headphones to visually impaired customers using the self-service terminals.

At the close of 2012, 105 branches (22% of the total) had met 100% of the accessibility accommodations required by Decree 5,296/04: tactile flooring, adapted bathrooms, access ramps and/or mechanical rising platform and identified preferential seating; 124 branches (27%) had complied to some level with the Decree; 465 branches (100%) had row seating consisting of two or three seats for waiting customers; and 236 branches (51%) were in the process of installing accessibility accommodations. An additional 159 branches had design plans accounting for all of the accessibility accommodations that had either been approved or were under evaluation.

In 2013, Banrisul expects to begin offering chat-based service for the VISA and MasterCard credit cards it issues. That new channel will offer the same service and information as the telephone-based Service Center, ensuring accessibility by persons with hearing and speaking impairments. The SAC Consórcio Service Channel, which is in the implementation phase, will also be able to serve those customers. **GRI FS14**



Social and Environmental Development

Social and Environmental Development

Forging New Paths

Banrisul's involvement with and integration of sustainability has taken place naturally and gradually. After a series of earlier phases, Banrisul established its Sustainability Policy in 2012. By encouraging its workforce to participate in volunteer activities related to environmental development, the Bank has sought to transform their practices into a culture.

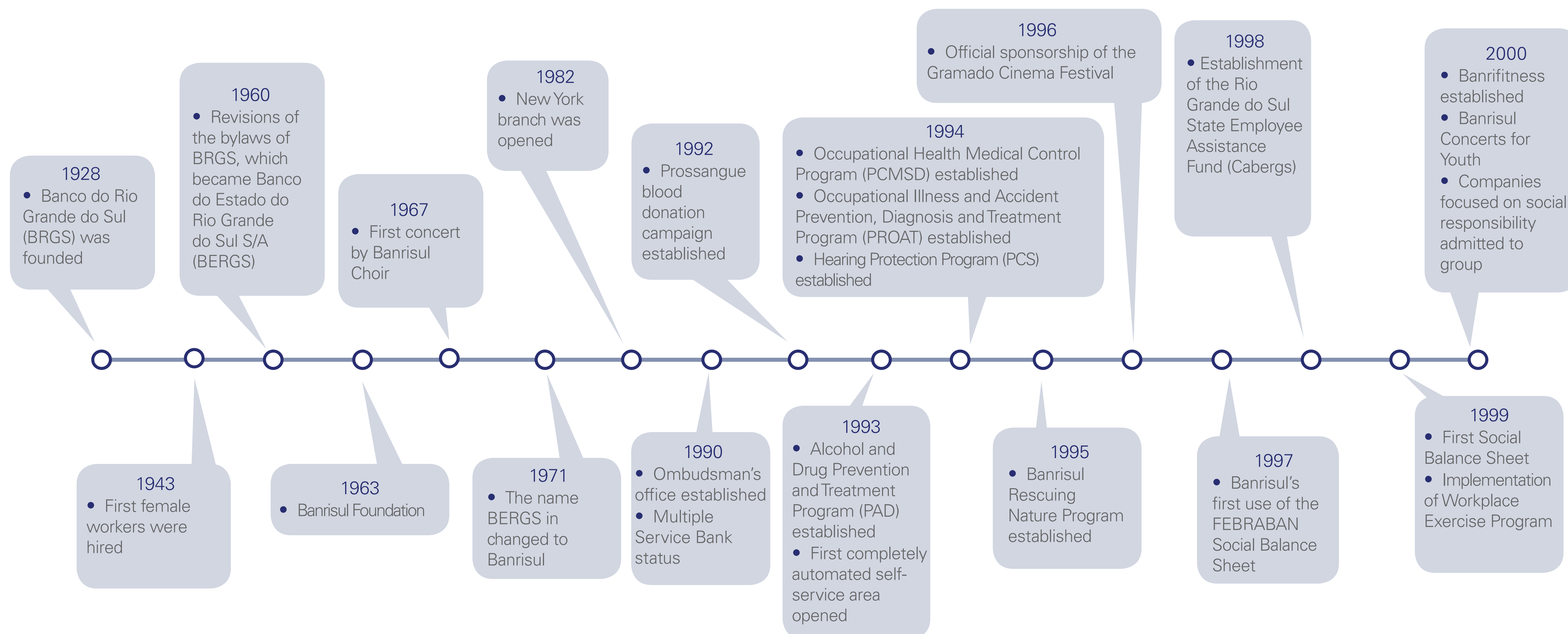
To that end, the actions of the Sustainability Actions picked up speed as the year progressed. Initiatives such as the Seeds Program and Contracheque Verde (Green Paycheck), in addition to lines of credit associated with social and environmental products, also contributed to advancing the institution's vision of sustainability.

Reporting directly to the Bank's presidency, The Strategic Environmental Management Group leads all efforts to improve sustainability practices and facilitates dialogue with the organization's various areas, integrating the social and environmental programs and helping to draft the Bank's administrative policies relating to sustainability. It also evaluates and proposes corporate sustainability practices, manages the institution's social initiatives and promotes the establishment of partnerships with companies that value social and environmental responsibility practices.

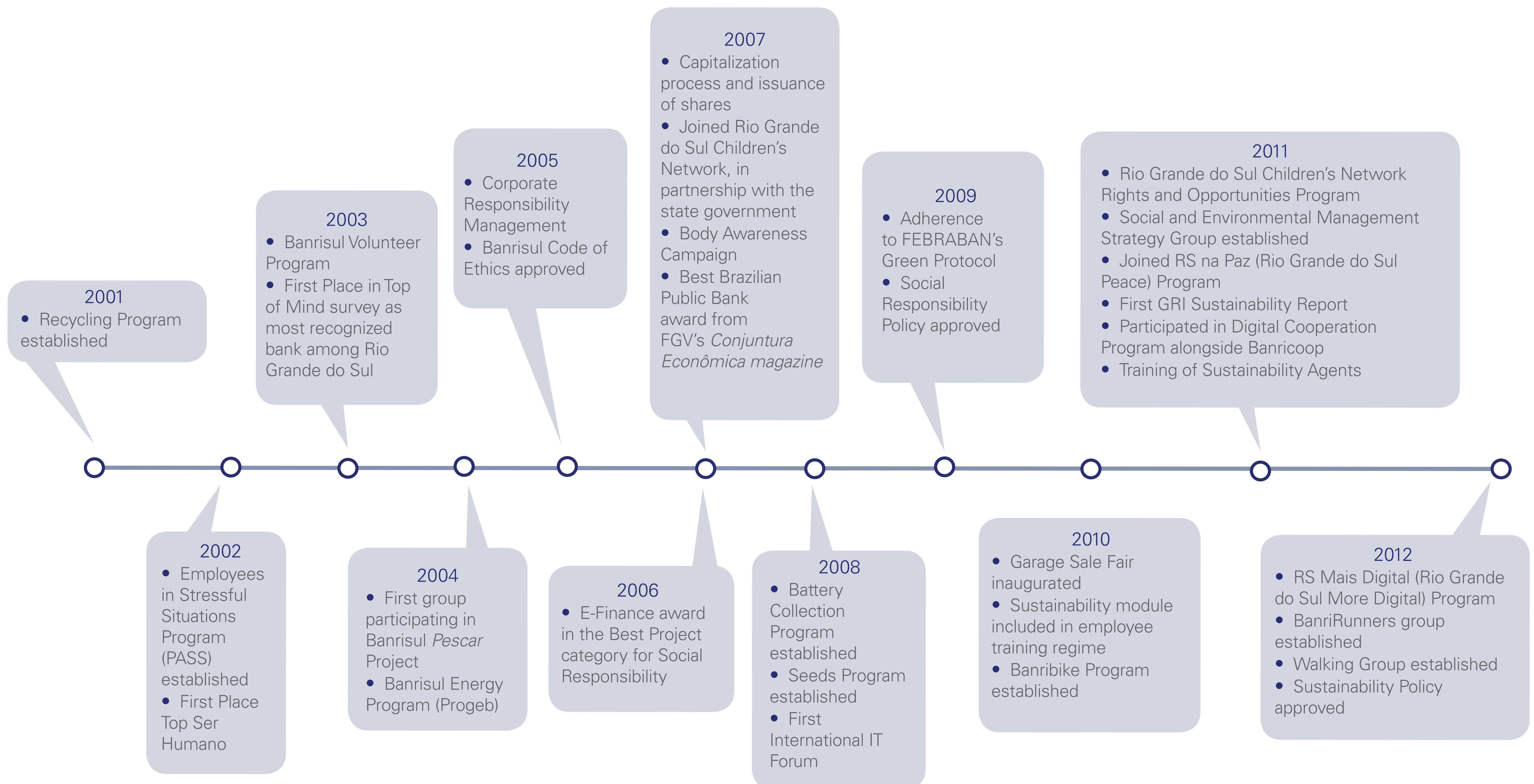
In line with this, the Corporate Responsibility Committee was replaced by the Environmental Management Committee, expanding the multidisciplinary vision and developing strategies to enhance sustainability.



The Path (1928 a 1999)



The Path (2001 a 2012)



Commercial Initiatives

Emergency Legal Entity Credit

Banrisul offers a credit modality to help legal entities in municipalities where the Civil Defense has decreed disasters. The purpose of this line of credit is to provide working capital and to restore the operations of micro-enterprises and small businesses in Rio Grande do Sul and in Santa Catarina that have suffered damages or losses because of rain, windstorms, storms and floods. The product is linked to the Individual and Legal Entity Credit Policy. GRI FS1, FS7

Emergency Lines – GRI FS6

Region	Sector	Monetary Value (R\$)	Size	Percentage
Porto Alegre /RS	-	19,070.00	Individuals	0.2%
Interior/RS	Commercial	60,000.00	Medium-sized	0.8%
Interior/RS	Commercial	429,470.00	Small	5.4%
Interior/RS	Commercial	717,710.00	Microenterprises	9%
Interior/RS	Industry	60,000.00	Medium-sized	0.8%
Interior/RS	Industry	200,000.00	Small	2.5%
Interior/RS	Industry	253,500.00	Microenterprises	3.2%
Interior/RS	Services	136,050.00	Small	1.7%
Interior/RS	Services	412,750.00	Microenterprises	5.2%
Interior/RS	-	5,643,850.53	Individuals	71.1%
Total RS	-	7,932,400.53	-	100%

Emergency Personal Credit

Individual residents living in municipalities affected by windstorms, floods, rains and other natural phenomena are also served by a specific Banrisul line of credit. This line, which is granted under emergency conditions, is only available in areas where the Civil Defense has decreed a public disaster. A total of 60 Rio Grande do Sul municipalities benefited from this line. The product is linked to the Credit Policy.

The Bank also offers a modality to be used specifically for the acquisition of construction materials and to finance labor costs. Emergency lines for both legal entities and individuals have repayment terms of up to 36

months and monthly interest rates of 1%. GRI FS7, FS8

Sustainability CDC

In an effort to encourage the production and sale of sustainable items, Banrisul created to the Sustainability CDC (Consumer Direct Credit), a credit modality used to finance products such as solar thermal collectors and solar and wind energy equipment, as well as light bulbs and other more energy efficient tools.

The credit line also covers vehicular natural gas kits, appliances, such as air conditioning units and refrigerators and water tanks for rainwater collection and reuse. The product is linked to our Credit Policy. GRI FS1, FS8, EN6

Accessibility CPB

Banrisul also offers the Accessibility CPB (Banrisul Personal Credit), a dedicated financing modality for persons with disabilities. This product can be used to finance goods and services that enhance accessibility. It is linked to our Credit Policy. GRI FS1, FS7

□□□□□□

Banrisul Provided R\$ 73.07 in 2012 through the Fund for the Support and Recuperation of Rio Grande do Sul Private Non-Profit and Public Hospitals (Funafir). Those funds are used for the financial recovery of and improvement in the services provided by public and non-profit entities.

The credit line, constituted in conjunction with the State Health Department and the Federation of Hospitals, allows for repayment terms of up to 48 months. This modality's special conditions are designed to facilitate hospital management, the financing of working capital and institutional maintenance. The product is linked to our Credit Policy. GRI FS1, FS7

Sustainability CDC – GRI FS6

Region	Sector	Monetary Value (R\$)	Size	Percentage
Porto Alegre/RS	Commercial	8,500.00	Microenterprises	40%
Interior/RS	-	12,922.91	Individuals	60%
Total RS	-	21,422.91	-	100%

Accessibility CPB – GRI FS6

Region	Sector	Monetary Value (R\$)	Size	Percentage
Interior/RS	-	5,900.00	Individuals	100%

Water Quality – GRI FS6

Region	Sector	Monetary Value (R\$)	Size	Percentage
Porto Alegre /RS	Health	16,000,000.00	Large	22%
Porto Alegre /RS	Health	8,619,200.00	Medium-sized	12%
Porto Alegre /RS	Health	13,891,900.00	Microenterprises	19%
Interior/RS	Health	25,068,450.00	Medium-sized	34%
Interior/RS	Health	628,030.00	Small	1%
Interior/RS	Health	8,871,590.00	Microenterprises	12%
Total RS	Health	73,079,170.00	-	100%

* More information is available in State Law 11,366, of 8/31/1999.

Sanitation for All

By means of Time of Service Guarantee Fund (FGTS) resources provided by Caixa Econômica Federal (CEF), this program facilitates the financing of sanitation projects that meet established standards. Banrisul transfers the financial resources needed to fund the projects, which are considered highly significant by municipal governments.

These investments allow municipal governments to meet the needs of large portions of the population, improving social and environmental conditions and positively impacting public health services in their cities. Consistent with its mission and commitment to sustainability, the Bank observes Cities Ministry Resolution 476, of 5/31/2005 and the Sanitation for All Program Promotion Manual.

The projects are in advanced stages of implementation and are subject to direct verification by their communities. This is a long-term process that may take up to 10 years. Most of these projects affect large cities and thus imply more complex problems because of urbanization factors.

The initiatives are ongoing; therefore, the results will only be able to be effectively evaluated upon conclusion. The trend is a gradual recovery of groundwater and springs, resulting in positive impacts on water quality and natural resources. The program directly benefits 800 thousand people and indirectly serves another 1.5 million, covering an area of 3 thousand square kilometers. GRI FS6

Conscious Credit CPB

Avoiding defaults and maintaining the financial health of the population are also aspects of Banrisul's approach to sustainability. That is why the Bank offers the Conscious Credit line of credit, the aim of which is to adjust customers' debt and monthly obligations to their capacity to pay. This line provides the possibility of lower monthly interest payments. The product is linked to our Credit Policy. GRI FS1, FS7

Sanitation for All – GRI FS6

Region	Sector	Monetary Value (R\$)	Size	Percentage
Interior/RS	Wastewater treatment	18,000.000	Municipal Governments	15.8%

Conscious Credit CPB – GRI FS6

Region	Sector	Monetary Value (R\$)	Size	Percentage
Rio Grande do Sul	-	34,455,936.67	Individuals	97.17%
Porto Alegre	-	12,275,671.90	Individuals	34.62%
Interior	-	22,180,264.77	Individuals	62.55%
Santa Catarina	-	905,651.83	Individuals	2.55%
Other states	-	97,380.30	Individuals	0.27%
Total	-	35,458,968.80	Individuals	100%

Banrisul has entered into a pledge with BNDES that guarantees that all social and environmental rules and procedures that apply to its operations are observed.

BNDES Pledge

Banrisul has entered into a pledge with BNDES that guarantees that all social and environmental rules and procedures that apply to its operations are observed. The Bank observes all national, state and municipal legislations pertaining to its short- and long-term business lines. It also complies with all laws, resolutions, circulars and rules that regulate financing operations.

As a BNDES operating agent, Banrisul follows their guidelines and policies by means of a series of rules. These policies prohibit borrowers who have submitted workers to slave-like conditions from inclusion in the Employer Registry maintained by the Ministry of Labor

and Employment. Applicants must also present Exemption Statements or Environmental Licenses for the activities under consideration.

Furthermore, borrowers must sign a declaration that they are free of environmental infractions and administrative sanctions. They must also provide a Rural Property Registration Certificate issued by the National Institute of Colonization and Agrarian Reform (INCRA), in addition to proof of payment of required federal taxes. In the case of irrigated crops, borrowers must provide a granting document issued by the State Environmental Department's Hydric Resources Department (DRH/SEMA) and an irrigator operating license issued by the environmental regulator (FEPAM).GRI FS1

Rural Initiatives

Pronaf

Banrisul offers its customers three modalities linked to the National Family Farm Strengthening Program (Pronaf). Family farmers affected by the drought that occurred between December of 2011 and April of 2012 are eligible for the Pronaf Southern Drought credit line. The benefit is available to farmers in areas of the Southern region that have been granted emergency or calamity status by the National Integration Ministry.

The purpose of the initiative is to finance investment projects aimed at rebuilding and revitalizing family farms, as well as to encourage soil and water use, management and conservation practices. The line also covers the implementation of projects relating to irrigation, pasture creation and improvement, production and the preservation of fodder used to feed animals. It also covers investment in drought mitigation measures whose technical and economic feasibility has been approved.

Banrisul uses the Pronaf Agroecologia line to finance specific agro-ecological or organic production systems, including their set-up and maintenance costs. For its part, Pronaf Eco covers environmental technologies and renewable energy projects. This modality is used to finance projects associated with the implementation, use and recovery of investments in renewable energy and environmental sustainability. GRI FS7, FS8, EN14

More Water, More Income

Banrisul supports to Mais Água, Mais Renda (More Water, More Income) program in collaboration with the State Agriculture, Livestock and Agribusiness Department. Seeking to maintain productivity levels, the initiative aims at encouraging and facilitating the expansion of irrigation throughout Rio Grande do Sul, as well as making the practice more feasible for farmers and minimizing losses from droughts.

By means of the Pronaf, Pronamp (National Medium-sized Rural Farmer Support Program) or Moderinfra (Irrigation and Storage Incentive Program) credit lines, the pro-



gram focuses on producers interested in building dams to flood areas equal to or smaller than 10 hectares and irrigating areas equal to or less than 100 hectares. GRI FS7, FS8

More Sheep in the Fields

In an effort to serve farmers and ranchers intent on holding onto or acquiring stud rams and ewes, Banrisul launched a credit line using the State Sheep Industry Development Program, also known as Mais Ovino no Campo (More Sheep in the Fields). The initiative, developed in collaboration with the State Agriculture, Livestock and Agribusiness Department, encourages rural producers to adopt sheep raising as a sustainable alternative for the diversification of and integration with other rural activities. GRI FS7, FS8

Moderinfra

The purpose of the Moderinfra program is the development of sustainable agriculture. Moderinfra is a line of

credit whose purpose is to expand storage capacity and to build facilities for housing agricultural machinery and tools. It thus aims to protect fruit trees in temperate regions against the hailstorms. GRI FS7, FS8, EN14

ABC Program

The ABC Program is a line of credit that targets the reduction of greenhouse gasses resulting from farming and ranching activities. The line is used to finance projects involving the creation of forest seedling greenhouses and production systems that integrate farming, livestock and forestry. The program also encourages farmers to adopt organic farming practices, no-till planting and the recuperation of degraded pastures, as well as the establishment of commercial forests and the restoration of permanent conservation areas and legally protected reserves. GRI FS7, FS8, EN14

Social Initiatives

Banrisul *Pescar* Project

The principle objectives of the Banrisul *Pescar* Project are to help youths integrate into society, encourage the personal and professional development of those who are at risk and to assist them in joining the labor market.

The Banrisul *Pescar* Project Unit was created in 2004, contributing to the education of 179 youths between the ages of 16 and 19 chosen by means of a selective process in at-risk communities in the southern zone of Porto Alegre.

The students attend regular school classes during the evening. In the afternoon they participate in the *Pescar* Project Auxiliary Administrative Services Course. That 800-hour course is divided into two modules: technical and training disciplines. Banrisul contributes 45 volunteer employees to teach those classes.

The youths also receive meals, transportation vouchers, tennis shoes, backpacks, uniforms and all of the educational materials. In addition to its role as franchisee, Banrisul also operates the *Pescar* Project Foundation. In 2012, the Bank invested a total of R\$ 118.75 thousand in the project.

Opportunities and Rights Program

Using resources raised for the State Fund for Children and Adolescents (FECA), in 2007 Banrisul developed the POD Criança (Children's POD) through the Opportunities and Rights Program in conjunction with the Justice and Human Rights Department and the Rio Grande do Sul State Data Processing Company (Procergs). This is an integrated initiative involving the state, civil society organizations, companies and citizens. Its goal is to serve at-risk children and adolescents in Rio Grande do Sul.

The program provides for income tax deductions of up to 6% for any individual that makes a donation. For legal entities filing under the actual income system, the allowable discount is 1% of the income tax paid. The funds go to FECA, which uses them to finance projects approved by the Children and Adolescents Rights Council (CEDICA). The amounts withheld are provided to organizations and projects to protect children

and adolescents throughout the state. In 2012, Banrisul collected R\$ 302.77 thousand for the Opportunities and Rights Program.

Another Banrisul project aimed at helping young people is the Cool Apprentice (Aprendiz Legal) program. In partnership with the Socio-educational Service Foundation (FASE) and the Center for Business-School Integration (CIEE), the Bank provides professional training courses to 130 youths engaged in FACE socio-educational initiatives.

Tax Incentive Laws - Funcrância and the Fund for the Elderly

Banrisul contributes to assisting children, adolescents and the elderly through tax incentive laws. Funds are allocated to the State Children and Adolescents Fund, which finances projects approved by CEDICA and to the Fund for the Elderly. Individuals who file using the complete form may donate up to the limit of 6% of income tax due, while legal entities who file under the actual income regime may donate up to 1% of tax paid.

In 2012, a method was created for establishing guidelines and procedures for allocating the financial resources from fiscal incentives for use by social projects for at-risk children and adolescents.

Thanks to this improved distribution procedure, the number of projects funded increased from 23 in 2011 to 40 the following year. In 2012, the Banco contributed R\$ 1.66 million to Funcrância and R\$ 1.65 million to the Fund for the Elderly.

Banrisul Concerts for Youths

Created in the year 2000, the Banrisul Concerts for Youths project supports presentations by the São Pedro Theatre Chamber Orchestra in Porto Alegre to students of the state's schools. These events encourage a dynamic of interactive teaching to the audience, which learns the fundamentals of an orchestra and of each of the instruments used by the musicians.

In 2012, the initiative received the Social Responsibility Initiative from the Rio Grande do Sul Legislative Assembly in the government-serving entities category. The dis-

tribution is granted to organizations with projects aimed at promoting the well-being of society and the preservation of the environment. More than 55 thousand children and youths have attended 119 concerts. Banrisul invested R\$ 235 thousand in the project in 2012.

Automated Judicial License

With the assistance of the Court of Justice, Banrisul provides a service that allows users to choose how they receive amounts from judicial licenses. Beneficiaries may withdraw the funds at each of the Bank's branches or through electronic cash transfers, either having a Banrisul account or not. The initiative speeds up judicial procedures and enhances operational security, since is performed with the approval of the Digital Certificate. The project received the IT and Government award in February of 2012. GRI FS7, FS8



Environmental Initiatives

Sustainability Agents

To strengthen its Sustainability Policy, Banrisul has been making an effort to increase the involvement of its workforce in activities associated with the creation of its internal culture of sustainability. To that end, in 2011 Banco established the Sustainability Agents, a group composed of 40 employee volunteers committed to sustainable actions and programs. Drawn from all of the Regional Superintendencies, the agents develop actions based on needs they perceive in their communities and work environments. They also assess which events need to be strengthened and act as liaisons between the Social and Environmental Strategy Group and the Bank's network of branches.

The initiative picked up strength and extended its reach in 2012. Beginning in group development meetings, the actions went beyond the Bank's limits and into to the communities in which the Regional Superintendencies operate. Sound ecological and social practices and environmental awareness were shared at various local events. The agents participated in book and toy exchange fairs and in seminars and talks with educators. They also distributed agro-ecological seeds and encouraged community gardens.

One of the most successful programs was the Sustainable Garden Project developed by the Montenegro branch of the Eastern Regional Superintendence. That program was carried out in collaboration with the Technical Assistance and Rural Extension Enterprise (EMATER), which provided advisement with respect to physical and biological conditions and the Caí Valley Ecological Citrus Farmers' Cooperative (ECOCITRUS), which is already involved with the Bank's rural credit operations and donated organic fertilizer for the purpose of improving soil conditions.

The initiative also included the reuse of plastic cups discarded by the branch to grow vegetable seedlings, generating a sustainable food source and improving the community's quality of life. The food produced is served in public school lunches in the region and to students of the Association of Parents and Friends of Exceptional Children (APAE). The project, which is called *Mãos na Terra, Olhos no Futuro* (Hands in the Soil, Eyes on the Future), won second place in the Con-



curso Semear (Planting Contest), a competition put on by Momentive Química do Brasil, in conjunction with the city's Education and Culture and Agriculture and Environment departments.

In the coming years, those volunteers who participate in the first initiatives will undergo a training process in order to become project multipliers. The initiative illustrates the Bank's commitment to expanding its agents network and further strengthening its Sustainability Policy.

Seeds Program

Created in 2008, the Programa Sementes (Seeds Program) is a Banrisul initiative whose purpose is to share strategies pertaining to rural sustainable development through ecological agriculture. Focused on rural communities, it aims to incorporate aspects of food security and sovereignty, and to encourage the establishment of agroforestry systems. The initiative also encourages the consumption of organic products and the use and exchange of seeds among farmers.

Since its founding, the Seeds Program has already distributed more than 140 million seeds for growing native and creole trees and agro-ecological vegetable farming. Program participants include farmers, schools, ecological farming associations, farming cooperatives and indigenous and quilombola communities. The program is also implemented through university extension efforts and at rural fairs and environmental events associated with rural areas and agro-ecology.

The initiative won the 19th Ecology Expression Award in the Natural Resources Conservation Category, garnering certification by the Ministry of the Environment as the most significant program of its type in the Southern region. The Seeds Program is a joint effort involving the Bank, the Brazilian Agro-ecology Association (ABA) The Rio Grande do Sul State Organic Production Commission (CPOORG/RS), the Ministry of Agriculture, Livestock and Food Supply, the State Department of Rural Development, Fishing and Cooperatives, EMATER/RS, municipal governments, the State Agriculture and Livestock Research Fund (FEPAGRO) the Agronomy School of the Federal University of Rio Grande do Sul (UFRGS), The Nutrition School of the Sinos River Valley University (UNISINOS), ecological agriculture NGOs and rural schools.

Other Innovative Sustainability Agents Initiatives

Branch	Regional Superintendence	Agent	Description
Porto Xavier	Northwest	Lira Almeida	Workshop for reuse of materials and provision of seeds to 500 students in the city
Tancredo Neves	Border	Liziane Ramalho	Provides sustainability kits to 11 schools in the region, containing personalized pen and flower and fruit and vegetable seeds
São Martinho	Northwest	Tiago de Jesus	Construction of a tank for rainwater use and replacement of old flush mechanisms
Gaspar	Santa Catarina	Diego Cognato	Displaying posters with information about state parks in Santa Catarina
Montenegro	East	Neila Rosa Gomes	Sustainable garden that benefits three entities in the region
Dois Lajeados	<i>Alto Uruguai</i>	Moisés Carlesso	Organic production of vegetable seedlings
Vera Cruz	Center	Daniel Bencke	Study aimed at reducing energy consumption through a program to monitor ATMs
Restinga Seca	Border	Tânia Chelotti	Distribution of more than 300 native plant seedlings
Central Branch	Headquarters	Clarice Fátima Fila	Inclusion of the topic of waste management in branch meetings
Ibirubá	<i>Alto Uruguai</i>	Fátima Dario	Community garden workshop and distribution of agro-ecological seeds

Recycling Program

Mindful of the need to reduce consumption and increase the reuse of materials, in 2001 Banrisul created the Programa Reciclar (Recycling Program). The program promotes the collection and recycling of waste products from all of the bank's units and branches. Furthermore, it works on social inclusion efforts and those focusing on the creation of jobs and income in needy communities, encouraging the donation of waste materials and environmental education measures.

Through 2012, 4,957 tonnes of paper had been recycled, which is the equivalent of saving more than 79 thousand trees (read more about the methodology used under the *Green Paycheck: Banrisul Employees* heading below). In 2012, the program sent off 6,707 fluorescent light bulbs for decontamination.

Green Protocol

The Protocolo Verde (Green Protocol), which Banrisul signed in 2009, is a letter of intent signed by several banks. By signing the document, the institutions commit to undertaking joint efforts to create policies and practices promoting sustainable development. Thanks to the initiative, all of the projects and programs previously developed by the Bank have been strengthened. The Green Protocol encourages credit line financing of programs that enhance quality of life and the sustainable use of natural resources. **GRI 4.12**

Green Paycheck: Banrisul Employees

To streamline spending on paper and printing and to ensure greater speed and security for its employees, Banrisul provides them the ability to consult their paychecks online. The model, called Green Paycheck, has been in place since September of 2011 and provides access to information by means of employee logon and password.

Thanks to the program, 186 thousand paychecks have not been printed, an amount equal to 0.837 tonnes of paper. This also equates to saving 13 trees or 87,300 liters of water per month.

To calculate the number of trees and liters of water saved, the Bank has adopted the methodology published by

the National Environmental Preservation Institute (INPA) for use in the Environmental Education and Recycling project. According to the study, the average weight of a piece of A4 paper is 4.5 grams, meaning that each tonne of paper recycled saves approximately 16 trees or 100 thousand liters of water.

Electronic Paycheck: State Public Employees

As with Banrisul employees, state public employees receive paychecks online and via electronic terminals. Since November of 2011, the state has not printed or physically distributed 286 thousand paychecks at a savings of 1.287 tonnes of paper, which equals 21 trees or 128.7 thousand liters of water per year, based on the INPA calculation methodology cited in the previous sections.

Battery Collection

Due to the presence of heavy metals in their chemical composition, improperly discarded batteries impact both the environment and human health. In an effort to solve this problem, in 2008 Banrisul implemented the Battery Collection Program, providing 23 collection points in metro Porto Alegre.

The Bank expanded this program's scope in 2012, opening seven new collection points in the cities of Campo Bom, Novo Hamburgo, São Leopoldo, Sapiranga, Sapucaia do Sul, Taquara and Esteio in Rio Grande do Sul. The criterion used to select those sites takes into account population indices and the contamination level of local watersheds.

A total of 903 kilograms of domestic batteries were collected during the course of the year. They were properly processed and disposed of, and the resulting waste elements were reused and reintegrated into the production chain.

Donation of Computers

In 2012, all of the IT equipment (computers and printers) replaced by Banrisul were donated to the Communication and Digital Inclusion Department. This initiative complies with Decree 49,408/2012 (which sets forth rules concerning the reuse of computer assets classified as unusable

by direct and indirect state public administrative bodies and entities) and the Term of Agreement signed by Banrisul, the Department Of Education and PROCERGS.

The distribution had two focus points. Equipment from the Metropolitan Region, the Eastern Regional Department, Grande Poa Norte and Grande Poa Sul was donated to the Communication and Digital Inclusion Department, which sent it to Computer Reconditioning Centers (CRCs) for parts reuse or recycling. Equipment from the other regions was sent to state schools in the cities of origin and/or to regions close to Banrisul branches. The State Department of Education decided which schools would receive the computers. In 2012, the institution donated 5,395 computers.

Environmental Thematic Exhibitions

The purpose of the Environmental Thematic Exhibitions is to educate the public with respect to environmental issues. Through partnerships with universities, city governments and Banrisul, several informative traveling environmental thematic exhibitions were prepared. Using accessible language, the exhibitions present problems and possible solutions and encourage the public to reflect on environmental issues and future prospects, in addition to raising awareness of man's relationship with his environment.

A total of five exhibitions on different topics were presented. In 2012, these began to cover cultural, historic and geographic issues and efforts were made to integrate the focus regions into the exhibitions by including details pertinent to local communities.

The purpose of the Environmental Thematic Exhibitions is to educate the public with respect to environmental issues

Consolidation of Consumer Materials – GRI EN1

Material	Unit of Measurement	Quantity (2011)	Quantidade (2012)
Paper ^{1,2}	Tonnes	553.99	526.23
File boxes	Tonnes	7.57	7.28
Toner cartridges	Units	3,502.00	1,960
Ink ribbons (printing)	Units	40,000.00	2,755
Coils	Units	191,785.00	168,643
UTP Cables ³	Meters	-	15,430
Computers and laptops ⁴	Units	-	8,040
Printers (laser and box) ³	Units	-	4,300
UPS batteries (no-break) ⁵	Units	-	1,926
Other relevant materials ³	Units	-	1,982

¹ Takes into account consumption of A3 and A4 paper, check sheets, cardboard folders, envelopes and coated printing paper. The consumption amount is based on the BMP system annual report method.

² The 2011 amount was recalculated based on the standard adopted for 2012.

³ The Bank does not have information pertaining to 2011.

⁴ This equipment was replaced in 2012.

⁵ Because of the change in the calculation methodology, whereby consumption is measured based on the amount purchased, it was not possible to recalculate the 2011 figure.

GRI 3.10, 3.11

Energy

Between 2011 and 2012, Banrisul’s total indirect energy consumption increased from 32,961 thousand kWh to 33,951 thousand kWh. This category takes into account externally generated energy purchased by the Bank. The increase is justified in light of the processes involved in opening nine new Banrisul services points.

Increases in three sources – ethanol, diesel and gasoline – were noted in the consumption measurement of internally generated direct energy. The consumption of lubricating oil, however, was reduced. Data can be found in the table on page 74. **GRI EN5**

The Bank has adopted several measures to reduce energy consumption at its data centers. When bidding, it has determined that new servers must run on highly efficient energy sources having yields of 80% or more, and rated output load levels of 20%, 50% and 100%. Moreover, a committee was created to determine the specific output of new servers, prioritizing virtualized over physical models.

The institution began to implement policies related to the climate control of its existing data centers. The steps taken included the rearrangement of equipment; separation, whenever possible, of cold and warm corridors; elimination of air conditioning leaks and the reduction of restrictions to underfloor air supply. The recirculation of heated air was also reduced by means of closed panels around racks without servers. **GRI EN6**

At the branches and the General Directorate the Bank upgraded its technology assets and replaced 8,040 work stations with higher performing equipment, a measure that reduced energy use by 16.12%. **GRI EN5, EN6**

In 2013, Banrisul will commence construction of a new data center that will integrate all green, efficient and sustainable construction principles. The structure will also incorporate Green IT concepts and solution in an effort to achieve greater efficiency and energy savings while maintaining high levels of security and redundancy.

Indirect Energy Consumed (by source)* – GRI EN4

Source	2011	2012	Percent change, 2011 to 2012
Electricity (concessionaires)	32,961,827.55 kWh or 118,662.58 GJ	33,951,860 kWh or 122,226.70 GJ	3%

* Consumption refers only to those places where the energy bill is in Banrisul's name.

Direct Energy Consumed (by source)^{1,2} – GRI EN3

Source	2009	2010	2011	2012
Gasoline	2,703.74 GJ	3,024.06 GJ	2,951.49 GJ	3,443.23 GJ
Diesel	594.67 GJ	926.73 GJ	990.81 GJ	1,136.85 GJ
Lubricating oil	3.40 GJ	3.94 GJ	18.99 GJ	6.34 GJ
Ethanol*	59.51 GJ	11.53 GJ	6.80 GJ	8.33 GJ

1 Renewable fuel/energy.
 2 The calculation basis for 2009, 2010 and 2011 has been changed from the units used in previous reports to GJ (gigajoules) for this report.
 GRI 3.10, 3.11

Water

On 2012, Banrisul consumed 26,931 cubic meters of water, 4.55% more than the 25,760 cubic meters consumed in 2011. The increase was largely due to leaks at two of the Bank's buildings: the administrative building in the Northern Zone of Porto Alegre and at the organization's headquarters. To correct the problems, repairs were made out and parts were replaced. In addition, the Bank has engaged crews with various areas of expertise and directing contractors to be alert regarding possible leaks. GRI EN8

Since this topic was not identified as being relevant to the Bank and its stakeholders and in light of the high cost of monitoring water consumption, the institution decided to prioritize other issues in 2012. The goal presented in the 2011 Report was not correctly worded and there is, to date, no control of water consumption by Banrisul agencies.

Environmental Protection

Banrisul invested R\$ 14.61 million in actions aimed at protecting the environment. The table below provides more details. GRI EN30

Banrisul invested R\$ 14.61 million in actions aimed at protecting the environment.

Environmental Protection Investments and Expenditures (R\$) – GRI EN30

Source	2012
Waste treatment and disposal	57,794.77
Education and training personnel	34,000.00
Extra expenses with green purchases	14,525,740.00
Total	14,617,534.77

Financial Education

Banrisul undertakes various initiatives in an effort to improve financial education. The Bank thereby shares knowledge that makes a difference in the daily lives of persons and businesses. In 2012, it hosted 11 seminars on Economic Conditions and Retirement Funds for municipal employees on the Municipal Private Pension System.

The organization also made four presentations on financial education to civil servants. With a focus on managing family budgets, the presentations provided suggestions for reducing debt and changing consumption habits. They were held in the cities of Mostardas, Passo Fundo, Porto Alegre and Santo Antônio das Missões. The Bank plans to continue this initiative in 2013, taking into account regional demand where the Government Business Managers work and seeking to strengthen relationships with the communities.

In partnership with the Micro and Small Business Support Service (SEBRAE), Banrisul also provided an agents training course in Porto Alegre.

Developed by instructors with the Gaúcho Microcredit Program, the purpose of the initiative is to expand the number of job openings and to provide classes in other regions throughout the state. For their part, presentations on microcredit are made upon demand and held at the municipal headquarters where the need is expressed.

Participants in Projeto Pescar (the Pescar Project) – an initiative that aims to encourage the development of socially at-risk youths – took classes in financial education. At those meetings they received guidance on the appropriate use of money, in addition to being encouraged to begin saving and cultivating the habit. Thanks to the classes, some of the participants became examples for their relatives, sharing the knowledge they obtained and opening their own businesses. The participants were also enrolled in the Junior Achievement Mini-Enterprise Program, which encourages entrepreneurship. They were able to gain practical experience managing a mini-enterprise, focusing on finances, personnel, marketing and production. **GRI FS16**



Financial Education Programs – GRI FS16

Initiatives	Types of Beneficiaries
<i>Pescar Project (Projeto Pescar)</i>	Socially at-risk youths
Presentations	State and municipal civil servants
Seminars	State governments and municipal pension institutes
Credit agent training courses	Public city employees
Presentations on microcredit	Micro and small entrepreneurs

IBASE Chart

2012 Annual Social Balance Sheet

1 - Calculation Basis	2012			2011		
Net revenues (NR)	4,270,978			3,837,699		
Operating result (OR)	1,203,583			1,372,292		
Gross payroll (GP)	1,233,501			1,100,882		
2 - Internal Social Indicators	Amount (thousands)	% of OR	% of NR	Amount (thousands)	% of OR	% of NR
Food	136,081	11.3%	5.49%	114,223	13.4%	4.61%
Mandatory employee benefits	312,812	26.0%	12.63%	279,397	32.7%	11.28%
Private pension	18,941	1.6%	0.76%	14,230	1.7%	0.57%
Health care	33,496	2.8%	1.35%	28,280	3.3%	1.14%
Workplace health and safety	116	0.0%	0.00%	93	0.0%	0.00%
Education ¹	2,541	0.2%	0.10%	1,683	0.2%	0.07%
Culture	6	0.0%	0.00%	12	0.0%	0.00%
Training and professional development	10,664	0.9%	0.43%	9,832	1.2%	0.40%
Day care or child care assistance	4,230	0.4%	0.17%	3,936	0.5%	0.16%
Profit or results sharing	75,581	6.3%	3.05%	62,128	7.3%	2.51%
Other	21,241	1.8%	0.86%	18,714	2.19%	0.76%

Total - Internal Social Indicators	615,711	51.16%	24.86%	532,528	62.41%	21.50%
3 - External Social Indicators	Amount (thousands)	% of OR	% of NR	Amount (thousands)	% of OR	% of NR
Education	260	0.02%	0.01%	343	0.02%	0.01%
Culture	6,876	0.57%	0.18%	8,350	0.61%	0.22%
Health and sanitation	171	0.01%	0.00%	288	0.02%	0.01%
Sports	368	0.03%	0.01%	1,023	0.07%	0.03%
Food security and fighting hunger	0	0.00%	0.00%	0	0.00%	0.00%
Other – Social responsibility	672	0.06%	0.02%	498	0.04%	0.01%
Total – Contributions to Society	8,347	0.69%	0.22%	10,503	0.77%	0.27%
Taxes (excluding social charges) DAV	752	0.06%	0.02%	802	0.06%	0.02%
Total – External Social Indicators	9,099	0.66%	0.24%	11,305	0.82%	0.29%
4 - Environmental Indicators²	Amount (thousands)	% of OR	% of NR	Amount (thousands)	% of OR	% of NR
Investments related to the company's production/operations	14,584	1.21%	0.34%	0	0.00%	0.00%
Investments in external programs and/or projects	192	0.02%	0.00%	0	0.00%	0.00%
Total – Investments in the Environments	14,775	1.23%	0.35%	0	0.00%	0.00%
Regarding the establishment of annual goals to minimize waste, general consumption in production/operations and to increase effectiveness in the use of natural resources, the company:	() does not have goals () meets 0 to 50% of its goals () meets 51 to 75% of its goals (x) meets 76 to 100% of its goals		() does not have goals () meets 0 to 50% of its goals () meets 51 to 75% of its goals (x) meets 76 to 100% of its goals			

5 - Workforce Indicators		2012			2011		
Number of employees at year's end		11,456			10,234		
Number of hires during the year		1,624			1,289		
Number of third party employees		2,635			2,600		
Number of interns		79			1,845		
Number of employees over age 45		5,263			5,064		
Number of female employees at the company		5,212			4,535		
% of leadership positions occupied by women		26.30%			36.91%		
Number of black employees at company		491			209		
% of leadership positions occupied by black employees		4.58%			2.16%		
Number of people with disabilities or special needs ³		65			36		
6 - Information Pertaining to Involvement with Corporate Citizenship		2012			2011		
Relation between the highest and lowest compensation at the company		12.17%			13.20%		
Total number of workplace accidents		101			134		
The social and environmental projects developed by the company were determined by the:	<input type="checkbox"/> executives	<input checked="" type="checkbox"/> executives and managers	<input type="checkbox"/> all employees	<input type="checkbox"/> executives	<input checked="" type="checkbox"/> executives and managers	<input type="checkbox"/> all employees	
The standards for workplace health and safety were determined by the:	<input type="checkbox"/> executives and managers	<input type="checkbox"/> all employees	<input checked="" type="checkbox"/> All + Internal Accident Prevention Commission (IAPC)	<input type="checkbox"/> executives and managers	<input type="checkbox"/> all employees	<input checked="" type="checkbox"/> All + IAPC	
With respect to freedom to unionize, the right to collectively bargain and the internal representation of employees, the company:	<input type="checkbox"/> is not involved	<input type="checkbox"/> follows ILO regulations	<input checked="" type="checkbox"/> encourages and follows ILO regulations	<input type="checkbox"/> is not involved	<input type="checkbox"/> follows ILO regulations	<input checked="" type="checkbox"/> encourages and follows ILO regulations	
Private pension includes:	<input type="checkbox"/> executives	<input type="checkbox"/> executives and managers	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> executives	<input type="checkbox"/> executives and managers	<input checked="" type="checkbox"/> all employees	
Results and profit sharing includes:	<input type="checkbox"/> executives	<input type="checkbox"/> executives and managers	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> executives	<input type="checkbox"/> executives and managers	<input checked="" type="checkbox"/> all employees	

With regard to engaging suppliers, the same standards for ethics and social and environmental responsibility adopted by the company:	() are not considered	(x) are recommended	() are required	() are not considered	(x) are recommended	() are required
With respect to the participation of employees in volunteer programs, the company:	() is not involved	() supports	(x) organizes and encourages	() is not involved	() supports	(x) organizes and encourages
Total number consumer complaints and criticisms received filed with: ^{4,5 and 6}	the company 9,570	Procon 133	the courts 8,944	the company 8,483	Procon 69	the courts 5,643
% of complaints and criticisms handled or resolved by: ^{4,5 and 6}	the company 100%	Procon 100%	the courts 100%	the company 100%	Procon 100%	the courts 100%
Total added value to be distributed (R\$ thousands):	2,751,458			2,757,190		
Distribution of Added Value (DAV):	27.3% government 40.9 % employees 11.9 % shareholders 2 % third parties 17.9% held back			29.1% government 36.2 % employees 13 % shareholders 1.9 % third parties 19.8% held back		

7 - Other information

(1) Education figure refers to investments in undergraduate, graduate, master’s degree and language courses and subscription of magazines/newspapers paid from 01/01/2012 to 12/31/2012.
 (2) The criterion was established in 2012, which was also the first year that the management process was audited. Thus, previous-year data was not reported.
 (3) People with disabilities are hired by Banrisul through competitive civil-service examination, in which each competitor chooses which region he or she wants to work at the moment of the registration. Competitors can choose a branch in each region based on their exam score. Thus, the branch chosen will be adapted so that the employee can perform his or her duties. In 2012, the company had 51 people with disabilities and 14 people that underwent rehabilitation.

Claims in Court

(4) The 2012 figure includes all suits in progress (“in inventory”) relating to consumer claims and criticisms existing in 2012, but not necessarily filed that year;
 (5) The 2011 figure includes all suits in progress (“in inventory”) relating to consumer claims and criticisms existing in 2011, but not necessarily filed that year;
 (6) The difference between the number of consumer claims and criticisms in 2011 and 2012 does not refer to the actual increase in the number of suits in progress, because in 2012 all registration data from existing suits was fully revised and ratified, wherever necessary.

People with disabilities are hired by Banrisul through competitive civil-service examination, in which each competitor chooses which region he or she wants to work at the moment of the registration. Competitors can choose a branch in each region based on their exam score. Thus, the branch chosen will be adapted so that the employee can perform his or her duties. In 2012, the company had 51 people with disabilities and 14 people that underwent rehabilitation.

Index

□□□□□□□□□□ □□□□□ GRI 3.12

	Indicator	Status	Page	Comments	
<i>Strategy and Analysis</i>	1.1	President’s Message	Total	<u>6</u>	-
<i>Organizational Profile</i>	2.1	Organization Name	Total	<u>8, 13</u>	-
	2.2	Primary brands, products, and/or services	Total	<u>9</u>	-
	2.3	Organization’s operational structure	Total	<u>10</u>	-
	2.4	Location of organization’s headquarters	Total	<u>8</u>	-
	2.5	Countries in which the organization operates and in which its primary operations are located	Total	<u>10</u>	-
	2.6	Type and legal nature of the property	Total	<u>8</u>	-
	2.7	Markets served	Total	<u>10</u>	-
	2.8	Size of the organization	Total	<u>8</u>	-
	2.9	Primary changes during the period covered by the report	Total	<u>10, 11</u>	-
	2.10	Awards received during the period covered by the report	Total	<u>13</u>	-
<i>Report Parameters</i>	3.1	Period covered by the report	Total	<u>3</u>	-
	3.2	Data from the most recent report	Total	<u>3</u>	-
	3.3	Report issuance cycle	Total	<u>3</u>	-

	3.4	Contact information in case of questions about the report or its contact	Total	<u>86</u>	-
	3.5	Procedure for defining the content of the report	Total	<u>4</u>	-
	3.6	Limit of the report	Total	<u>4</u>	-
	3.7	Statement on any specific limitations relating the report's scope or limit	Total	<u>4</u>	-
	3.8	Basis for preparation of the report	Total	<u>4</u>	-
	3.10	Restatements of information provided in earlier reports	Total	<u>53, 55, 56, 58, 73, 74</u>	-
	3.11	Significant changes in the scope, limit or metrics applied in the report	Total	<u>53, 56, 58, 73, 74</u>	-
	3.12	Table which specifies the location of information in the report	Total	<u>80</u>	-
<i>Governance, Commitment and Engagement</i>	4.1	The organization's governance structure, including committees of the highest governance body	Total	<u>29, 30, 31, 32, 33</u>	-
	4.2	Chairmanship of the highest governance body	Total	<u>32</u>	-
	4.3	Independent or non-executive members of the highest governance body	Total	<u>28, 32, 33</u>	-
	4.4	Mechanisms allowing shareholders and employees to make recommendations or provide guidance to the highest governance body	Total	<u>46</u>	The Bank does not have in place any formal mechanisms but does make available emails and the Contact IR section on its website. The Governance Portal is under construction and is expected to be completed in 2015.
	4.12	Charters, principles or other externally-developed economic, environmental, and social initiatives that the organization subscribes to or endorses.	Total	<u>72</u>	-
	4.14	List of stakeholder groups engaged by the organization	Total	<u>4</u>	-
	4.15	Basis for the identification and selection of stakeholders to be engaged	Total	<u>4</u>	-

Performance Indicators

	Indicator	Status	Page	Comments	
<i>Economic Performance</i>	EC1	Direct economic value generated and distributed.	Total	20	-
	EC5	Variation in proportion of the lowest wage compared to the local minimum wage in locations of significant operation.	Total	58, 59	-
<i>Environmental Performance</i>	EN1	Materials used by weight or volume	Total	73	-
	EN3	Direct energy consumption by primary energy source.	Total	74	-
	EN4	Indirect energy consumption by primary energy source.	Partial	74	-
	EN5	Energy saved due to conservation and efficiency improvements.	Total	73	-
	EN6	Initiatives to provide energy-efficient or renewable energy based products	Total	65, 73	-
	EN8	Total water withdrawal per source.	Partial	74	-
	EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partial	55, 68	-
	EN30	Total environmental investments and expenditures by type.	Total	74	No investments were made in 2012.
<i>Social – labor performance</i>	LA1	Total workforce by employment type, employment contract, and region.	Total	52	-
	LA2	Total number and rate of employee turnover by age group, gender and region.	Total	53	-
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and work-related fatalities by region.	Total	56	The management of this indicator will be reviewed beginning with the next cycle.
	LA8	Education, training, counseling, prevention and risk control programs.	Total	57	-

	LA10	Average hours of training per year per employee by employee category.	-	-	Data regarding hours of training were not provided due to existing internal controls. Banrisul will study the feasibility and time required to provide this indicator in subsequent cycles.
	LA12	Percentage of employees receiving regular performance and career development reviews.	Total	<u>55</u>	-
	HR4	Total number of discrimination cases and actions taken.	Total	<u>34</u>	-
	HR8	Percentage of security personnel trained.	Total	<u>47</u>	-
Community	SO4	Actions taken in response to incidents of corruption.	Total	<u>33, 34</u>	-
	SO5	Public policy positions and participation in public policy development and lobbying.	Total	<u>49</u>	-
	SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions.	Total	<u>34</u>	-
<i>Responsibility for the Product</i>	PR5	Practices related to customer satisfaction.	Total	<u>41, 42, 43, 44, 47</u>	-
	PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	Total	<u>34</u>	-
	PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications.	Total	<u>34</u>	-
	PR8	Total number of substantiated complaints regarding breaches of privacy and loss of customer data.	Total	<u>45, 46</u>	-
<i>Financial Services</i>	FS1	Policies with specific social and environmental components applied to the business lines.	Partial	<u>65, 66, 67</u>	-

	FS6	Percentage of the portfolio's business lines by region, size and sector.	Partial	23 , 24 , 65 , 66 , 67	-
	FS7	Monetary value of the products and services designed to deliver a specific social benefit for each business line, broken down by purpose.	Partial	64 , 65 , 66 , 68 , 69	-
	FS8	Monetary value of the products and services designed to deliver a specific environmental benefit for each business line, broken down by purpose.	Partial	64 , 65 , 68 , 69	-
	FS13	Access points in areas that are sparsely populated or economically disadvantaged, by type.	Partial	12	-
	FS14	Initiatives to improve access by disabled persons to financial services.	Partial	59	-
	FS16	Initiatives to improve financial education, by beneficiary type.	Partial	75	-

Credits

General Report Coordination

Banrisul Social and Environmental Management Strategy Group

Rua Caldas Júnior, 108 – Mezanino – Centro Histórico

90018-900 – Porto Alegre/RS – Brazil

Telefone: (+55 51) 3215-1867

GRI Consulting

[BSD Consulting](#)

Auditing Services

[Ernst & Young Terco](#)

Photography

Airton Mestre da Casa Júnior (pg [28](#)), Alina Souza (pg [49](#)), Anderson Martins (pg [8](#)),
Andrea Santini (pg [22](#)), Camila Domingues (pg [48](#)), Camila Hermes (pg [69](#)), Claudio Fachel (pg [37](#)), Cristiano Garcia (pg [24](#)),
Eduardo Seidl (pg [17](#)), Imprensa BM&FBOVESPA (pg [46](#)), Ivan de Andrade (pgs [41](#) and [18](#)), Jerônimo Nilson (pg [56](#)),
Jornal Ibiá (pg [70](#)), Lane Pfeiffer (pgs [5](#), [25](#), [35](#), [37](#), [42](#) and [61](#))
Nabor Goulart (pg [39](#)), Tatiana Gomes (pg [68](#) and [75](#)) and
Wikimedia Commons (pg [16](#)).

Content Generation

[Critério – Inteligência em Conteúdo](#)

Layout and Graphic Design

[Tiago Lobo](#)

Questions, suggestions, and criticisms related to the report
may be emailed to socioambiental_relatorios@banrisul.com.br.

GRI 3.4



Independent Auditors' Limited Assurance Report in relation to the Sustainability Reporting based on GRI guidelines - Global Reporting Initiative level C - Banco do Estado do Rio Grande do Sul S.A.

To the Board of Directors, Shareholders and Officers of

Banco do Estado do Rio Grande do Sul S.A.

Sao Paulo - SP, Brasil

Introduction

We were engaged by **Banco do Estado do Rio Grande do Sul S.A.** to present our limited assurance report on the information indicators in the **Annual Sustainability Report in accordance with the GRI Level C** for the period January, 01 to December 31, 2012.

Company management's responsibilities

Banco do Estado do Rio Grande do Sul S.A.'s management is responsible for the collection and the presentation of the information contained in the Annual Sustainability Report for the period January, 01 to December 31, 2012, in accordance with GRI Level C criteria, assumptions and methodologies and for implementing the internal controls that the company perceives as necessary in order to enable the preparation of information free of material misstatement, whether caused by frauds or errors.

Independent auditors' responsibility

Our responsibility is to reach a conclusion about the indicators disclosed in the **Banco do Estado do Rio Grande do Sul S.A.'s Annual Sustainability Report** for the period January, 01 to December 31, 2012, based on the limited assurance work conducted in accordance with Technical Release Nº 07/2012, approved by the Brazilian Federal Accounting Council (FAC) and based on NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the FAC, which is equivalent to the international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards require the compliance with ethical and independence requirements in order to obtain limited assurance that the **Banco do Estado do Rio Grande do Sul S.A.'s Annual Sustainability Report** indicators, for the period January, 01 to December 31, 2012 are free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquiring the management and other professionals of the company involved in the preparation of the Annual Sustainability Report, as well as applying analytical procedures to obtain evidence which enables us to reach conclusion regarding the limited assurance on the Sustainability Report. A limited assurance work also requires additional procedures, as the independent auditor becomes aware of matters which lead him to believe that the Annual Sustainability Report information may contain material misstatement.

The selected procedures were based on our understanding of the aspects concerning the collection and presentation of the Annual Sustainability Report information based on the Banco do Estado do Rio Grande do Sul S.A. criteria, assumptions and methodologies.

The procedures include:

- (a) Planning of the work taking into account the relevance of the information, the volume of quantitative and qualitative information and internal controls which supported the preparation of **Banco do Estado do Rio Grande do Sul S.A.'s Annual Sustainability Report** for the period January, 01 to December 31, 2012;
- (b) Understanding of the calculations methodology and of the procedures used for the preparation and the compilation of the Annual Sustainability Report through interviews with managers in charge of preparing the information;
- (c) Applying analytical procedures on quantitative information and inquires about qualitative information in order to understand its relation with the indicators disclosed in the Annual Sustainability Report; and
- (d) Comparison of the financial indicators with the financial statements and / or accounting records.

The limited assurance work also comprised the adherence to GRI 3.0 level C reporting framework guidelines and criteria applicable to the information preparation verified in the **Banco do Estado do Rio Grande do Sul S.A.'s Annual Sustainability Report** for the period January, 01 to December 31, 2012.



We believe that the evidence obtained during our work were sufficient and appropriate to provide a basis for our limited conclusion.

Scope and limitations

The procedures implemented during a limited assurance work are substantially less extensive than those implemented during an assurance work aimed at issuing an opinion on the Annual Sustainability Report. As a consequence, we are not in a position to affirm that we are aware of all the issues that would be identified during an assurance work aimed at issuing an opinion. If we had carried out a work to issue an opinion, we could have identified other matters or misstatements in the Annual Sustainability Report information. Accordingly, we did not express an opinion regarding this information.

The non-financial data are subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, relevance and accuracy of data are subject to individual assumptions and judgments. Also, we did not carry out any kind of work on data reported for previous periods nor on data in relation to future projections and goals.

Conclusion

Based on the procedures performed and herein described, nothing has come to our attention that makes us believe that the indicators disclosed in the **Banco do Estado do Rio Grande do Sul S.A.'s Annual Sustainability Report** for the period January, 01 to December 31, 2012 was not compiled, in all material respects, in accordance with criteria, assumptions and methodologies for the development of the Global Reporting Initiative Version 3.0 level C.

São Paulo, 23 de julho de 2013.

ERNST & YOUNG TERCO
Audítores Independentes S.A
CRC-SP-015199/F

Fernando A. S. Magalhães
Accountant CRC - 1SP 133169/0



Statement GRI Application Level Check

GRI hereby states that **Banrisul** has presented its report “2012 Banrisul Sustainability Report” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level C+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 17 July 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The “+” has been added to this Application Level because Banrisul has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 9 July 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

