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1.1 – Declaration and Identification of persons responsible for the contents of the Reference Form

Name of person responsible for the contents of the form	**LUIZ GONZAGA VERAS MOTA**
Position of person responsible	Chief Executive Officer
Name of person responsible for the contents of the form	**RICARDO RICHINITI HINGEL**
Position of person responsible	Investor Relations Officer

<u>The abovementioned executive officers declare that:</u>

a. they have reviewed this reference form

b. all information in the form complies with CVM Instruction 480, in particular articles 14 to 19

b. the information herein provides a true, accurate and full picture of the issuer's financial situation and the risks inherent in its activities and its issue of securities

2.1/2.2 - Regarding Independent Auditors, describe

Has an auditor?	YES
National auditor CVM code	471-5
Auditor type	National
Company name	Ernst & Young Auditores Independentes S/S
Corporate taxpayer's ID (CNPJ)	61.366.936/0011-05
Date when services were hired	03/15/2011 to 03/14/2016
Description of services hired	Audit of individual and consolidated financial statements of the Bank and its investees for the six-month period ended June 2015 and six-month period and year ended December 31, 2015. Review of the Quarterly Information (ITR), review of the Reference Form (FR) and interim financial statements. Evaluation of the design of the Bank's internal controls to comply with CVM Rule 542/2013 and 543/2013. Analysis of the Qualified Custody Services in Compliance with ANBIMA's Self-Regulatory Code. Evaluation of the internal controls system's quality and adequacy, including electronic data processing and risk management systems. Revision of criteria adopted by the institution to classify risk levels and evaluate provisions recognized in the financial statements. Revision of the procedures adopted by Banrisul related to the structure, systems and procedures of the Ombudsman department, as required by Brazil's Central Bank. Audit of financial statements of investment funds managed by the Bank. Audit of the consolidated financial statements, prepared based on the International Financial Reporting Standards – IFRS, in accordance with the pronouncements issued by the International Accounting Standards Board.
Total amount of the independent auditors' compensation by service	The amount contracted for the fiscal year ended December 31, 2015 totals R$925,000, and refers to the audit of the financial statements of the Company and its subsidiaries and investment funds, the audit of the consolidated financial statements prepared in accordance with international financial reporting standards (IFRS), and the review of the Reference Form.
Justification of the replacement	There was no replacement of the auditor.
Reasons presented by the auditor dissenting from the issuer's justification	There was no dissent.

Name of person in charge	Date when services were hired	Individual taxpayer's ID (CPF/MF)	Address
Américo Franklin Ferreira Neto	03/15/2011 to 10/30/2013	045.379.898-58	Av. Mostardeiro, 322 - 10. andar, Moinhos de Vento, Porto Alegre, RS, Brasil, CEP 90430-000, Telephone 55 51 32045553, Fax 55 51 32045699, e-mail: americo.f.neto@br.ey.com
Dario Ramos da Cunha	10/31/2013 to 03/14/2016	134.501.248-97	Av. Mostardeiro, 322 - 10. andar, Moinhos de Vento, Porto Alegre, RS, Brasil, CEP 90430-000, Telephone 55 51 32045500, Fax 55 51 32045699, e-mail: Dario.Cunha@br.ey.com

Has an auditor?	YES
National auditor CVM code	418-9
Auditor type	National
Company name	KPMG Auditores Independentes
Corporate taxpayer's ID (CNPJ)	57.755.217/0001-29
Date when services were hired	04/01/2016
Description of services hired	Audit of individual and consolidated financial statements of the Bank and its investees for the six-month period ended June 2016 and six-month period and year ended December 31, 2016. Review of the Quarterly Information (ITR), review of the Reference Form (FR) and interim financial statements. Evaluation of the design of the Bank's internal controls to comply with CVM Rule 542/2013 and 543/2013. Analysis of the Qualified Custody Services in Compliance with ANBIMA's Self-Regulatory Code. Evaluation of the internal controls system's quality and adequacy, including electronic data processing and risk management systems. Revision of criteria adopted by the institution to classify risk levels and evaluate provisions recognized in the financial statementsAudit of financial statements of investment funds managed by the Bank. Audit of the consolidated financial statements, prepared based on the International Financial Reporting Standards – IFRS, in accordance with the pronouncements issued by the International Accounting Standards Board.
Total amount of the independent auditors' compensation by service	The amount contracted for the fiscal year ended December 31, 2016 totals R$1,500,000, and refers to the audit of the financial statements of the Company and its subsidiaries and investment funds, the audit of the consolidated financial statements prepared in accordance with international financial reporting standards (IFRS), and the review of the Reference Form.
Justification of the replacement	There was no replacement of the auditor.
Reasons presented by the auditor dissenting from the issuer's justification	There was no dissent.

Name of person in charge	Date when services were hired	Individual taxpayer's ID (CPF/MF)	Address
Fernando Antonio Rodrigues Alfredo	01/04/2016	142.886.258-74	Rua Arquiteto Olavo Redig de Campos, 105, 11º andar, Vila São Francisco, São Paulo, SP, Brasil, CEP 04711-904, Telephone 55 11 39406442, Fax 55 11 39401501, e-mail: falfredo@kpmg.com.br

2.3 – Other material information

2.3. Provide other information the issuer deems as material.

Upon hiring independent auditors, we adopt procedures to prevent the existence of conflict of interests regarding the relationship with independent auditor of the financial statements of the Bank and affiliated companies.

In general, these procedures are associated with the process of hiring, which is initiated by the demanding area, regardless of the need of a bidding process. The evaluation of the need of hiring and the compliance of the services provided with the applicable regulations, such as Rule 381/2003, of the Brazilian Securities and Exchange Commission and Resolution 3,198/2004, of the National Monetary Council, are incumbent upon the Bank's legal department, which will ultimately issue an official position regarding the hiring of the services.

3.1 – Financial Information - Consolidated

(Reais)	Fiscal year (12/31/2015)	Fiscal year (12/31/2014)	Fiscal year (12/31/2013)
Shareholders' Equity	6,208,566,554.25	5,671,344,352.46	5,149,682,445.10
Total Assets	66,937,790,263.95	59,561,696,209.72	53,210,687,056.35
Net Revenue	13,624,012,193.46	10,391,838,448.58	8,404,904,499.88
Gross Profit	2,862,541,736.34	3,005,602,238.90	3,005,567,444.21
Net Income	848,770,579.01	691,415,413.02	791,614,486.46
Number of Shares, ex-treasury (Units)	408,974,477	408,974,477	408,974,477
Equity Value per Share (Reais Units)	15.180000	13.870000	12.590000
Basic Earnings per Share	2.080000	1.690000	1.940000

3.2 – Non-accounting measurements

3.2 Non-accounting measurements

We do not disclose non-accounting measurements.

3.3 - Event subsequent to the latest year-end financial statements

3.3. Identify and comment on any event subsequent to the latest year-end financial statements that substantially alter them.

On January 5, 6 and 11, 2016, Banrisul entered into new swap contracts to replace those ending on the above dates, for the purpose of hedging Subordinated Debt issued abroad. Traded under market conditions, these contracts are matched in terms of value (notional US$), dates and interest rates with the terms of the liability commitments from Subordinated Debt issued abroad, thus fulfilling the conditions and requirements to designate a new hedge accounting structure.

3.4 - Policy for allocation of income

3.4. Describe the policy for allocation of income for the last three fiscal years, indicating:

a. rules on profit retention.

Fiscal years ended December 31, 2015, 2014 and 2013.

Together with the financial statements for the year, the Board of Directors submitted to the Annual Shareholders' Meeting a proposal on the allocation of net income for the year, calculated after deducting the interest referred to in Article 190 of the Brazilian Corporation Law, adjusted for the purposes of calculation of dividends, pursuant to Article 202 thereof, observing the following order of deduction:

(i) five per cent (5%) shall be applied before any other allocation, when setting up a legal reserve, which shall not exceed twenty per cent (20%) of the capital stock. In the year in which the balance of legal reserve accrued of capital reserves amount, referred to by Paragraph One of Article 182 of the Brazilian Corporation Law, exceeds thirty per cent (30%) of capital stock, the allocation of a portion of net income for the year to the legal reserve shall not be mandatory;

(ii) a portion, by proposal of management bodies, may be allocated to set up a reserve for contingencies and reversal of same reserves established in previous years, pursuant to Article 195 of the Brazilian Corporation Law;

(iii) in the year the amount of mandatory dividend, calculated pursuant to Paragraph 41 herein, exceeds the realized portion of income for the year, the Shareholders' Meeting, by proposal of management bodies, may allocate the surplus to establish a reserve for realizable profits, observing the provisions in Article 197 of the Brazilian Corporation Law;

(iv) a portion, by proposal of management bodies, may be retained based on the capital budget previously approved, pursuant to Article 196 of the Brazilian Corporation Law; and;

(v) the balance shall have the allocation given by the Shareholders' Meeting, observing the legal precepts, and any profit retention for the year by the Company shall be mandatorily accompanied by a capital budget proposal previously approved by the Board of Directors. Should the balance of profit reserves exceed the capital stock, the Shareholders' Meeting shall resolve on the use of surplus in the payment or capital stock increase or also, in the distribution of dividends to shareholders.

b. rules on the distribution of dividends.

Fiscal years ended December 31, 2015, 2014 and 2013.

In compliance with the Brazilian Corporation Law, the shareholders are entitled to receive an annual mandatory dividend not lower than twenty-five per cent (25%) of net income for the year, decreasing or adding the following amounts: (i) amount destined to set up a legal reserve; (ii) amount destined to set up a reserve for contingencies and reversal of same reserves established in previous years; and (iii) amount deriving from reversal of reserves for realizable profits established in previous years, pursuant to Article 202, section of II of the Brazilian Corporation Law.

Our Bylaws allow the payment of interest on shareholders' equity as an alternative to the payment of mandatory dividends. The rate applied in calculating interest on shareholders' equity cannot exceed the long-term interest rate (TJLP) for the applicable period. The amount distributed to the Bank's shareholders as interest on shareholders' equity, net of any income tax, may be included as part of the mandatory dividends. In accordance with applicable law, Banrisul is required to pay to shareholders an amount sufficient to ensure that the net amount they receive in respect of interest on shareholders' equity, after payment of any applicable withholding tax, plus the amount of declared dividends is at least equivalent to the mandatory dividend amount.

The Board of Directors decided, at the meeting held on May 6, 2008, pursuant to Article 79 of the Bylaws at the time, which institutes the payment of interest on equity and establishes that it is considered as part of the mandatory dividend, to approve the adoption of the Policy for Payment of Interest on Equity before the closing of each quarter. Since then, the payments have taken place on the last business day of each quarter.

The Board of Directors also forwarded a proposal for distribution of dividends on net income for fiscal year 2016totaling forty percent (40%), of which fifteen percent (15%) under the form of extraordinary dividends, as permitted by Law 6,404/76, approved at the Annual Shareholders' Meeting held on April 29, 2016.

The payment of interest on equity to shareholders, whether they reside in Brazil or not, is subject to withholding of income tax at the following rates:

i. fifteen percent (15%) for individuals and legal entities in general;

ii. twenty-five percent (25%) for shareholders residing in a tax haven, i.e. a country where there is no income tax or its rate is fixed at less than twenty percent (20%), or where local laws impose restrictions to the disclosure of the composition of shareholders or of the owner of the investment;

iii. twelve point five percent (12.5%) for shareholders residing in Japan; and

iv. zero percent (0%) for legal entities with proof that they are fully or partially exempted from said tax.

When the fiscal year ends, the total of dividends proposed is calculated (40% for the year), discounting any payments of interest on equity, net of income tax, already made. The Shareholders' Meeting is responsible for establishing when the payment will be made, within sixty (60) days after dividends are declared, unless the shareholders resolve on a different date. In any case, the payment must be made before the end of the fiscal year in which dividends were declared

c. interval of payment of dividends.

The Annual Shareholders' Meeting is held within four months after the end of each fiscal year, in which, among other matters, the shareholders resolve on the payment of dividends related to the fiscal year ended. The payment of dividends related to certain fiscal year ended is based on the audited individual financial statements referring to the immediately preceding fiscal year.

The Board of Directors decided, at the meeting held on May 6, 2008, pursuant to Article 79 of the Bylaws, which institutes the payment of interest on equity and establishes that it is considered as part of the mandatory dividend, to approve the adoption of the Policy for Payment of Interest on Equity before the closing of each quarter. Since then, the payments have taken place on the last business day of each quarter.

d. any dividend distribution restrictions due to legislation or special regulations applicable to the issuer, or due to agreements or judicial, administrative or arbitration decisions.

None.

3.5 – Dividend distributed and net income retained

(Reais)	Fiscal year 12/31/2015	Fiscal year 12/31/2014	Fiscal year 12/31/2013
Adjusted net income	806,332,050.06	661,026,042.37	752,033,762.14
Dividend distributed in relation to adjusted net income	41.560000	40.000000	40.000000
Rate of return in relation to the equity of the issuer	12.800000	13.900000	16.180000
Total dividend distributed	335,128,548.02	264,410,416.95	300,813,504.86
Net income retained	492,328,075.13	0.00	0.00
Date of approval of the retention			

Net income retained		Amount	Dividend payment	Amount	Dividend payment	Amount	Dividend payment
Interest on Equity							
Common Shares		48,082,457.41	12/29/2015	31,174,075.19	03/21/2014	29,386,258.00	12/18/2013
Common Shares		44,044,641.53	09/29/2015				
Common Shares		39,694,587.47	06/23/2015				
Common Shares		36,198,318.69	03/30/2015				
Preferred Shares	Class A Preferred Shares	827,887.02	12/29/2015	536,955.05	03/21/2014	493,377.47	03/27/2013
Preferred Shares	Class A Preferred Shares	758,363.63	09/29/2015				
Preferred Shares	Class A Preferred Shares	683,464.10	06/23/2015				
Preferred Shares	Class A Preferred Shares	623,494.68	03/30/2015				
Preferred Shares	Class B Preferred Shares	46,993,734.21	12/29/2015				
Preferred Shares	Class B Preferred Shares	43,047,345.93	09/29/2015				
Preferred Shares	Class B Preferred Shares	38,795,789.43	06/23/2015				
Preferred Shares	Class B Preferred Shares	35,378,463.92	03/30/2015				
Common Shares				31,396,183.85	06/20/2014		
Common Shares				31,847,756.98	09/29/2014		
Common Shares				32,116,912.95	12/17/2014		
Preferred Shares	Class A Preferred Shares			540,581.63	06/20/2014		
Preferred Shares	Class A Preferred Shares			548,356.84	09/29/2014		
Preferred Shares	Class A Preferred Shares			552,991.18	12/17/2014		
Preferred Shares	Class B Preferred Shares			30,468,014.38	03/21/2014		
Preferred Shares	Class B Preferred Shares			30,685,285.21	06/20/2014		
Preferred Shares	Class B Preferred Shares			31,126,633.44	09/29/2014		
Preferred Shares	Class B Preferred Shares			31,389,694.96	12/17/2014		
Preferred Shares	Class A Preferred Shares					497,475.15	06/27/2013
Preferred Shares	Class A Preferred Shares					505,571.90	09/26/2013
Preferred Shares	Class A Preferred Shares					506,160.95	12/18/2013
Preferred Shares	Class B Preferred Shares					27,909,869.28	03/27/2013
Preferred Shares	Class B Preferred Shares					28,149,968.25	06/27/2013
Preferred Shares	Class B Preferred Shares					28,608,128.83	09/26/2013
Preferred Shares	Class B Preferred Shares					28,720,689.42	12/18/2013

Common Shares						28,558,162.32	03/27/2013
Common Shares						28,803,690.86	06/27/2013
Common Shares						29,272,491.23	09/26/2013
Mandatory Dividend							
Common Shares				6,029,842.28	05/29/2015	34,795,205.01	05/23/2014
Preferred Shares	Class A Preferred Shares			103,860.47	05/29/2015	599,326.87	05/23/2014
Preferred Shares	Class B Preferred Shares			5,893,272.54	05/29/2015		
Preferred Shares	Class B Preferred Shares					34,007,129.32	05/23/2014

3.6 - Dividends declared as retained profit or reserves established

3.6. For the last 3 fiscal years, state whether there were dividends declared as retained profit or reserves established.

We did not declare dividends as retained profit or reserves established in the last three fiscal years.

3.7 - Debt level

Fiscal Year	Current liabilities + Long-term liabilities	Index type	Indentedness level
12/31/2015	60,729,223,709.70	Indebtedness Level	9.78152093

3.8 – Obligations

Fiscal year (12/31/2015)							
Type of obligation	Type of guarantee	Other type of guarantee or privilege	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Loan	Unsecured		3,712,475,186.20	1,294,126,343.82	1,065,717,296.28	2,000,819,409.32	8,073,138,235.62
Total			3,712,475,186.20	1,294,126,343.82	1,065,717,296.28	2,000,819,409.32	8,073,138,235.62
Observation							

3.9 – Other material information

3.9. Provide other information the issuer deems as material.

There is no other information to add.

4.1 – Description of the risk factors

4.1. Describe risk factors that may influence investment decisions, particularly those related to:

a. the issuer.

Banco do Estado do Rio Grande do Sul, S.A. is a financial institution controlled by the state of Rio Grande do Sul, whose interests, at some point, may diverge from those of investors. The state holds 99.59% of the voting capital and 56.97% of the total capital, ensuring control of the Bank and guaranteeing the approval of initiatives/policies catering to the interests of the state, subject to shareholders' approval, including transactions with related parties, corporate restructuring, dividend payments, opening of service points in small communities, election of the majority of the managers, etc. Therefore, the state influences the institution's strategic decisions.

Internally, the existence of information security controls and up-to-date technology, thanks to ongoing investments in the area, does not eliminate the risk of temporary interruptions in the automated systems, as a result of several factors, including events that are fully or partially out of the Bank's control, including electrical or telecommunications failures, collapse in supply systems, automated system failures or other events that affect third parties with whom we do business, including foreign exchange, clearing houses, financial intermediaries or service providers, as well as atypical events related to social problems and cyber-attacks. These situations may result in additional costs and impact results.

b. its direct or indirect controlling shareholder or controlling group.

As the controlling shareholder, the state of Rio Grande do Sul may adopt certain measures to promote its political, economic or social objectives that do not necessarily coincide with the interests of the other shareholders and which may have an impact on business generation and the operating result. It is worth noting that the state of Rio Grande do Sul is responsible for appointing the majority of the members of the Board of Directors and all members of the Board of Executive Officers. State administration changes, which may occur every four years due to state elections, may cause administrative discontinuity and affect the institution's management and results.

c. its shareholders.

Market volatility and low liquidity may reduce investors' ability to sell the Bank's shares in the market at the desired price and at a convenient moment.

d. its subsidiaries and associates.

The subsidiaries and associates of the Banrisul Group are subject to the risks inherent in their activities. Any negative results will be recorded in the Bank's balance sheets, according to the prevailing Law and accounting principles, and may have an impact on the institution's results.

e. its suppliers.

Banrisul does not identify relevant risks related to its suppliers that may interfere on investors' decisions regarding their securities.

f. its clients.

Given that most of our customers are located in the State of Rio Grande do Sul, our activities and results largely depend on the performance of the state's economy. Therefore, the reduction in regional economic activity, among other effects, may reduce the demand for credit and the banking services offered, increase the level of delinquency in credit, increase the volume of withdrawals and, consequently, limit the options for expanding our business. The combination of these events or each of them individually may compromise the Institution's growth strategy and the generation of results, with an impact on the market value of the Bank's shares.

g. the economic segments where the issuer operates.

The Bank's core business is financial intermediation, credit, which depends directly on economic growth, company investments, and income and consumption levels. Adverse economic scenarios, with low growth levels and a decline in income, employment, consumption and investment levels, may have a negative impact on the institution's results.

Variations in the benchmark interest rate and the exchange rate heavily influence the result.

h. à regulação dos setores em que o emissor atue.

Banrisul operates in a market characterized by extensive and continuous regulatory oversight by the Brazilian government. Banks do not control government regulations, which encompass all operations, including the imposition of requirements, including:

a) minimum capital;

b) compulsory deposits/reserves;

c) investments in fixed assets;

d) accounting and statistical requirements;

e) loan limits and other credit restrictions;

f) solvency margins; and

g) mandatory provisioning policies.

The banking system's regulatory structure is constantly evolving. Regulatory standards change, as well as their application and interpretation. These changes may materially and adversely affect the Bank and its operations and revenue.

The Brazilian government regularly introduces tax reforms that affect the market as a whole. The creation of new taxes or the increase in current tax rates are examples of changes that cannot be predicted, but which may have an adverse impact on the business. Moreover, these changes may cause uncertainties in the financial system, increasing the cost of loans and default.

The Bank's business, its financial situation and the market value of its common and preferred shares may be adversely affected by changes in policies related to taxes, exchange rate controls and other factors, including:

a) macro prudential measures;

b) inflation;

c) monetary policies;

d) domestic and international economic growth;

e) benchmark interest rate trends;

f) exchange rate trends;

g) tax policy;

h) market liquidity;

i) employment, income and consumption levels; and

j) other political and economic events in Brazil and abroad that affect the domestic scenario.

i. foreign countries where the issuer operates.

Banrisul's operations abroad are concentrated in the branches at Grand Cayman and Miami, and adverse changes that affect the economy of these places may impact the results of those branches.

j. social and environmental issues.

Since Banrisul's business is regionalized with a strong presence in the state of Rio Grande do Sul, and since the primary sector is a substantial component of economic structure in many of the state's regions, its rural credit portfolio is significantly affected by climate-related factors. The possibility of crop failure due to weather events leads to heightened credit risk for Banrisul, not only for the rural credit portfolio but also other sectors in regions where the primary sector accounts for a large share of local output.

Any environmental damage caused by a client funded by Banrisul may have direct impact, such as legal risk arising from any legal co-responsibility for repairing damages, and reputational risk since the bank's image may be associated with environmental damage. Similarly, environmental damage may cause indirect impacts such as credit risk. This risk arises from a customer's diminished ability to pay due to fines and penalties, loss of business, asset depreciation and lower valuations of guarantees.

In the social context, if a customer funded by the bank adopts practices involving child labor or conditions analogous to slavery, or sexual exploitation, Banrisul's image may be negatively impacted. Credit risk would also be applicable in this case, since fines may affect a customer's ability to pay.

4.2 - Description of the main market risks

4.2. Describe, on a quality and quantity basis, the main market risks the issuer is exposed to, including foreign exchange and interest rate risks.

Banrisul is exposed to market risks arising from the possibility of financial loss due to market price and interest rate fluctuations on its operations, due to mismatching terms between assets and liabilities, currencies and indexes.

Banrisul's market risk management is conducted by the Corporate Risk Management Unit which is responsible for executing and annually updating the Bank's policy and market risk management strategies, establishing operating limits to monitor risk exposures, identify, assess, monitor and control the exposure to risks of trading and non-trading portfolios.

The market risk is calculated for operations classified in the trading portfolio and for operations not classified in the trading portfolio. The trading portfolio includes transactions with financial instruments with trading intent, destined for resale, benefitting from price fluctuation or conduct arbitration.

The banking portfolio includes all the Institution's non classified operations in the trading portfolio, without intent for sale, namely, credit portfolio, portfolio of securities held to maturity, capture of term deposit, savings deposit and other operations held to maturity.

While measuring the market risk of the trading portfolio we use the Value at Risk (VaR) methodology for determining the exposure of the operations with risk factor of pre-fixed interest rates. VaR is a measure of the maximum expected loss in monetary values under normal market conditions at a given time period of ten days, with a probability level of 99%, used to measure exposures subject to market risks. The Maturity Ladder methodology is used for the calculation of the exposures in other indexers. The risk for the banking portfolio's operations is calculated using the Institution's own model and the VaR methodology. The Institution also conducts quarterly sensitivity analysis based on scenarios specifically focused on each risk factor. The goal is to measure the impact of market fluctuations on the Institution's portfolio and its ability to recover in an eventual worsening of a crisis.

INTEREST RATE RISK

The interest rate risk comes from the effects of fluctuations in market interest rates on the fair value of financial instruments and cash flows. Interest margins may increase as a result of these changes, but may reduce losses if there are unexpected moves.

The sensitivity to interest rates comes from the exposure to risk of fluctuation of rates on active and passive operations in relation to market interest rates.

Any mismatch between revenue from assets and cost of liabilities is known as "position gap". The sensitivity to interest rate exposure comes from the portfolio's structure and the various risk factors composing it, given that significant oscillations can occur at any time, influenced by market forces.

The table below shows the position of revenue-generating assets and expense-generating liabilities on December 31, 2015; however, it does not reflect the "interest rate gap" positions that may exist on other dates.

	December 31, 2015- Bank's position (in R$ million, except percentages)					
	Up to 90 days	**Up to 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**Total**
Revenue-generating Assets	**14,067**	**10,720**	**23,128**	**6,739**	**6,650**	**61,304**
Short-term Interbank Investments	508	-	-	-	-	508
Reserve Requirements – Central Bank	7,683	-	-	-	-	7,683
Credit, Leasing and Other Credit Operations[1]	5,637	9,977	9,184	3,420	3,813	32,031
Credit Linked to the Brazilian Housing System (SFH)	-	-	-	-	821	821
Bonds and Securities and Derivative Financial Instruments[2]	239	743	13,944	3,319	2,016	20,261
Expense-generating liabilities	**18,498**	**4,347**	**12,710**	**6,708**	**9,968**	**52,232**
Deposits	9,693	1,141	11,034	5,658	7,999	35,524
Time Deposits	1,952	1,130	10,921	5,510	7,689	27,202
Savings Deposits[3]	7,574	-	-	-	-	7,574
Interfinancial Deposits	161	11	113	147	310	743
Other Deposits	6	-	-	-	-	6
Obligations through Matched Transactions	7,189	-	-	-	-	7,189
Funds by acceptance and Issuance of securities	221	1,377	739	11	-	2,349
Subordinated Debt	71	72	-	479	1,369	1,992
Reserve Fund for Judicial Deposits	663	-	-	-	-	663
Domestic Loans	-	1	2	-	-	3
International Loans	440	1,186	6	1	-	1,633
Domestic Onlendings	221	553	924	555	600	2,852
Foreign Onlendings	-	18	5	4	-	27
Difference Assets/Liabilities	-4,431	6,373	10,417	31	-3,318	
Accumulated Difference	-4,431	1,942	12,359	12,390	9,072	
Percentage of the Accumulated Difference on total Revenue-generating assets	-7.23%	3.17%	20.16%	20.21%	14.80%	

[1] 'Credit, Leasing and Other Credit Operations' includes loans in arrears amounting to R$ 1,601 million.
[2] The 'Bonds and Securities and Derivative Financial Instruments' item includes securities attached to Central Bank compulsory deposits.
[3] Although Savings accounts do not have established terms, the Bank has a consistent track record of this type of deposits.

FOREIGN EXCHANGE RISK

Exchange rate risks arise from the assets, liabilities, and items that are not accounted for in the balance sheet, denominated or indexed in foreign currency in the normal course of the Bank's activities.

Although the vast majority of the Institution's operations are carried out in the domestic market, and there is no relevant exposure to variations in exchange rates, when compared to the market, the exposure is controlled through the daily monitoring, in accordance with the established business policy.

The Institution holds assets and liabilities denominated in foreign currencies, mainly in U.S. dollars. On December 31, 2015, consolidated foreign exchange exposure amounted to R$273.3 million, for a Reference Equity of R$7,062.3 million, for a maximum allowed of 30% of the Reference Equity, in accordance with the norms established by the Central Bank.

The exchange rate risk is monitored to remain below 2.5% of the Institution's Reference Equity, in accordance with the market risk policy in force until December 31, 2015, resulting in a regulatory capital portion for risks related to the oscillation of gold and foreign currencies in RWA worth R$993.7 million.

The table below shows assets denominated in Brazilian Reais and indexed in foreign currencies, in terms of operations with long and short positions, respectively, on December 31, 2015:

	Positions in R$ million, except percentages		
	Long Positions	Short Positions	Exposure
Assets	**4,082.4**	**-**	**4,065.9**
Cash and Cash Equivalents[1]	246.9	-	246.9
Bonds and Securities [2]	-	-	-
Credit Operations [3]	939.6	-	939.6
Other Credits [4]	2,879.3	-	2,879.3
Liabilities	-	**9,657.0**	**-9,640.5**
Deposits [5]	-	52.5	-52.5
Borrowings [6]	-	5,086.0	-5,086.0
Other Domestic Obligations [7]	-	4,501.2	-4,501.2
Domestic	-	4,500.8	-4,500.8
Foreign	-	0.4	-0.4
Share of Reference Equity	8.0%	8.0%	8.0%
Positions in Other Foreign Currencies [8]	16.5	17.3	-0.8
Reference Equity Dec 31, 2015	7280.0	7280.0	7280.0
Maximum Limit (30% of the Reference Equity)	2184.0	2184.0	2184.0
Total Exposure/maximum limit (%)	2.6%	2.6%	2.6%

[1] Deposits with other international institutions.

[2] Bonds issued in Brazil and denominated in U.S. dollars.

[3] Financing and loans in foreign currency.

[4] Acquisition of foreign currency from clients or other institutions and export transactions.

[5] Funds deposited in our branches abroad.

[6] Operations with funds raised in foreign currency abroad for onlendings in Brazil.

[7] Includes foreign trade operations executed by third parties and intermediated by Banrisul.

[8] Except U.S. dollars.

ANALYSIS OF SENSITIVITY

Seeking to improve risk management, comply with corporate governance practices and the requirements of CVM Instruction 475 of December 17, 2008, Banrisul conducted an analysis of sensitivity of its positions classified in the Trading Book. The Company applied shocks for more and for less in the following scenarios: 1% (Scenario 1), 25% (Scenario 2) and 50% (Scenario 3).

Trading Book – For the preparation of scenarios that compose the framework for the analysis of sensitivity, the Bank considered the situations proposed by CVM Instruction 475, with the following conditions:

Scenario 1: Probable situation. Deterioration by 1% in market risk variables was considered as a premise, taking into consideration the existing conditions on December 31, 2015.

Scenario 2: Possible situation. An increase by 25% in market risk variables was considered as a premise, taking into consideration the existing conditions on December 31, 2015.

Scenario 3: Remote situation. An increase by 50% in market risk variables was considered as a premise, taking into consideration the existing conditions on December 31, 2015.
The table below shows the largest expected loss considering the scenarios 1, 2 and 3 and their variations for more and for less.
For the “Foreign Currency” Risk Factor, the price of R$3.9048 on December 31, 2015 (PTAX - BACEN) was considered.

The sensitivity analyses identified below do not consider the risk and treasury areas' capacity to react, because once a relative loss is established on these positions, risk mitigating measures are quickly triggered, minimizing the possibility of significant losses.

Values Resulting from the Sensitivity Test

Scenarios	Risk Factors			Total
	Interest rate	Currencies	Shares	
1%	2	2,103	118	2,224
25%	61	52,583	2,949	55,593
50%	120	105,166	5,898	111,184

Amounts in R$ thousand

Definitions:

Interest Rate – Exposures subject to variations of pre-fixed interest rates and interest rates coupons.

Foreign Currency – Exposures subject to the exchange variation.

Variable Income – Exposures subject to stock price variation.

Analyzing the results, we can identify the largest expected loss in the "Foreign Currencies" Risk Factor, which represents approximately 94.6% of the loss expected in each scenario.

Scenario 3 corresponds to 65.79% of total expected loss, while scenarios 2 and 1 correspond to approximately 32.89% and 1.32% respectively. In absolute terms, the largest expected loss for these sensitivity testing scenarios was the total amount of R$111 million for Scenario 3.

4.3 – Judicial, administrative or arbitration proceedings that are not confidential and relevant

4.3. Describe the judicial, administrative or arbitration proceedings in which the issuer or its subsidiaries are parties, broken down between labor, tax, civil and others: (i) that are not confidential, and (ii) that are relevant to the business of the issuer or its subsidiaries.

The Bank and the group's companies are parties in legal, administrative, tax, labor and civil proceedings and they record provisions for such contingencies.

In this item, we listed the proceedings whose amounts individually discussed correspond to or exceed R$73,892,000.00, accounting for 1% of the issuer's Reference Equity.

Collective actions, public civil actions and class actions to which we are a party, but whose values cannot be measured, are not listed.

Labor Proceedings:

There are no labor claims individually considered relevant in which the Bank and/or the group's companies are parties.

Civil Proceedings:

Case no. 2001.34.00.015906-5	
Jurisdiction	13th Federal Court – Federal District
Instance	2nd Instance (Superior Court of Justice)
Filing date	May 30, 2001
Parties to the proceeding	Banrisul, Brazilian Central Bank and Federal Union
Amounts, goods or rights involved	R$138,619 thousand
Key facts	On September 29, 2000, Banrisul received a deficiency notice from the Brazilian Central Bank related to administrative proceedings filed by that Monetary Authority, referring to supposed irregularities in forex operations between 1987 and 1989. The appellate court in administrative resolution sentenced Banrisul to pay a fine equivalent to 100% of the amount of the supposedly irregular transactions. Such decision has been challenged in court by the Bank's Management, which, on a preventive basis and pursuant to BACEN requirements, decided to record a provision for possible losses totaling R$132,866 thousand on December 31, 2014. A provisional measure was granted to suspend the enforceability of the fine and prevent the Bank from being registered at CADIN.
Chance of Loss	Probable
Analysis of the Impact in the Event of Loss	Loss of the provisioned amount
Provisioned amount	R$138,619 thousand

Tax Proceedings:

Case no. 2005.71.00.042753-8	
Jurisdiction	1st Federal Tax Court of Porto Alegre
Instance	2nd Instance
Filing date	November 21, 2005
Parties to the proceeding	Banrisul and Federal Union
Amounts, goods or rights involved	R$484,039 thousand
Key facts	Cancel the tax credit corresponding to the Tax Release and declare the nonexistence of a legal order prohibiting the author from deducting, from the net income for 1997, the total amount of the pension burden recognized to the complementary private pension entity, while also deducting the monetary and interest variation on the funds assumed by the Government of the State of Rio Grande do Sul, reconstituting the tax loss, with the consequent waiver, by the Union, of the amounts resulting from the disallowance of deductions.
Chance of Loss	Possible
Analysis of the Impact in the Event of Loss	Loss of the provisioned amount
Provisioned amount	R$484,039 thousand

4.4 - Describe the judicial, administrative or arbitration proceedings that are not confidential to which the issuer or its subsidiaries are party or whose counterparties are managers or former managers, controlling shareholders or former controlling shareholders or investors in the issuer or its subsidiaries.

On this present date, there are no proceedings in which the Bank and its subsidiaries are parties not disclosed in the items above and whose adverse parties are administrators or former administrators, controlling shareholders or former controlling shareholders or investors of the issuer and its subsidiaries.

4.5 – Material confidential processes

4.5. In relation to material confidential processes to which the issuer or its subsidiaries are party and which have not been disclosed in items 4.3 and 4.4 above, analyze the impact in case of loss and state the amounts involved.

At present, according to the criteria mentioned in item 4.3., there are no relevant confidential processes to which the Bank and/or the group's companies are party that have not been disclosed above.

4.6 - Judicial, administrative or arbitration proceedings that are repetitive or connected, which are not confidential and that together are relevant

4.6. Describe the judicial, administrative or arbitration proceedings that are repetitive or connected, based on similar facts and legal arguments, which are not confidential and that together are relevant, to which the issuer or its subsidiaries are party, discriminating between labor, tax, civil and other.

The legal, administrative or arbitration proceedings in which the Bank and the group's companies are parties, not confidential and which overall are considered relevant have their amounts involved disclosed and accrued when risk is classified as probable loss.

We have constituted our provisions for contingencies based on the opinions of our legal advisors, through the use of models and criteria that allow them to be measured in the most appropriate manner possible, despite the uncertainty inherent in their timelines and the amount determined by the outcome of the lawsuit.

Management understands that the provision recorded is sufficient to deal with the losses deriving from related proceedings.

Labor Area

The provisions for labor lawsuits filed against the group's companies are recorded from receipt of a deficiency notice and when the risk of loss is deemed probable in the early and appeal phases of the lawsuit. When the procedural phase changes, usually with the publication of a decision, the probability of loss of each claim must be re-assessed according to the outcome of lawsuit and/or attorney's technical assessment. During phase of execution and/or calculation of the award, the provision is adjusted to the value of the court deposit or to the sum of the amounts of probable and possible claims.

On December 31, 2015, labor provisions totaled R$279,256 thousand in the consolidated and R$202,520 thousand on December 31, 2014. The amounts are recorded based on labor claims, whose risk of loss is deemed probable.

In labor claims, in the same proceeding, there are claims deemed as probable, possible and remote loss, the provision of which complies with the criteria already explained. The claims classified as possible loss, during early and appeal phases, totaling R$948,420 thousand (2014 – R$752,687), do not have provision for contingencies, pursuant to the prevailing accounting practices and are disclosed in the Notes to the Financial Statements.

The labor claims are usually filed by employees, former employees; employees from outsourced companies, associations; unions and the Prosecution Office, the subject-matter of which is the supposed infringement of labor rights.

Provisions for Civil Risks

These are constituted upon judicial notification and timely adjusted, based on the amount of compensation sought, the evidence presented and the evaluation of legal advisors who consider the case law, the doctrine, the legal opinions that have been raised, the evidence produced, the court decisions that may be included in the lawsuit, as well as the degree of risk that the case will be lost.

The Bank has been sued for indemnification for moral and material damage, challenging the effectiveness of the services provided. Most of these cases have little economic value and no significant impact, regardless of the amount, yet provisions are allocated whenever the loss is deemed probable.

There are also cases postulating differences in the interest rates of savings accounts based on economic plans. The cases involving the economic plans have been classified as possible, given that, with relation to the facts, the did not have authorization to raise funds through Savings, except for the period comprised by Plano Collor II (01.31.1991).

Most of the cases involve Banrisul due to the transfer of savings accounts from the defunct Caixa Econômica Estadual do Rio Grande do Sul, with exclusion based on the fact that the Bank is an illegitimate party to respond to the plaintiff after it is shown that the savings account did not migrate to the Bank.

Considering that the new shares are inhibited by the prescription institute and the expectation of success due to the existence of the Claim of for the Breach of Fundamental Precept – Case no. ADPF 165, pending judgment before the Supreme Court of Brazil, proposed by the National Confederation of the Financial System, which aims to halt all processes involving economic plans, our contingency is duly positioned.

Civil proceedings are based on similar facts and causes, which jointly are considered relevant, pursuant to item 4.3., they are accrued and totaled R$133,690 thousand on December 31, 2015. Most of lawsuits are motions of personal injury; fees in loss of bill of discovery, recovery of undue payment. The amounts involved in civil proceedings, classified as possible loss totaled R$1,667,729 thousand on December 31, 2015, pursuant to the Notes to the Financial Statements.

Provisions for Tax and Social Security Risks

The provisions for tax and social security contingencies relate primarily to liabilities related to taxes whose legality or constitutionality is being challenged judicially or administratively, whose probability of loss is - or in previous phases had been - considered probable, and are being constituted at the full amount in dispute.

For cases that have respective escrow accounts, the amounts involved are not updated, except when there is authorization to withdraw, due to a favorable outcome.

Additionally, we constituted specific provisions for judicial and administrative proceedings that, at the discretion of our management, involve amounts and issues that may have a material impact on our financial situation and/or our results.

In these cases, we include specific explanatory notes in our financial statements disclosing such contingencies and provisions.

The assessment of the probability of loss, even though based on specific evaluations by our legal advisors, may be revised as a result of changes to the status of the proceedings, changes in jurisprudence or other factors. These factors may affect our estimates regarding provisions for civil, labor, tax and social security risks.

In the tax area, total provision amounted to R$491,988 thousand on December 31, 2015, and the highest relevant lawsuit is that one informed in item 4.3. Tax claims whose probability of loss is deemed possible totaled R$63,538 thousand on December 31, 2015 and most of them are based on discussions related to ISSQN, as per Notes to the Financial Statements.

4.7 - Other material contingencies

4.7. Describe other material contingencies not covered by the previous items.

At present, we and our subsidiaries have no other relevant contingencies beyond the judicial and administrative proceedings mentioned in item 4.3 above.

4.8 - Rules of the country of origin of the foreign issuer and rules of the country in which the foreign issuer’s securities are held in custody

4.8. Rules of the country of origin of the foreign issuer and rules of the country in which the foreign issuer’s securities are held in custody, if different from the country of origin.

Not applicable.

5.1 – Risk management policy

5.1. In relation to the risks listed in item 4.1, state:

a. whether the issuer has a formal risk management policy; if so, state which body approved it and the date of its approval; if not, explain why the issuer has not adopted such a policy.

The Board of Directors of Banrisul adopted the Institution's "Capital and Corporate Risk Management Structures and Policies" document covering capital management and credit, market, liquidity and operational risk on December 9, 2015.

The Board of Directors of Banrisul approved its "Environmental Risk Management Policy" document on February 6, 2015.

b. risk management policy objectives and strategies, if any, including:

Banrisul's Capital and Corporate Risk Management Structures and Policies aim to enable continuous and integrated management of capital and credit, market, liquidity and operational risk. In addition, they state basic principles to comply with legal requirements and ensure that all business is conducted in accordance with current regulations.

Best market practices are adopted and profitability for investors maximized by using the best possible combination of investments in assets and use of regulatory capital. In this respect, the bank has ongoing processes in place to enhance institutional structures and policies, systems, internal controls and security standards, which are integrated with the institutions strategic market objectives.

i. risks to be hedged.

Exposures are managed and monitored by the corresponding management structures as per approved institutional policies. In this respect, the main risks managed are Credit, Market, Liquidity, Operational and Environmental risks. In addition regulatory capital is monitored through the 'Prudential Conglomerate' regulatory statement in order to mitigate risks of this nature.

ii. instruments used for hedging purposes.

The purpose of the Bank's risk management policies is to map, control and mitigate risks incurred by the institution.

In general, the management tools used to hedge risks to which the institution is exposed include mapping risks and control points in processes, compliance with internal and external regulations, defining responsibilities by business unit, risk, controls and compliance departments, and auditing. Additionally, the established governance structure strengthens senior management's involvement in the process.

Specifically in relation to credit risk mitigating instruments, Banrisul uses guarantees, sureties or any other form of personal guarantee, co-obligations on transferring receivables; credit derivatives; arrangements for clearing and settlement obligations; demand deposits, time deposits, savings held in gold or federal government bonds, and financial notes issued by the Company itself; loans secured by deduction from paycheck, payroll, retirement benefits or bereavement allowance.

In relation to liquidity risk, the institution concentrates a significant portion of its assets in high-liquidity financial instruments. It also monitors transactions due in less than ninety (90) days, covering the principal cash flows projected for both assets and for liabilities, while taking in to account parameters that impact estimated cash flows from operations. The institution aims to keep its liquidity ratios compatible with its obligations based on the ratio of available assets to its cash requirements.

iii. risk management - organizational structure.

Managing capital and corporate risk is a crucial strategic tool for a financial institution. The continuous improvement of risk identification, measurement, monitoring, control and mitigation processes enables us to improve best governance practices aligned with the Institution's goals.

Capital and Corporate Risk Management structures cover:

- Procedures to enable the identification and assessment of material risks incurred by the institution, including those not covered by Risk-Weighted Assets (RWA);
- Policies and strategies for managing capital and corporate risk, with procedures used to maintain capital compatible with the risks incurred by the institution and its risk appetite;
- Procedures for calculating total RWA and related portions;
- Procedures for calculating Regulatory Capital;
- Procedures for calculating Capital Ratios and defining minimum operational limits;
- Procedures for preparing the Capital Plan;
- Stress testing procedures for severe events and extreme market conditions and evaluation of their impact on capital;
- Prior analysis of risks on launching products / services and their adaptation to procedures and controls adopted by the institution;
- Compiling periodic management reports on capital adequacy and portions comprising RWA.

According to Basel Committee on Banking Supervision (BCBS) recommendations, integrated risk management should allow flexible processes and decision making while aligning the institution's activities with Basel Capital Accord levels.

The purpose of the Basel Accords is to develop the structure of financial institutions thus ensuring the robustness and stability of the international banking system. The Basel II Accord recommends the adoption of stricter risk management practices for the banking industry that are not simply based on determining capital, while the Accord's third version concentrates on quality of financial institutions' capital and liquidity.

Under current legislation in Brazil, capital and credit, market, liquidity and operational risks may be managed by a single unit. Banrisul's Corporate Risk Management Unit (locally UGRC) conducts this activity and integrates with all institutions in the Prudential Conglomerate statement as per CMN Resolution 4280 / 13. It also weights the potential impacts of risks associated with other companies controlled by members of the conglomerate.

The Prudential Conglomerate risk management structure consists of the following:

Figure 1: Prudential Conglomerate Risk Management Structure

The Board of Directors is responsible for the information provided in publicly disclosed reports containing descriptions of management structures, and for approving the appointment of the officer responsible for this structure.

The Control and Risk Officer must ensure that the management process determines, monitors and controls available capital and identifies, measures, monitors, controls, mitigates and reports risks associated with the Conglomerate, its senior management and regulatory bodies.

The Corporate Risk Committee's duties include approving methodologies for measuring risks, ensuring correct application of institutional policies, strategically managing capital and corporate risk and reporting risk positions to the Board of Directors and Executive Board.

The Corporate Risk Management Unit (UGRC) coordinates the capital and corporate risk management process.

GENERAL RESPONSIBILITIES

The Corporate Risk Management Unit (UGRC) coordinates the capital and corporate risk management process developed by each of its departments:

- Capital and Credit Risk Management (GRCC)
- Market and Liquidity Risk Management (GRML)
- Operational Risk Management (GRO)

Board of Directors

The board supervises corporate business orientations, guidelines and objectives and as per the institution's risk management policies has the following duties:

a) Approving appointment of the officer in charge of capital and corporate risk management and its organizational structure.

b) Approving and revising annually or more often policies and strategies for managing capital and credit, market, liquidity and operational risks following the Executive Board's proposal, in accordance with the statutory duty thereof and pursuant to the bylaws of these collective decision-making bodies in order to determine their compatibility with the objectives of the institution and market conditions.

c) Issuing an express opinion on measures to be taken for timely correction of any deficiencies in operational risk management and control.

d) Taking responsibility for information disclosed in publicly accessed reports describing the institution's risk management structures.

e) Ensuring compliance with the requirements of Regulators and Supervisors.

f) Ensuring that the institution maintains adequate and sufficient levels of liquidity.

g) Having comprehensive and integrated understanding of risks that may impact capital.

h) Ensuring that the compensation structure adopted does not encourage behaviors incompatible with a risk level considered prudent in long-term policies and strategies adopted by the institution.

Control and Risk Officer

As part of the Institution's Risk Management Policy, the Control and Risk officer is reasonable for ensuring that:

a) The capital and corporate risk management process will identify risks, measure, monitor, control, mitigate and report risks related to the Conglomerate's decision-making and regulating bodies.

b) The Institution's Risk Management Policy guidelines will be followed.

c) Regulators' resolutions on control of capital and credit, market, liquidity and operational risks will be complied with.

d) The Central Bank's requirements for managing capital and credit, market, liquidity and operational risk will be met.

Corporate Risk Committee

This body proposes and decides on matters concerning the institution's risk management policies to ensure they are applied properly. Within the ambit of these policies, the Corporate Risk Committees must:

a) Approve methodologies used to measure risks.

b) Ensure the institution's risk management policies are applied properly.

c) Approve exposure limits for appropriate risk levels.

d) Report the Bank's risk positions and capital requirement to the Board of Executive Officers and the Board of Directors.

e) Evaluate and monitor the Institution's tendency to risk against its strategic objectives, ensuring the compliance between each other.

f) Define mechanisms for continuous improvement of risk culture.

g) Strategically manage capital and credit, market, liquidity and operational risk.

h) Systematically monitor the institution's delinquency levels and propose changes to risk and credit policies whenever necessary.

i) Determine the institution's risk management policies, take other measures and exercise powers assigned by the Board of Executive Officers.

Corporate Risk Management Unit

The unit coordinates the capital management and corporate risk process for all of the Prudential Conglomerate's institutions. It also weighs the potential impact of risks for other companies controlled by Conglomerate companies. Within the ambit of the institution's risk management policies, the unit must:

a) Develop and monitor policies and institutional strategies for managing capital and corporate risk.

b) Coordinate measures to fulfill requirements for monitoring and controlling corporate risks, operational limits, minimum capital required and capital ratios for the Bank and Banrisul Group companies.

c) Annually or more often revise the institution's risk management policies and submit them to the Corporate Risk Committee, Executive Board and Board of Directors for approval.

d) Identify, measure, monitor, control, mitigate corporate, capital and trading portfolio risk data to report to senior officers and management advisory bodies, and control their disclosure outside the institution.

e) Respond to demands from regulators relating to the institution's exposure calculations and forward related data to the former as per specific regulations for each type of risk.

f) Institutionally represent Banrisul concerning capital management and corporate risk matters for relations with regulators and bodies representing Brazil's National Financial System (SFN).

g) Compile capital and corporate risk management related reports and submit them to senior management and the Central Bank whenever necessary.

c. the adequacy of operational structure and internal controls to verify the efficacy of policy adopted.

The corporate risk management structure's control activities are based on lines of defense. The first corresponds to process managers and their duties and responsibilities for ensuring compliance with applicable laws and regulations. On the second level, risk, controls and compliance units define policies and risk management methodologies, and verify conformity/compliance of processes and regulations. Finally, Internal Audit makes annual appraisals of the structure's adhesion to internal and external regulations as the last layer of the process.

The institution's management therefore believes that the operational structure and internal controls that have been adopted are adequate for monitoring the risks to which the bank is exposed.

5.2 – Market risks management policy

5.2. In relation to the market risks reported in item 4.2, state:

a. whether the issuer has a formal policy for managing market risks: if it does, state the body that approved the policy and the date of its approval; if it does not have one, explain why the issuer has not adopted a policy.

The “Capital and Corporate Risk Management Structures and Policies” document approved by Banrisul’s Board on December 9, 2015 covers capital management and credit, market, liquidity and operational risk.

b. the market risk management policy’s objectives and strategies, if any, including:

i. the market risks that are hedged.

The Institution seeks to mitigate the risk of variations in operations with interest rates, price indexes and foreign currencies.

ii. the strategy for equity (hedge) protection.

The Institution is permanently trying to match its active and passive positions, terms and rates to maintain exposures in equilibrium. For this purpose, it uses operations with derivative financial instruments such as a hedge of specific operations in order to offset the changes in the fair value or cash flows of items protected by hedge and mitigate the risks arising from foreign exchange fluctuations. The derivative instruments in the Swap modality are long-term, monitoring the flow and maturity of the external financing conducted by the Institution while operations of non- deliverable forwards are short term, maturing as fractions of the external financing are protected by natural hedge.

iii. the instruments used to protect equity (hedge).

The Institution uses operations involving derivative financial instruments in the swap modality to hedge against exposure to foreign currency variations.

iv. the Parameters used to manage these risks.

Market risks include operations subject to exchange variation, interest rates and stock prices, being classified in the trading and non-trading (banking) portfolios. While measuring the market risk of the trading portfolio we use the Value at Risk (VaR) methodology for determining the exposure of the operations with risk factor of pre-fixed interest rates. The Maturity Ladder methodology is used for the calculation of the exposures in other indexers. The risk for the banking portfolio’s operations is calculated using the Institution’s own model and the VaR methodology.

v. if the issuer operates financial instruments with diverse objectives in protection of equity (hedge) and what are those objectives.

The Institution did not have financial instruments in the fiscal years 2013, 2014 and 2015 with purposes that are not for equity hedging.

vi. the organizational structure of market risk management control.

The organizational structure of market risk management is described in the ‘Capital and Corporate Risk Management Institutional Structures and Policies 2015’ document available on Banrisul’s Investor Relations website.

c. adjustments to the operational structure and internal controls to verify the effectiveness of the adopted policy

The corporate risk management structure's control activities are based on lines of defense. The first corresponds to process managers and their duties and responsibilities for ensuring compliance with applicable laws and regulations. On the second level, risk, controls and compliance units define policies and risk management methodologies, and verify conformity/compliance of processes and regulations. Finally, Internal Audit makes annual appraisals of the structure's adhesion to internal and external regulations as the last layer of the process.

As a result, the Institution's Management understands that the operational structure and internal controls adopted are adequate to monitor the risks to which the bank is exposed.

5.3 - Description of internal controls

5.3. In relation to controls adopted by the issuer to ensure that financial statements are reliably prepared, state:

a. the principal internal controls practices and their level of efficacy, stating any imperfections and the measures taken to correct them.

Banrisul follows the general rules and accounting principles for banks defined by the Central Bank of Brazil in the standard chart of accounts required for financial institutions by Brazil's National Financial System (COSIF). Since Banrisul is a publicly traded corporation, our financial statements follow the rules set by the Brazilian Securities Commission (CVM). The Institution also follows the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB) in compliance with National Monetary Council (CMN) Resolution 3786/09.

Our bookkeeping routine systematically registers all events following the structure of the standard chart of accounts. Entries possess fields for ledger updates following the double-entry system and they originate from bookkeeping departments in the Bank, bank branches and General Management units through an online system; entries may also be automatically generated by other operating systems interfacing with the accounting system. A basic control mechanism for ledger entries posted consists of an account system application that supplies reports to corroborate posts for search and reconciliation purposes.

Accounting data comprise the basis for the Bank's trial balances and balance sheets. The accounting system's daily updates includes cross check routines (current account and ledger), instructions for bookkeeping documents and steps for reconciling accounting entries. If a discrepancy is found during these checks and cannot be identified, the event is reported to Internal Audit.

The internal trial balance, with daily records, is used to monitor bookkeeping for the purpose of updating daily interim balances, enabling any corrections required to obtain correct balances on closing out each day's books. The Bank's journal and ledger bookkeeping retains posts and entries down to the lowest level so that account balances may be compiled at any time.

Monthly interim balances and balances are generated automatically by the accounting system, based on balances from the bookkeeping accounts of each branch and data from the General Management area. The accounting system has functionalities to check monthly interim balances and balances from each branch and General Management to then merge all data from branches to obtain the Bank's consolidated numbers.

To close out interim balance and balance sheets, Banrisul has an automated system for verifying the integrity of ledger entries posted for business related events; an automatic lock (24h, 48h and 96h) restricts retroactive accounting entries; adjusting and balancing routines are run at the Accounting Unit, which also centralizes the management of provisioning posted against loans, provisions for guarantees provided, provisions for employee profit-sharing program payouts, provisioning for labor/employment claims and civil liability contingencies, PP&E depreciation, amortization of deferred items, valuation for losses on investments, managing tax calculation bases and payments, and structuring financial statements as such.

The accounting controls system automatically executes routines to check for discrepancies between the accounting system and operational systems for current accounts, registration and settlement of securities and registration and settlement of commercial loans, as well as other entries posted in the branch network. The Bank systematically executes monthly routines to reconcile operational systems' balances against ledger recognition conducted by Internal Audit, based on analytical and ancillary interchange between funding/credit operating systems with the accounting systems and periodic examination of other accounts (revenues and expenses).

In the accounting area, the preparation of trial balance sheets, balance sheets and consolidated financial statements is conducted by means of a specific tool – financial application – a systemic procedure which allows an interface with the corporate accounting system to generating structured views, including under the

IFRS, as per standards defined by regulatory authorities, with tracking trails and breaks down synthetic data into analytical as a tool that speeds the return of information requested for External Audit verifications.

Banrisul also uses management processes for future earnings forecasts that are structured in order to support decision-making while complying with legal requirements. The budgeting process uses a methodology referenced from accounting data and has monthly routines to check estimated v. actual amounts or values; this activity together with the accounting controls comprises the support mechanism for closing out interim balances thus enabling discrepancies to be identified through synthetic and analytical views of the principal groups of accounts.

Banrisul also has non-ledger based internal controls structured to ensure that its financial statements reflect transactions that are accepted under Brazilian banking practices. The institution's money laundering prevention policy uses specific processes and systems to identify and monitor the activities of its clients, maintaining a team dedicated to performing activities focused on money laundering prevention, law review and the development of staff training programs. These initiatives are designed to ensure that the activities are carried out in a control environment appropriate to the prevention of risks related to money laundering and in compliance with the current law and effective standards.

In line with the Money Laundering Prevention process, Banrisul applies the "Know your Customers and their Activities" policy, which defines rules and procedures to help identify and gain insight on the customers' profiles and the origin of their funds in order to reduce the risks of the institution being used to legitimate funds arising from illegal activities.

Likewise, the "Know your Employee" policy establishes, indistinctly, at all hierarchical levels, the responsibility to comply with the guidelines against corruption and money laundering, as well as the duty to promote ethical values, thus preserving the integrity of the accounting events and the Institution's image and reputation. The Prevention against Corruption policy establishes procedures and controls, as well as preventive measures that avoid, within Banrisul's scope of operations, the practice of the illegal corruption and fraud actions provided for in the Criminal Code, Laws 8666/93 and 12846/13, and other rules of Brazil's anticorruption system by its employees and third parties.

Another instrument used to support correct practices for transaction is the Code of Ethical Conduct, which provides guidelines for Banrisul's teams in relation to their personal and professional behavior. Its purposes is to have ethical conduct become the standard for internal relations and for relations with the Bank's stakeholders: shareholders, customers, employees, unions, suppliers, competitors, the community and government. Any breaches of the Code are examined by Ethics Committee, whose procedures are governed by specific regulations.

b. the organizational structures involved.

At Banrisul, involvement with accounting routines is decentralized, in other words bookkeeping data for accounts originate from the Company's different departments these professionals are accountable for said activities. The Accounting Unit, which consolidates the data used to prepare financial reports, is managed by the Superintendent who is also the balance sheet accountant and is hierarchically subordinates to the specific Office. As part of this management structure, the Accounting Unit is attached to the Financial and Investor Relations Office.

In order to prepare reliable financial statements, there are control points in place for activities and segregating duties, so that the two sides together - processes and people - favor correct bookkeeping and posting, adjusting and reconciling balance with traceability and accountability for accounting events at all different levels of aggregation.

Branches and General Management bodies proceed to update ledgers from accounting routines. The accounting processes run within the scope of General Management bodies are the responsibility of the units' managers. Accounting routines are defined by business managers with assistance from Accounting Unit and passed on to branches.

The Bank has different localities generating accounting entries. For each locality, there are levels of access restricted by individual passwords from the systemic point of view. The authorization levels defining responsibilities for operational routines in the corporate accounting system are related to the grades of the employees' executing the routines. At the accounting localities, entries are typed and signed (signatures digitized by an authorized person) by employees in positions of responsibility whose signatures are validated by Personnel Management Unit.

The commissioned employees must analyze posts or entries containing their password and signature on a daily basis to ensure conformity. If they have not authorized a post/entry or do not agree with the data it contains, they must contact the persons involved to find solutions or cancel a post/entry if necessary. Therefore commissioned employees must run daily checks as very important task since the routine defines responsibilities for accounting posts/entries and electronic signatures are recognized rather than traditional signatures on statements of responsibility.

At the General Management area, monthly routines are executed to verify managers' conformity in relation to balances and flows of expenses and revenues related to their processes. In addition to the accountability of the business manager for accounting events generated within their spheres of competence, other instances of consolidation and evaluation are structured to ensure that financial statements are reliable, including: Accounting Unit, Internal Audit, Audit Committee, Independent Auditing, Executive Board, Fiscal Council and Board of Directors.

Accounting Unit is responsible for formatting inputs for the financial statements. The Bank's Accountant is jointly liable together with the Executive Board for any wrongful acts against others. Therefore any irregularities in the balance sheets imply civil and criminal liability of the individual who signs the financial statements.

Another Bank department involved accounting procedures and responsible for the process of reconciling balances is Internal Audit, which is responsible for auditing branches, foreign offices or branches, Head Office bodies and Conglomerate companies; auditing the information technology environment; improving operations and controls, and assisting corporate governance risk management. Internal Audit also manages contracts governing relations with independent audit firms engaged via bidding procedures.

Independent Audit is responsible for expressing an opinion on the adequacy of the financial statements in relation to Brazilian and international standards and current accounting principles and evaluating the quality and adequacy of the internal control system, including electronic data processing and risk management systems, detecting weaknesses identified and making recommendations for the improvement of the accounting system and controls, performing their duties to the high standards commensurate with the scale, characteristics and complexity of the institution.

The Audit Committee regularly examines the financial statements, maintains frequent contact with Accounting Unit and Internal Audit and with Independent Auditors on a quarterly basis in order to assess and identify any distortions in financial statements.

The Fiscal Council consists of members elected by the annual general meeting. The Bank's Bylaws stipulates that Fiscal Council members should hold degree-level qualifications in their profession and have experience in executive positions exercise in senior management with National Financial System member institutions or other companies. In addition to its duties and powers under the Brazilian Corporate Law, the Fiscal Council must express its opinion on examinations of financial statements and their adequacy and approval.

The Board of Directors of Banrisul is its joint decision-making body responsible for determining the bank's general business policies and its long-term strategy. It is also responsible, among other duties, for nominating the Bank's directors and supervising their mandate. The Board of Directors is the instance in charge of approving financial statements.

c. if and how the efficacy of internal controls is supervised by the issuer's management, stating the positions held by the persons responsible for monitoring them.

The process of preparing financial statements described above involves decision-making and operational instances as well as others that concurrently perform supervisory or inspection duties, as shown in the organizational chart below. Managers responsible for registering, reconciling and ensuring compliance of financial events generating financial statements and for the supervisory process with the respective positions of persons responsible for monitoring the process are shown below:

- ✓ Branch Network: Commissioned employees and authorized bookkeepers and qualified to execute ledger routines and reconcile posts/entries, as well as close out bookkeeping records in their localities. Depending on the size of a branch, its hierarchical structure may be smaller but generally comprises the following positions: General Manager; Assistant Manager; Commercial Manager; Service Manager, Market Manager; Business manager; Account Manager; Supervisor and Authorized Bookkeepers.
- ✓ Accounting Unit: Represented by the Executive Superintendent also acting as Accountant responsible for Banrisul's statements; the Unit coordinates daily, monthly, quarterly, semiannual and annual statements and balance sheets, and directs branches and other General Management units for execution of tax and accounting procedures.
- ✓ Controller: Represented by the Executive Superintendent, the unit is responsible for managing and monitoring institutional processes related to internal controls in order to ensure that business processes comply with National Monetary Council Resolution (CNM) Resolution 2554/98 and the institution's Internal Controls Policy; instating policies and procedures for preventing money laundering and combating terrorist financing pursuant to Law 9613/98; measuring costs of personnel, products, services, and customer profitability, and managing branch compliance certification procedures, among other duties.
- ✓ Other Units: Represented by their respective Executive Superintendents, coordinate and execute accounting routines for business processes under their control, signing off on reports arising from these routines and directing branches in relation to management and accounting routines relating to these businesses.
- ✓ Financial and Investor Relations Office: Represented by the Chief Financial Officer; Executive Board consisting of 9 executive officers, including the Chief Financial Finance and Investor Relations Officer; and Board of Directors consisting of 9 directors, including the Bank's Chief Executive Officer and Vice-President, comprise the other decision making bodies directing tax and accounting practices applied in the Bank.
- ✓ Supervisory instances include Internal Audit, represented by Head of Audit reporting directly to the Board of Directors pursuant to National Monetary Council Resolution 2554 with the Bank's President providing executive guidance. Their duties include reconciling the balances of the operational systems with accounting ledgers as an important routine control to ensure reliability for financial statements.
- ☐ Audit Committee: Consists of supervisory bodies but reports directly to the Board of Directors. The Central Bank of Brazil requires Banrisul to have an Audit Committee, which consists of three members appointed by the Board of Directors. At least one Audit Committee member must have proven knowledge of accounting and auditing to be eligible for the position.
- ☐ Independent Audit firm: Engaged through the bidding process determined by Law 8666/93 for joint-stock corporations, Independent auditors are exclusively responsible for auditing services as required by Brazilian Securities Commission's Normative Instruction IN 381/03.
- ☐ Fiscal Council: Consists of 5 members and the same number of alternates elected annually by the Annual General Meetings. In addition to its duties and powers under the Corporate Law, the Fiscal Council reports on the adequacy of financial statements in relation to Brazilian and international rules and current accounting principles.

This internal control structure is used as a management mechanism to reach strategic goals and ensure effective and efficient use of resources, compliance with laws and regulations, and quality of information to strengthen the company's valuation.

Preparation of Financial Statements - Internal Controls

d. deficiencies in internal controls and recommendations in the detailed report prepared and sent to the issuer by the independent auditor in accordance with CVM regulations on independent auditor registration and exercise of their activities.

In the last fiscal year, there was no emphasis of matter or qualified opinion in the Independent Auditor's Report regarding the Institution's financial statements. Banrisul has an internal control system that guarantees the preparation of the financial statements, pursuant to the accounting practices applicable to the financial institutions, free from inconsistencies or significant errors. The External Audit did not identify significant misstatements on the parent company's and consolidated financial statements, for the last fiscal year.

e. comments from the officers on the deficiencies identified in the detailed report prepared by the independent auditor and on the corrective measures adopted.

The deficiencies or recommendations to improve the Institution's internal control system, presented by the Independent Auditors are checked on a systematic basis. The process to handle these notes are purpose of analysis and positioning from the managers of the respective associated activities and they are monitored by the Internal Audit and Controllership areas. Matters object of recommendation, both the notes and the solutions identified by the managers, if applicable, are periodically brought to the attention of the Internal Control Management Committee and to the Audit Committee, which monitor and resolve on the implementation of control improvements, if applicable.

5.4 – Material changes

5.4. In relation to the last fiscal year, inform whether there were material changes to the main risks the issuer is exposed to or to the adopted risk management policy, also comment on any expected decrease or increase of the issuer's exposure to said risks.

There were no material changes to the main market risks the institution is exposed to or to the adopted risk management policy in the last fiscal year.

5.5 – Other material inf. – Risks management and internal controls

5.5. Provide other information deemed relevant by the issuer.

More information on Risk Management is available at Banrisul's Investor Relations website.

6.1 / 6.2 / 6.4 – Issuer’s incorporation, duration and CVM registration date

Issuer’s Incorporation Date	09/12/1928
Issuer’s Incorporation Form	Publicly-held company
Country of Incorporation	Brazil
Duration	The Company’s duration is indeterminate
CVM Registration Date	07/20/1977

6.3 - Brief history

6.3. Brief history of issuer

Our company was incorporated in 1928 as a state-run rural and mortgage credit bank, whose core business was long- term loans backed by mortgage guarantee. In 1931, after absorbing Banco Pelotense, we began to operate as collector of Rio Grande do Sul State's taxes.

In 1934, we began our expansion process, with the opening of branches in several cities in the state, proceeding with our growth and consolidation process by absorbing state-run financial institutions, such as Banco Real de Pernambuco (1969), Banco Sul do Brasil (1970), Rio Grande do Sul State Development Bank - BADESUL (1992) and Distribuidora de Títulos e Valores Mobiliários do Estado do Rio Grande do Sul - DIVERGS (1992).

In March 1990, we became a multiple-service Bank, with commercial portfolio, real estate credit and loan, financing and investment. In 1997, we absorbed Caixa Economica Estadual's branches, clients and certain assets; thus, we operate the payment of state government civil servants and provide financial services to the State of Rio Grande do Sul and other entities related thereto.

In 1998, in view of our inclusion in the Program for Reducing the Presence of the State Public Sector in Banking Activity (PROES), we underwent a restructuring process that resulted in a capital injection of R$1,400.0 million, comprising: (i) R$700.0 million from bonds issued by the Brazilian government and the Central Bank; and (ii) R$700.0 million from actuarial liabilities from the Banrisul Foundation and amounts due to the Brazilian Development Bank (BNDES) which were assumed by the State of Rio Grande do Sul and subsequently converted into interest in our capital stock.

We used the R$700.0 million capitalized as bonds (i) to record provisions for losses from operations, especially credit operations, and for labor risks; (ii) to partially write off tax credits and deferred assets; and (iii) to make investments in IT.

In 2007, we concluded the capital injection process with the Primary and Secondary Public Offering of Class B Preferred Shares. The funds provided by the offering totaling R$800 million reinforced our capital base, allowing us to finance credit granting expansion and to implement information technology investment and commercial strategies, ensuring greater competitiveness and solidifying our role as agents supporting the development of Rio Grande do Sul's economy.

In order to comply with market requirements, we adhered to the Corporate Governance Level 1 of São Paulo Stock Exchange (Bovespa) and constituted the Department of Investor Relations, Capital Markets and Governance, with the purpose of maintaining and strengthening relationship with stakeholders.

In 2008, we inaugurated the Santa Catarina Superintendence, expanding our operations in the state. The expansion project in the state of Santa Catarina aims to deepen relationship with local clients, foster partnerships that strengthen the development of Santa Catarina state and expand our operations. In the same year, our Board of Directors submitted a proposal to establish additional dividends of 10%, effective in fiscal years 2007 and 2008. This proposal was approved at the Annual and Special Shareholders' Meeting held on March 25, 2008, for a total dividend payment of 35% on adjusted net income.

The year 2009 was marked by the consolidation of the strategy of adding efficiency and quality to management, which was accomplished through the implementation of a result oriented management model. This decision implied a profound and comprehensive change across all of the Bank's channels, the modernization of its technological infrastructure, the revision of internal processes, the development of a new credit model, the restructuring of the model of sales targets and remuneration for employees, and the implementation of a financial initiative at an opportune time, which was bank's capitalization in 2007. This operational and financial infrastructure sustains the continued leadership of Banco do Estado do Rio Grande do Sul and its expansion into other markets, the increase in revenues from a broad and diversified client base, with potential for expansion through the implementation of innovative technologies.

In 2010, we had consistent growth of our equity base, closing the period with favorable solvency and profitability ratios, most of them above guidance disclosed to the market in March and maintained up to the end of 2010. The expansion of credit offer, in line with highly dynamic national and regional economic activity and excellent job market indicators resulted in the predominant strategy practiced in 2010 regarding asset allocation.

In 2011, we entered into partnerships with Visa, MasterCard and VerdeCard, and an agreement with the SafetyPay system for international purchases via Amazon.com. The strengthening of Rede Banricompras helps in executing the strategy of geographic diversification and in sustaining the Bank's growth. In this regard, in December 2011 we signed a Memorandum of Understanding and carried out due diligence for the acquisition of 49.9% interest in Bem-Vindo Promotora de Vendas e Serviços, a chain of stores and a structure specialized in the origination of payroll-deductible loans for social security (INSS) beneficiaries as well as federal, state and municipal government employees. The operation, conducted in partnership with MatoneInvest Holding, is part of the strategic move to leverage client relations channels, expand the credit portfolio and augment the potential for the nationwide distribution of financial products and services.

In the competitive market, Banrisul in September 2011 placed 11th among medium-sized and large banks of the National Financial System in terms of total assets, 11th in equity, 8th in total deposits and 7th in number of branches, according to rankings disclosed by the Central Bank of Brazil, excluding the BNDES.

In 2012, in order to leverage customer relationship channels and the loan portfolio, as well as potential for distributing products and services, Banrisul acquired 49.9% of the shares of Bem Produtos e Serviços. Additionally, in order to expand funding sources and elevate Banrisul's Basel ratio, a total of US$775 million in international funding was obtained from a subordinated debt issue maturing in 2022.

2013 was marked by growth of revenues from services driven by cards, insurance and acquiring. 2013 also saw the reorganization of the Banrisul Serviços Ltda. subsidiary and Banrisul Cartões S.A. was incorporated to grow card issuing and acquiring business, including benefit cards, and energize Banricompras.

In 2014, Banrisul launched Vero as a new brand for its multi-banner acquiring network and signed a partnership agreement with Icatu Seguros to incorporate an insurer offering life insurance and pension plans.

Banrisul's current executive board took office in 2015. It consists of nine members, of which seven in their capacity as Banrisul employees, one from Central Bank of Brazil and one from the State of Rio Grande do Sul Treasury Department. Appointments were based on technical criteria and the board's focus is strengthening Banrisul's position in the market. Also in 2015 the Bank was authorized to join the Banrisul Icatu Participações holding company, which holds the entire share capital of Rio Grande Seguros e Previdência, the new insurer offering life insurance products and pension plans through the Bank's distribution channel. The holding company Banrisul Icatu Participações S.A. (BIPAR) was incorporated as part of the Banrisul Group in August 2015. With 49.9% of its capital, BIPAR shows how the Bank's business model is evolving by absorbing part of the income from the operation in addition to revenue in the form of commission earned on the products, as was the case previously.

6.5 - Information on bankruptcy petition filed for a material amount or a court-supervised or out-of-court reorganization

6.5. State whether there has been a bankruptcy petition filed for a material amount or a court-supervised or out-of-court reorganization has been filed, and the current status of any such filing.

To date, no petition requiring our bankruptcy and/or court-supervised or out-of-court reorganization was filed.

6.6 – Other material information

6.6. Provide other information deemed relevant by the issuer.

There was no other relevant information on item “6”.

7.1 – Description of the core activities developed by the issuer and its subsidiaries

7.1. Briefly describe the core activities developed by the issuer and its subsidiaries.

Banrisul is a universal multiple bank controlled by the state of Rio Grande do Sul. The institution originated from a demand of productive sectors of the state economy and still plays a strategic role as a driver of regional development. Towards the age of 90, the Bank maintains the tradition as a community bank; while search pioneering and daring, promoting actions to ensure the sustainability of the institution in the future, without losing sight of social values. The new Board, which took office in early 2015, elected as institutional pillars of management making Banrisul an increasingly modern, sustainable and efficient bank in providing services to the community.

At December 31, 2015, we had four subsidiaries: Banrisul S.A. Administradora de Consórcios, Banrisul S.A. Corretora de Valores Mobiliários e Câmbio, Banrisul Armazéns Gerais S.A. and Banrisul Cartões S.A. Also in 2012, we acquired 49.9% of Bem Promotora de Vendas e Serviços S.A., through which we may grow payday loan related business through non-branch channels. More recently, in 2015, Banrisul Icatu Participações S.A was incorporated as a holding company and Banrisul holds 49.9% of its capital in a partnership showing how the Bank's business model has evolved.

By the end of 2015, Banrisul's assets totaled R$ 66.9 billion, of which 47.8% was in credit transactions. In 2015, volume loaned totaled R$ 47.0 billion injected into the regional market in particular. In terms of funding, we captured R$ 43.0 billion at December 31, 2015, of which 63.2% was in time deposits. In September 2015, we took 46.7% of time deposits in Rio Grande do Sul according to Central Bank statistics.

Our clients are served by an extensive branch network covering almost 90% of Rio Grande do Sul. We also have 43 branches in other states and two units in other countries. The Bank offers a wide range of products and services geared to the needs of its personal and business customers and the public sector: several types of credit, financial investments, credit and debit cards, insurance, pension and savings bonds, collection systems, acquiring and vouchers, purchasing consortiums, and other products and services available through our branches and other points of sale and electronic channels.

In 2015, we invested R$334.9 million in hardware, software and maintenance of assets, associating modernization, operational security and agility. M-Banking (Banritoken), a security solution deployed for Banrisul in January 2015 to protect our mobile banking services, gained recognition as winner in the Security category of the 2015 Banking Report award.

In addition to its technology investments, the Bank's Corporate University opened in November 2014 as a project structured through partnerships with educational institutions in order to foster financial business disciplines and personal development for Bank employees, suppliers, correspondents, customers and the community in general. Investment in staff qualifications (internal and external courses and degree and postgraduate programs, and foreign languages) reached R$ 6.1 million in 2015.

7.2 - Information on operational segments

7.2. For each operational segment disclosed in the latest end-year financial statements or consolidated financial statements, if applicable, state the following:

a. products and services sold.

b. revenue from the segment and share of Issuer's total net revenue.

Banrisul's management operates Retail, Corporate, Correspondent Payroll-Deductible Loan and Treasury as different operating segments. Business evaluation is managed by segment, based on specific reports used for making strategic decisions, and revised periodically by the Board of Executive Officers.

The Retail segment encompasses banking services, funding from the branch network and loan operations for individuals and companies, including micro, small and mid-sized businesses. Banrisul provides detailed metrics for each branch that subsidize the decision-making process in this segment. Scoring is assigned to targets in order to determine the allocation and raising of funds.

The Correspondent payroll-deductible loan segment answers for the origination of payroll-deductible loan in a specific channel, out of Banrisul's network. The acquisition of part of the capital stock of Bem Promotora de Vendas e Serviços S.A. in March 2012, added to the Bank the possibility of expanding its performance geographical area, reaching other regions of Brazil. The origination of payroll-deductible loan out of Banrisul's network already accounts for 15.2% of total retail operations recorded with account holders and non-account holders, therefore, requiring specific granting and control policies, representing a segmented evaluation under the management's viewpoint.

The Corporate segment is responsible for the management of products and services linked to funding and long-term, agricultural, housing and foreign exchange loan operations, focused on government bodies and institutions and large corporations. Banrisul's corporate segment activities are focused on taking advantage of market opportunities through operations with these organizations, including payroll, collection and other services, as well as building strong commercial relations with the employees of these companies, expanding operations in the Retail segment.

The Treasury segment is responsible for managing and controlling Banrisul's cash flow and managing its own investment portfolio. In the income statement, revenues from interest and similar items do not include, in the treasury segment, results from derivatives, while interest and similar expenses were affected, in 2015, by foreign exchange fluctuations and marking-to-market of our international funding, for which the Bank is using hedging instruments, and which results are shown as net gains - financial assets.

The accounting practices for the operational segments are the same as those described under significant accounting practices. Revenue from services, general and administrative expenses, losses on financial assets and income tax are monitored centrally and therefore have not been allocated by segment.

Below, we show an extract of the financial statement in IFRS by business segment. The presentation format of segment information already includes, in the "other" column, the reconciliation of amounts of items from reportable segments with the respective total amounts in the financial statements.

Revenues and expenses with interest and others by business segment are also shown below. Revenues from the Correspondent payroll-deductible loan segment are stated net of origination fee expenses; and we do not use resources from this segment but funds raised in the Retail segment. The result from derivatives used to mitigate foreign exchange fluctuations in relation to the international funding, and the result of exchange rate variation on international transactions is shown as income from transactions with financial assets and liabilities. Therefore, due to the significant foreign exchange fluctuation seen in 2015, the financial income by business segment is shown in the 'adjusted net interest income' line.

Revenue and expenses with interest and similar by business segment for the years 2015, 2014 and 2013 are described below.

Table 1: Breakdown of Income by Business Segment

Income Statement (R$ Million) – in IFRS

	Retail	Corporate	Correspondent Payroll-Deductible	Treasury	Other	Total 2015	Total 2014	Total 2013
01/01 to 12/31								
Revenue with interest and similar	4,216.2	1,793.3	481.2	3,176.0	-	9,666.7	7,433.2	6,232.8
Expenses with interest and similar	(2,849.2)	(1,211.0)	-	(2,493.1)	-	(6,553.2)	(4,297.1)	(3,078.8)
Net interest income	**1,367.0**	**582.3**	**481.2**	**682.9**	**-**	**3,113.4**	**3,136.1**	**3,154.0**
Other Non-interest Revenues / Expenses	**-**	**69.8**	-	**787.3**		**857.2**	**226.1**	**208.8**
Net Gains (Losses) on Financial Assets and Liabilities	-	-	**-**	787.3		787.3	137.4	177.0
Gain/loss on Foreign transaction currency-rate variations	-	69.8	**-**	-		69.8	88.7	31.8
Adjusted Net Interest Income	**1,367.0**	**652.2**	**481.2**	**1,470.2**		**3,970.6**	**3,362.2**	**3,362.8**
December								
Assets	**18,302.7**	**10,063.6**	**3,285.1**	**33,850.8**	**2,601.4**	**68,103.6**	**60,461.0**	**54,115.0**
Liabilities	**32,920.2**	**8,081.5**	**-**	**16,281.7**	**4,344.6**	**61,627.9**	**54,652.5**	**48,781.0**

c. profit or loss from the segment and its share in issuer’s total net income.

The Institution does not allocate profit among the segments.

7.3 - Information on products and services corresponding to the operational segments

7.3. In relation to products and services corresponding to the operational segments disclosed in item 7.2, describe:

a. characteristics of the production process.

The Bank's main products and services are described below.

CREDIT TRANSACTIONS

Commercial Credit

Personal Loans and Financing

With regards to the personal credit portfolio, we focus our operations on payroll deductible loans. We believe that this type of loan represents excellent economies of scale. Payroll deductible loan operations are mostly geared towards state public servants, INSS retirees and pensioners, given that this market accounts for a good deal of the product, although the Bank also maintains agreements with city governments, private companies and entities outside the state of Rio Grande do Sul. This credit type is very attractive for both clients and the Bank. For clients, the discount occurs directly from payroll, which is a convenience because the beneficiary does not have to worry about payment as, under the agreement, amounts due are retained from earnings and passed through to the Bank each month. At the same time, this type of loan is advantageous for the Bank as direct agreements with companies or public bodies reduce the liquidity risk of the operations. Since 2012, the Bank has held part of the capital of a sales promoter specializing in the distribution of payroll-deduct loans that has a presence in every regions of Brazil. Payroll deductible loans originated outside the Banrisul network accounts for 27.7% of total personal loans.

On the other hand, Banrisul also offers personal loans that are not payroll deductible, payable via discounts directly from checking accounts. Terms for these loans can reach 24 months and the maximum amount that clients can contract is established based on individually calculated risk. In addition to revolving credit lines with monthly payments Banrisul offers specific credit lines with single payments, such as advances on end-of-the-year bonuses and income tax rebates. In addition, our clients have pre-approved credit lines that may be drawn on using automated procedures via ATMs, Banrifone, M-Banking or Internet banking.

In addition to the programs above, Banrisul has a direct consumer credit portfolio to finance the acquisition of new or used vehicles, both Brazilian and imported. The limit for Direct Consumer Credit/Vehicles is calculated for each client based on his or her risk classification. The maximum financing limit varies according to the year in which the vehicle was manufactured, and it can reach 100% for new vehicles with payroll deductible financing, guaranteed by the secured fiduciary sale of the vehicle.

As a product designed to increase loyalty, we offer our individual clients overdraft loans, consisting of a revolving limit that can be used with magnetic cards and/or checks. Part of the overdraft facility consists of a pre-approved limit for spending at Banricompras. Limits for this type of loan are established by a system using the risk classification calculation, with a minimum of R$100.00 and maximum according to the client's ability to pay. Interest rates on overdraft vary in line with client profiles.

The table below shows the personal commercial credit transactions portfolio at December 31, 2015.

Table 2: Principal Personal Commercial Credit Products

Type	Balance (R$ Million)	% of Credit	% Var. - 12 months
Personal Credit (1)	2,076.4	17.5%	68.5%
Overdraft Loans	538.5	4.5%	0.4%
Payroll Deductible Loans (2)	8,309.8	70.0%	4.7%
Other	954.2	8.0%	-5.1%
Total	**11,878.9**	**100.0%**	**10.9%**

(1) Includes one-minute credit, automatic personal credit and non-payroll deductible loan.
(2) Includes credit originated through the Banrisul's branch network, the Bem Products and Services channel and acquisition of portfolios.

Loans in arrears for more than 60 days at December 31, 2015 accounted for 5.67% of total personal commercial loans.

Corporate Loans and Financing

Our corporate client base is primarily composed of micro, small and mid-sized businesses with average monthly revenue of up to R$25.0 million, representing approximately 59.2% of the total amount invested in corporate clients. We have special credit lines for micro and small companies, a segment that is considered strategic, and for mid-sized and large companies. Amounts, rates and terms for the retail segment are pre-established as product policies while conditions for mid- sized and large companies are negotiated on a case-by-case basis.

At December 31, 2015, loans to companies accounted for 44.4% of outstanding commercial credit and 29.6% of total credit. Our key credit lines for companies include working capital loans and overdraft protection, bill payment and receivables prepayment. The expansion of operations in the acquiring market boosted business and sustained turnover.

Our direct consumer credit portfolio for companies includes financing for the acquisition of machinery and vehicles for use by the contracting company. Vehicle and machinery financing can reach up to 80% and 90% of the value of the asset, respectively, as a function of the respective year of manufacture. Terms and rates vary according to the type of asset and the company's financial standing. Guarantees required are generally a surety by the partners and the secured fiduciary sale of the asset.

The table below shows our corporate commercial loan portfolio on December 31, 2015.

Table 3: Commercial credit for companies - Main products

Type	Balance (R$ Million)	% of Credit	% Var. - 12 months
Working Capital	6,970.4	73.6%	-1.4%
Overdraft Protection	823.6	8.7%	12.3%
Collateral Account	245.5	2.6%	-19.7%
Receivables Discount	285.9	3.0%	-22.3%
Other	1,141.7	12.1%	14.0%
Total	**9,467.2**	**100.0%**	**-0.1%**

Loans in arrears for over 60 days at December 31, 2015 accounted for 7.51% of the total value of our commercial loans to businesses.

<u>Leasing</u>

We offer financial leasing products in the industrial, retail, service and individual segments, focusing on vehicles, machinery, and equipment and information technology items. Our clients in these operations are primarily companies, which account for 95.3% of the portfolio.

The minimum term for leasing operations is 24 months, with a maximum term that varies on a case-by-case basis, in line with the profile of the client, the nature and useful life of the asset and the residual value of the negotiated guarantee. The average rate for these operations was 23.50% p.a. in 2015.

On December 31, 2015, the balance of our leasing portfolio was R$ 59.3 million. Revenue from these operations increased R$7.1 million in twelve months, totaling R$19.8 million in the year ended December 31, 2015.

Loans to the Public Sector

We offer short and long-term financing to public sector entities except for the State of Rio Grande do Sul, in line with the restrictions established in the Banking Reform Law. The beneficiaries of these operations and the amounts involved must comply with the public sector credit restriction limits and the disbursement order of the National Treasury Secretary.

At December 31, 2015, our public sector entity loans portfolio accounted for 0.3% of loans. Our total public sector loan operations, excluding the leasing amount, reached R$ 92.4 million at end of 2015. Revenues from these transactions showed an increase of R$ 12.2 million in the twelve months and totaled R$ 22.0 million for the year of 2015.

Real Estate Financing

We offer various types of real estate financing for individuals and companies for property acquisitions, construction and practiced for personal loans. Guarantees for real estate financing consist of the property itself, through secured fiduciary sale or mortgaging.

In addition, we offer companies the Business Plan for financing real estate development activities. The expansion of real estate credit is directly related to Brazil's economic scenario, together with significant changes in legislation that allow for reduced risk associated with real estate developments, providing greater operational security.

Our total real estate financing operations amounted to R$3,829.1 million and accounted for 12.0% of our loans in December 2015. Revenues from housing finance grew 32.4% in twelve months to reach R$386.0 million in December 2015. Loans in arrears of over 60 days in relation to the total housing finance portfolio amounted to 0.48% at December 31, 2015.

According to current Brazilian Central Bank regulations applicable to all agents of the SBPE (Brazilian Savings & Loan System), we must allocate at least 65% of average savings deposits to real estate financing. In 2015, we granted real estate financing for this purpose for R$961.0 million. In the fiscal year ended December 31, 2015, the total amount subject to mandatory allocation was R$4,597.3 million, or R$4,885.8 million including the face value of credits against the FCVS (Salary Variation Compensation Fund), exceeding the required minimum.

Agricultural Loans

Agricultural loans target all agricultural segments, including small, mid-sized and large farmers, individuals, cooperatives and affiliates. Banrisul offers financing to various links in the agribusiness chain, both in regard to costs and investments as well as financing the sale and storage of produce.

Our financing lines for the sector include: (i) financing crop and animal husbandry costs, (ii) anticipation of receivables and discounted agribusiness trade bills, (iii) financing of product storage for subsequent sale, (iv) financing programs via BNDES/FINAME onlending for machinery and equipment acquisitions, works, the construction of processing units and infrastructure and (v) financing programs via BNDES onlending under the National Family Agriculture Program – PRONAF and the National Small Farmers' Support Program – PRONAMP, with special conditions for these segments, and financing for investments in corporate agriculture.

We also have products specially designed for exhibitions and fairs in which we participate whereby we provide credit for the acquisition of livestock, machinery and equipment according to pre-approved limits and parameters. The purpose of these criteria is to expedite the operation and business at the event and in these types of loans we can grant financing with our own funds or via onlendings from BNDES/FINAME.

The balance of agricultural loan operations in our portfolio, including with our own resources and through onlendings including securitization totaled R$2,724.8 million. Of this total, R$1,575.3 million was own-funds and R$1,149.5 million onlending. Revenue from rural financing operations reached R$ 159.1 million in 2015, with an increase of 11.3% in twelve months. The percentage of agricultural loans in arrears for over 60 days was 2.87% of total portfolio at December 31 2015.

As per Brazilian Central Bank regulations, the financial agent is required to allocate part of demand deposits and rural savings resources to agricultural loans. Of this total, some of the funds must be allocated to loans for family farmers (PRONAF), mid-sized farmers (PRONAMP), and cooperatives. As of this date, our loans are within the required limits.

In the fiscal year ended December 31, 2015, the average amount from demand deposits subject to required allocation was R$1,044.9 million, while the average actually allocated was R$960.5 million at between 2.5% p.a. – 10.5% p.a. The average amount from rural savings subject to required allocation was R$354.9 million, while the average actually allocated was R$270.1 million at between 12.0% p.a. – 17.0% p.a. Projections for the close of the required allocation period in June 2015 indicate that both requirements will be met.

International and Foreign Exchange Operations

We are authorized by the Central Bank to operate in the foreign exchange market. Our key clients are large and mid- sized companies, including in the agribusiness sector. We offer products in the areas of (i) export financing (including Advances on Foreign Exchange Contracts and Advances on Foreign Exchange Receivables), (ii) the provision of guarantees for international operations (import letters of credit) with the receipt of counter-guarantees in Brazil; (iii) import financing (FINIMP); and (iv) the onlending of funds raised abroad (Resolution 3844, former Resolution 2770). The conditions for foreign exchange operations, including terms, interest rates and costs with commissions are negotiated on a case by case basis in accordance with the characteristics of each operation and the profile of each client. We also carry out operations involving remittances abroad and manual exchange.

Our annual foreign exchange portfolio recorded the following annual volume.

Table 4: Foreign exchange –composition

	2015	2014
Exports [(1)]	881.9	1,273.4
ACC/ACE	309.8	448.3
Ready Imports	623.6	825.2
Import Letters of Credit	84.8	156.7
Finimp	239.6	278.8
Financial (Types 03 and 04)	470.7	1062.9

(1) Includes ACC and ACE.

TREASURY OPERATIONS

Appropriate treasury and liquidity management strategies add value and stability to financial results and contribute to the maintenance of the Institution’s strength, profitability and efficiency. At Banrisul, a relevant amount of operating revenue is obtained through treasury operations, aiming at ensuring the balance between negotiable assets and current liabilities, considering different currencies, rates, indexes and operation terms.

Banrisul’s marketable securities are classified as held for trading, held to maturity and available for sale, according to the investment policy and the Institution’s financial capacity. Treasury securities are mostly federal government bonds accounting for 88.4% of investments in treasury.

The following table shows the composition of our treasury at December 31, 2015.

Table 5: Treasury- Composition

	Balance (R$ Million)	% of Treasury	% Var. - 12 months
Securities available for trading	3,425.1	16.2%	41.2%
Securities available for sale	674.0	3.2%	9.6%
Securities held to maturity	15,370.1	72.8%	0.7%
Derivative Financial Instruments	1,116.8	5.3%	90.6%
Investments in Interbank Deposits	530.2	2.5%	1,746.5%
Total	**21,116.1**	**100.0%**	**11.6%**

FUNDING

Funding through our branches comes mostly from our customers' deposits. We offer them several types of CDBs (bank deposit certificates) to suit different investor profiles, besides traditional, scheduled and integrated savings accounts.

Time deposits are the Bank's main source of funding from both individuals and legal entities, with fixed and floating interest rates corresponding to 95.83% and 4.17% of total portfolio, respectively.

Banrisul has been diversifying its funding structure. In 2012, the Bank issued subordinated debt securities in the international market for the first time. In 2013, it concluded its first financial note issue. Being rated investment grade by the rating agencies in 2012 was essential for these transactions and showed the institution's efforts to progress its governance mechanisms and risk controls.

The international market debt issue was placed in two tranches for a total of US$775 million in subordinated notes and it comprised the Bank's Tier II capital. In the second half of 2015, we conducted an early buyback tier transaction of part of the subordinated debt for US$251.8 million, in order to lower the cost of funding and ensure liquidity for the notes, given the context of currency devaluation and rising country risk. The repurchase brought R$173.8 million in revenue for 2015.

The in 2013 financial note issue reached R$1,600.0 million and showed the Bank's better positioning in the fixed-income market and created opportunities for future transactions with longer terms. The first series of notes issued in the amount of R$700.0 million matured in August 2015.

The table below shows amounts by type of funding at December 31, 2015.

Table 6: Composition of funding

	Balance (R$ Million)	% of funding	% Var. - 12 months
Time deposits	27,207.9	63.2%	20.8%
Demand deposits	3,173.9	7.4%	-3.3%
Savings deposits	7,573.7	17.6%	-2.4%
Other deposits	742.8	1.7%	30.3%
Financial bills (1)	2,348.8	5.5%	-17.2%
Subordinated debt	1,991.6	4.6%	-10.4%
Total	**43,038.7**	**100.0%**	**9.8%**

(1) Financial and Mortgage Bills.

OTHER PRODUCTS AND SERVICES

Acquiring and Vouchers

Our acquiring and vouchers business is conducted through our Banrisul Cartões subsidiary. Under Law 12865 of October 9, 2013, Banrisul Cartões became subject to Central Bank regulation. To meet legal requirements, in November 2014, the Company filed for authorization to operate as a payment institution through the BanriCard Payment Arrangement. Since then, Banrisul Cartões has been waiting for a ruling in this respect and has made adjustments in order to comply with the related regulations.

The acquiring business includes Vero acquiring network services such as accreditation of merchants and transaction capture, transmission, processing and settlement for cards from the main brands (Visa, MasterCard and VerdeCard), Banrisul current account cards and BanriCard cards. The acquiring business´s main source of revenue comes through the discount rate (MDR) charged merchants on volume traded, followed by monthly revenues, device leases and connectivity.

The voucher business provides services related to BanriCard benefits cards for companies and managing agreements signed in this respect. The main revenue of this business come from the reimbursement rate charged commercial establishments on volume transacted and the management fee charged to member companies.

Vero's total of 186,100 accredited merchants at the end of 2015 was up by 15.6% on 2014. In the year, a cumulative 248.6 million transactions were captured to show an increase of 32.0% on the previous year. In 2015, financial volume transacted totaled R$20.8 billion, reflecting 39.4% growth on the previous year.

By end-2015, the voucher business had signed up over 10,700 member companies and issued 815.0000 cards to post growth of 8.4% and 6.6% respectively, compared with end-2014. BanriCard's cards were used in 127,200 affiliated merchants who conducted a total of 21.3 million transactions in this year to date, showing an increase of 0.4% against the cumulative total transactions in the previous year.

Revenues from acquiring and vouchers reached R $ 497.3 million in 2015 to show an increase of 40.0% on the previous year and accounted for 34.4% of total revenues from the bank's services and banking charges in 2015 and 57.2% of the increase in these revenues for the twelve-month period.

Debit and Credit Cards

Banricompras cards are exclusive and free-of-charge for Banrisul's clients who use their current account card to pay their purchases at accredited merchants in cash or by installments, without paying interest or annuity, and they have the security of using a chip card. Using their Banricompras cards, Banrisul customers may also enjoy discounted admission at GNC cinemas and collect points under Banrisul's Rewards Program, Banriclube Plus. In 2015, the Banrisul account holder debit card celebrated its 20th anniversary and it is still one of the Bank´s most strategic products. Banricompras transactions grew 8.4% in the twelve-month period to a total of R$8.9 billion in 2015 from 106.7 million transactions.

We also operate Visa and Master Card credit cards directly and we are responsible for the entire administration process for these cards, including billing and financial settlement. During the year we introduced an SMS messaging service to inform customers of transactions made on their card in real time, this adding to their security, and we launched a MasterCard branded credit card for Brazil's social security institute (INSS) offering credit secured by payroll or paycheck deductions.

At December 31, 2015, our Visa and MasterCard base reached 903,000 cards for an increase of 26.6% on 2014. Credit cards enabled financial transactions worth R$3.5 billion in the year 2015, showing 21.3% growth and a total of 38.8 million transactions. In 2015 we obtained R$252.1 million in credit revenues and fees related to personal credit cards and BNDES (company) cards to shown an increase of 27.8% on the previous year.

Insurance, Private Pension Plans and Capitalization Bonds

In 2014, after four years of study and selection of the partner company, Banrisul and Icatu signed an agreement that provides for the exclusive distribution of social security and life insurance products for a 20-year term. The negotiation was approved by the Brazilian Central Bank, the Administrative Council for Economic Defense (CADE) and the Superintendence of Private Insurance - SUSEP also in 2014.

August 2015 saw the incorporation of Banrisul Icatu Participações S.A., the holding company in which Banrisul holds 49.9% of capital. This partnership shows how the Bank's business model has evolved by absorbing some of the income generated by the operation. The group of companies includes the insurer Rio Grande Seguros e Previdência S.A., which will hold exclusive rights to market and sell life insurance products and pension plans through Banrisul's distribution channels.

In order to monitor the insurance market and provide options that meet customer needs in terms of security, protection and benefits, in the course of 2015 Banrisul automated processes, upgraded and realigned its AP Premiável Mais and BanrisuLar products and widened the range of its portfolio of private pension plan products with the launch of BanrisulPrev Júnior and BanrisulPrev Júnior Afinidade targeting children and young people up to the age of 21 and also offered lender/borrower insurance through the Banrisul financial protection credit card.

At end-2015, Banrisul 1.7 million of active security operations and revenues from insurance, pensions and special savings bonds reached R$675.1 million to show an increase of 20.5% on 2014. Annual revenue totaled R$168.6 million in 2015 to show an increase of 38.8% on 2014.

Third-Party Asset Management

At the close of 2015, Banrisul managed forty (40) investment funds comprising twenty-three (23) fixed income funds, five (5) equity funds, one (1) short-term fund, one (1) multimarket fund, one (1) one fund pegged to the DI interbank rate and nine (9) exclusive funds. The Bank also managed one (1) individual programmed retirement fund and two (2) investment portfolios. In February 2015, Banrisul set up a new fixed-income investment fund exclusively for institutional clients and qualified investors and its end-year net asset value reached R$297.1 million.

The total volume of assets managed by the 43 (forty-three) investment funds/portfolios was R$8,951.5 million at December 31, 2015, which was 0.9% higher than at December 31, 2014 when AUM totaled R$8,869.2 million.

On December 31, 2015, most assets under management came from the retail segment, broken down as follows: 21.8% from individuals, 29.8% from companies and 48.5 from the public sector.

The average management fee charged by our investment funds was approximately 0.84% in 2015 against 1.07% in 2014. We received R$84.3 million in management fees in 2015 to show 2.0% growth on 2014.

In relation to regulatory requirements pertaining to asset portfolio management note that CVM Instruction 555/2015 came into effect on October 1, 2015 and superseded CVM Instruction 409/2004 regulating investment funds in terms of their incorporation, management, functioning and reporting/disclosure requirements. Investment funds that were active on the date this instruction came into effect will have until June 30, 2016 to adapt to the new regulations.

In addition, on March 26, 2015, the CVM issued CVM Instruction 558/2015 replacing CVM Instruction 306/1999 regulating the professional management of asset portfolios. The new instruction will come into effect on January 4, 2016, and any managers of portfolios of securities that have already registered with the CVM must adapt to the rules by June 30, 2016.

Purchasing Consortium Management

Through our subsidiary Banrisul Consórcios, we manage purchasing consortiums for individuals and companies for the acquisition of real estate, automobiles, tractors, trucks and motorcycles, including for people who do not have checking accounts with us.

On December 31, 2015, we managed 43,100 active consortiums with a portfolio of R$2.1 billion. In this activity, we earn revenue by charging an administration free from the groups that varies between 12% and 18% in the period. Our direct revenues from consortium management reached R$40.6 million in 2015 to show an increase of 15.3% on the previous year.

Payroll System

We offer our public and private sector clients services related to payroll transfers for both salaries and benefits. We seek to add value to our activities in this area, taking advantage of existing synergies with credit granting (especially payroll deductible loans) to offer public and private employees to whom we make the payments the possibility of becoming our clients and taking advantage of our other services. This activity is used as a tool for capturing and cementing the loyalty of clients requiring other banking products and services.

Financial Agent of the State of Rio Grande do Sul and its Municipalities

We operate as a financial agent for the State of Rio Grande do Sul, centralizing the management of revenue and expenses in the State budget though the collection of state taxes, the transfer of funds to state municipalities, payroll services for public employees and the payment of suppliers. In addition, the Bank operates as a government partner in implementing socio-economic policies, projects and programs focusing on regional development. In relation to the municipal segment, the focus has been on offering products and services, especially concerning management solutions designed to reduce municipal operating costs.

Tax collection

We are responsible for ICMS and IPVA collection for the State of Rio Grande do Sul, as well as the transfer of amounts to municipalities in accordance with current legislation. In 2015, ICMS and IPVA taxes collected through Banrisul reached R$23.7 billion and amounts transferred to municipalities totaled R$5.1 billion.

In addition, we collect taxes due to municipal governments, entities under indirect public management and water and sewage concessionaires, chiefly in Rio Grande do Sul, through our branch network, self-service channels (Banrifone, Internet and ATMs) and affiliated banking correspondents. We also permit automatic bill payments (debiting checking accounts) when authorized by the taxpayer. We collected R$1.4 billion in municipal taxes for Rio Grande do Sul cities in 2015.

In 2015, revenue from provision of tax collection services to the public sector, including the federal government, was R$31.1 million. The provision of these services provides opportunities for expanding business with public entities, federal, state and municipal employees and private individuals and corporations.

Public Payroll Services

In 2015, we carried out an average of 469,472 payroll deposits for public employees each month, broken down as follows: 370,195 state, 92,128 municipal and 7,149 federal.

In addition, since January, the Bank has been in second place among financial institutions preferred for benefit payments for the National Social Security Institute (INSS) in Rio Grande do Sul, in addition to being authorized to make payments in cities outside the state where it has branches. During the year of 2015, some 86,000 new benefits were paid into Banrisul's branches and their beneficiaries were able to access special products through the Banricompras card which is accepted by thousands of establishments nationwide. Banrisul had more than 1 million active benefits in 2015 and this segment is an important market for a retail bank.

Judicial Deposits

On April 22, 2004, the State Law 12,069 was enacted, amended by Law 14,738/15 by means of which, Banrisul, when requested, shall make available to the state of Rio Grande do Sul up to 95% of judicial deposits made by third parties jointly with Banrisul (except for those the litigant is the Municipality). The amount not available shall create a reserve fund destined to ensure the refund of referred judicial deposits.

On December 31, 2015, the judicial deposits made by third parties in Banrisul, adjusted by benchmark interest rate (TR) plus interest rates of 6.17% p.a. until the balance sheet date totaled R$10,316.9 million, R$9,664.8 million of which was transferred to the state government, upon request and written-off from related equity accounts.

In 2015, revenue from the centralization of court deposits in the Judicial Reserve Deposit Fund came to R$47.0 million. This revenue is calculated on a monthly basis and refers to 10% of the difference between the Reserve Fund's remuneration, calculated based on the SELIC rate, and the compensation cost of the deposited amounts.

b. characteristics of the distribution process.

Several products and services are available to our customers through the Bank's distribution channels at branches, through banking correspondents and on electronic channels.

Self-Service Network

In 2015, Banrisul's self-service network reached 1,279 points, comprising 536 branches, of which 491 in Rio Grande do Sul, 30 in Santa Catarina, 13 in other Brazilian states and 2 abroad, 202 banking service stations and 541 electronic points of service. During the year, eight new Banrisul branches were added, seven in Rio Grande do Sul and one in Santa Catarina.

Self-service network – Bem

Our acquisition of part of Bem enables growth for product and service distribution channels, especially outside the state of Rio Grande do Sul, since Bem promoter is present in other regions of Brazil. In 2015, Bem totaled 45 own stores nationwide. Payroll loans made through Bem totaled R$3,285.1 million at the end of 2015.

Banrisul – Banriponto banking correspondents

In 2015, the network reached 1,518 active Banripontos and the 64.2 million transactions made were worth R$21,285.5 million, which was 5.5% up on 2014.

Banripontos business correspondents can handle deposits, withdrawals, payments and other services. These correspondents accounted for 788 new current accounts opened and they originated R$23.3 million in 5,951 loans secured by deductions from INSS benefits in 2015.

Electronic channels

Banrisul provides electronic customer service through its online branch (Home Banking, Office Banking and M-Banking) and by telephone through Banrifone.

The Home Banking service channel offers comfort and security to conduct financial transactions by using a current account card with a chip device and its corresponding password. The Office Banking internet service channel is for corporates or legal entities to manage their registered current accounts online using cards with chips, secured by passwords. The M-Banking channel offers customers using smartphones or tablets account query and financial transaction services. For added security, Banrisul offers customers sophisticated security solutions that must be installed in devices used to access Internet Banking. Its M-Banking (Banritoken) security solution is available for the Bank's customers to turn smartphones or tablets into strong authentication devices by generating one-time passwords (OTP) and financial transaction signatures; this solution won the Banking Report Award 2015 in the Security category.

Banrisul's virtual branch made 181.0 million transactions in 2015, of which 141.8 million were non-financial transactions such as queries, requests, blockings and other services, and 39.2 million financial transactions amounting to R$187,907.8 million.

The Banrifone relationship channel allows customers to query account balances, request services and make banking transactions by telephone. In 2015 it received approximately 3.7 million accesses through electronic service and 349,700 through personalized service, which generated R$241.2 million financial turnover in the period.

c. characteristics of markets in which the issuer operates, especially:

i. share of each market.

ii. competitive conditions in each market.

The Institution's market share in Rio Grande do Sul State and Brazil is periodically monitored, as follows:

Table 7: Competitive Market

	Brazil Dec/15 (1)	Rio Grande do Sul Sep/15 (2)
Demand deposits	2.1553%	26.7113%
Savings deposits	1.1704%	14.5209%
Time deposits	4.9283%	46.7268%
Credit Transactions	0.9952%	17.1113%
Number of Branches	2.3394%	27.5998%

(1) Latest information disclosed.
(2) Latest information available.

In September 2015, of the banks comprising the National Financial System, not including the BNDES, we ranked 11th in terms of total assets, 11th in shareholders' equity, 8th in total deposits and 7th in number of branches, according to data disclosed by the Central Bank of Brazil.

d. seasonality.

Not applicable to the Institution.

e. main inputs and raw materials.

Not applicable to the Institution.

7.4 - Customers that account for more than 10% of the total net revenue

7.4. State whether there are any customers that account for more than 10% of the issuer's total net revenue.

The Bank does not have any single client that accounts for 10% or more of annual income from interest or similar.

7.5 - Material impact of state regulations on the activities

7.5. Describe the material impact of state regulations on the issuer's activities, with specific comments:

a. need for government authorization to carry out activities and history of relations with the public administration concerning obtaining these authorizations.

The basic structure of the Brazilian National Financial System was established by Law 4,595 of December 31, 1964, also known as the Banking Reform Law. The Banking Reform Law created the CMN and the Brazilian Central Bank, attributing to the latter powers to issue currency and control the credit system.

The National Financial System is composed of the following regulatory and oversight bodies:

Regulatory Agencies:

- CMN – National Monetary Council;
- CNSP – National Private Insurance Council;
- CNPC – National Complementary Pension Council;

Supervision Agencies:

- Bacen - Brazilian Central Bank;
- CVM – Brazilian Securities and Exchange Commission;
- Susep – Private Insurance Superintendence;
- PREVIC – National Complementary Pension Superintendence.

The CMN, Bacen and CVM regulate and oversee Brazil's banking and capital markets. The CNSP and SUSEP regulate and oversee the insurance, capitalization and open complementary pension fund markets. CNPC and PREVIC regulate and supervise closed complementary pension funds.

<u>Conselho Monetário Nacional</u>

The CMN is the highest body in the National Financial System, responsible for creating monetary and credit policy with a view to Brazil's economic and social development. The main goals of its policies, among others, are:

- adapting means of payment volume to national economic needs;
- regulating the domestic value of the currency;
- regulating the international value of the currency and the equilibrium of the country's balance of payments;
- guiding the investment of financial institution resources;
- improving financial institutions and instruments;
- doing everything possible to ensure the liquidity and solvency of financial institutions; and
- coordinating monetary, credit, budget, tax and public debt policies.

The Finance Minister presides over the CMN, which also comprises the Planning, Budget and Management Minister and the President of the Brazilian Central Bank.

Brazilian Central Bank

The Brazilian Central Bank is the main agent of the guidelines of the National Monetary Council, being responsible for ensuring the real's purchasing power, preserving adequate economic liquidity, maintaining international reserves in a sufficient level, encouraging the formation of savings, ensuring stability and promoting the continuous improvement of the financial system. Its duties include:

- issuing paper money and coins;
- ensuring that there are paper money and coins available and in good condition;
- receiving the mandatory and voluntary reserve requirements from financial and banking institutions;
- carrying out rediscount operations for loans to financial institutions;
- regulating the clearing of checks and other bills;
- carrying out federal bonds sale and purchase operations;
- controlling credit;
- overseeing financial institutions;
- authorizing the operation of financial institutions;
- establishing conditions for the exercise of management positions in financial institutions;
- overseeing the interference of other companies in the financial and capital markets; and
- controlling the flow of foreign capital into the country.

The President of the Brazilian Central Bank is appointed by Brazil's president, after Senate approval, and can be dismissed ad nutum.

CVM

The CVM is a government body connected to the Ministry of Finance, created by Law 6,385 of December 7, 1976. It is responsible for supervising, regulating, disciplining and developing Brazil's securities market, as well as performing the following duties:

- ensuring the efficient and regular operation of stock exchanges and over-the-counter markets;
- protecting holders of securities and market investors against non-conforming issues; illegal acts of management and controlling shareholders of listed companies or portfolio managers; and the use of material insider information that has not been undisclosed in the securities market;
- preventing certain types of fraud or manipulation in order to create artificial demand, supply or price for securities trading in the market;
- ensuring that stakeholders have access to information regarding securities traded and the companies that issued them, law regulating and administering the system for registering regulated issuers, distributors and agents;
- ensuring compliance with fair commercial practices in the securities market;

- ensuring compliance with conditions for using credit determined by the National Monetary Council for the market;

- encouraging the formation of savings and their investment in securities;

- promoting the expansion and regular and efficient operation of the securities market;

- encouraging permanent investments in the capital stock of publicly-held companies controlled by Brazilian private capital; and

- constantly monitoring the activities and services of the securities market and the airing of information about the market to persons participating therein and amounts traded therein, and apply penalties to those committing infractions.

Additionally, in compliance with Law 10,303 of October 31, 2001 (which amended Brazilian Corporation Law and Securities Market Law), the power to regulate and oversee financial and investment funds (originally regulated and supervised by Bacen) was transferred to the CVM.

Headquartered in Rio de Janeiro (RJ) and with national jurisdiction, the CVM is managed by a president and four directors appointed by the Brazilian President from among candidates with unquestionable reputations and recognized skill in capital market matters, and approved by the Senate. CVM directors serve for a non-renewable term of five years, one of whom being replaced each year.

Foreign Investments

Foreign Banks

The Brazilian Constitution prohibits foreign banks from opening branches in Brazil, except when in the interest of the Brazilian government and upon authorization from the country's President and Bacen.

Foreign Investments in Brazilian Financial Institutions

Individuals and legal entities resident and domiciled abroad can only invest in the voting capital of financial institutions with specific authorization from Bacen and, if applicable, the President. However, foreign investors may acquire non-voting shares issued by Brazilian financial institutions or depositary receipts representing non-voting shares issued abroad without specific authorization and as long as these shares are acquired in public trading.

Regulations Applicable to the Brazilian Banking Industry

Below are the main rules of the National Financial System, applicable to Brazilian financial institutions.

Legislative reform of the National Financial System – Constitutional Amendment

On May 29, 2003, Constitutional Amendment 40 was promulgated to replace the existing restrictive constitutional provisions with overall permission for the Brazilian financial system to be regulated by complementary laws. The promulgation of this amendment allowed legislators to focus more specifically on different matters affecting the regulation of the financial system, thereby improving efficiency. As a result, the Brazilian Congress can now vote on various laws related to regulation of the financial system, which was not possible prior to the amendment.

Corporate Structure

Financial institutions, with the exceptions provided by law, must be constituted as companies and are therefore subject to the Brazilian Corporation Law and CMN and Bacen regulations, as well as oversight by the CVM if they are registered as publicly-held companies.

The capital stock of financial institutions may be divided into shares with or without voting rights, shares without voting rights not to exceed 50% of the total number of shares issued.

General Restrictions and Limitations on Financial Institutions

The activities of financial institutions are subject to a series of limitations and restrictions. Generally, these limitations and restrictions refer to the granting of credit, risk concentration, investments, repo operations, foreign currency loans and trading, third-party asset management, microcredit and payroll-deductible loans.
The main restrictions and limitations imposed on financial institutions are as follows:

- financial institutions may only function in Brazil with the prior authorization of the Central Bank and by executive decree for foreign institutions;

- financial institutions may not acquire real estate other than for their own use, except when received in settlement of loans of difficult or doubtful resolution, in which case it must be sold within a maximum of one year as of receipt, extendable twice, at the discretion of the Brazilian Central Bank;

- financial institutions are prohibited from providing loans or advances to individuals or legal entities that retain more than 10% of their capital stock, except in certain specific circumstances upon authorization from the Central Bank;

- financial institutions are prohibited from providing loans or advances to legal entities that retain more than 10% of their capital stock;

- financial institutions are prohibited from providing loans or advances to legal entities in which any of their executives or managers (as well as spouses and respective relatives of same to the second degree) retain more than 10% of the capital stock;

- financial institutions are prohibited from carrying out repo operations, i.e. involving assets that are sold or purchased based on the occurrence of certain specific conditions, in amounts greater than 30 times their Regulatory Capital, separately or cumulatively;

- asset and portfolio management business must be segregated from other business conducted by firms in question, which must adopt operational procedures as required by CVM Instruction 558 of March 26, 2015;

- the amount of capital stock and shareholders' equity of financial institutions must always be compatible with the capital stock and minimum capitalization rules imposed by Bacen for each type of financial institution; and

- the exposure of Brazilian financial institutions and their affiliates to assets and liabilities subject to foreign currency and gold price variations may not exceed 30.0% of their Regulatory Capital.

It should be noted that restrictions related to operations with affiliates do not apply to operations carried out with financial institutions in the interbank market.

Allocation of credit to the public sector

According to CMN Resolution 2,827/01 as amended, the amount of credit granted by any given financial institution to public sector entities may not exceed 45% of its Regulatory Capital, except in certain operations such as loans to Centrais Elétricas Brasileiras S/A – Eletrobrás, and operations with formal guarantees from the National Treasury. There are no pre-established limits on interest in granting said loans.

We are also prohibited from granting loans to public entities in default with any financial institution or with the Public Sector Operations Registry System – CADIP. Also, as per the Fiscal Responsibility Law, all loan contracts executed by public entities as the borrower must comply with the overall limits established by the Senate and receive prior authorization under the respective budget law or specific law.

In regard to cities, Bacen regulations establish that, as of November 28, 2002, new operations contracted with these public entities should comply with the maximum limit of R$200.0 million, with a further requirement that beneficiaries be in strict compliance with the registry requirements of the Finance Ministry and may not exceed the maximum limit of municipal debt established under the Fiscal Responsibility Law.

In addition, as a result of express prohibition by the Fiscal Responsibility Law, we cannot grant any loans to the State of Rio Grande do Sul, our controlling shareholder.

<u>Reserve Requirements</u>

The Central Bank imposes reserve requirements on demand, time and savings deposits on financial institutions like Banrisul. Part of demand deposits and savings deposits are mandatorily allocated to real estate financing, agricultural loans and microcredit as a means of fomenting these sectors.

Currently, banks are required to make cash transfers to the Central Bank as follows: (i) 45% of demand deposits, interest free; (ii) 25% of time deposits, remunerated at the Selic rate, up to the limit set forth by Bacen Circular Letter no. 3,715, Article 10, paragraph 3; (iii) 15% of rural savings deposits; and (iv) 24.5% of savings deposits under the SBPE. The latter collections are remunerated at the same rate as savings. Finally, there are additional rates of 11% on time deposits and 5.5% on both types of savings deposits.

In the case of demand deposit requirements, 34% are allocated to agricultural loans to family farmers and other rural producers and 2% to micro companies, while 65% of funding from SBPE savings deposits is allocated to the real estate sector and 74% of rural savings deposits to financing farming and livestock costs, agribusiness and sales.

Asset Allocation Requirements

Pursuant to CMN Resolution 2,283 of June 5, 1996, the fixed assets of Brazilian financial institutions (defined as property, plant and equipment not deriving from commercial leasing operations, unconsolidated investments and deferred expenses) may not exceed 50.0% of their adjusted Regulatory Capital, calculated in accordance with Bacen criteria.

In addition, pursuant to CMN Resolution 2,844/01, Brazilian financial institutions may not allocate more than 25.0% of their Regulatory Capital to loan operations (including guarantees) with a single client (including relatives, affiliates and subsidiaries of same) or to the securities of a single issuer (including their affiliates and subsidiaries).

Classification of Securities and Derivatives

In accordance with Bacen Circular Letter 3,068 of November 8, 2001, and supplementary regulations, securities are classified and valued in three categories – for trading, available for sale and held to maturity. Securities classified as “for trading” are valued at market value and any gains or losses recognized in income. Securities “available for sale” are marked to market and any gains or losses, when realized, are recognized in income with a corresponding entry in a specific shareholders’ equity account, less tax effects.

<u>Capital and Shareholders’ Equity Standards</u>

Brazilian financial institutions must comply with CMN and Bacen guidelines, maintaining minimum amounts of capital and shareholders’ equity as a function of their asset structures. Among these guidelines are:

Liquidity

- the compulsory deposit of part of their deposits and guarantees with the Central Bank, which controls the monetary base by adjusting banking reserves applicable to loans and deposits, regulating credit activities and imposing limits on financeable amounts, among others. In general, these controls are used to regulate the availability of credit, thereby reducing or increasing consumption. The Central

Bank has periodically modified the level of reserve requirements that banks must maintain regarding demand, savings and time deposits. It also regulates the routing of part of these funds to federal housing and rural stimulus programs, limiting the volume of free resources.

- positions assumed in all operations carried out on the financial and capital markets must be monitored for mismatches between payments and receipts that may affect the institutions' liquidity. Liquidity gaps must be measured on a daily basis in order to monitor payment and receipt flows (mismatches), and re-evaluate asset and liability elements in the balance sheet, as well as off-balance sheet items. This process gives a basic representation of their structure and reveals the existence of any undue concentration of risk in regard to the various operation terms that could jeopardize the institutions' liquidity. We also simulate adverse scenarios as a means of preparing preventive and corrective initiatives to be implemented during liquidity crises.

- registration of transactions involving swap-type derivatives in equity and memorandum accounts. The purpose of the swaps is predominantly to mitigate risks arising from currency exchange rate fluctuations and they are based on OTC contracts registered with CETIP S/A - Organized Markets, in which counterparty financial institutions are rated first-line. Transactions that use these instruments are measured at market value and any gains or losses, realized or unrealized, are recognized directly in the income statement. Initially, derivatives are recognized at fair value on the date on which the contract is entered into and are subsequently remeasured at fair value.

- financial institutions must at all times hold Tier I regulatory capital and Principal Capital in amounts higher than the minimum requirements stipulated in Resolution 4193/13, articles 4, 5 and 6.

Minimum Limits and Standards:

By creating the Basel Accords, the main goal of the Basel Committee on Banking Supervision (BCBS) was to develop a measurement and standardization system for minimum capital requirements, calculated by asset risk weighting. Capital requirement is one of the most used instruments by regulatory agencies to achieve international banking system's strength and stability.

Capital management must be executed continuously, aiming to adjust the Regulatory Equity to the risks incurred by the institution, comprising at least those that are included in the risk-weighted assets (RWA) calculation. In order to improve this process, the National Monetary Council (CMN) determined, through Resolution 3988/2011, that financial institutions that are required to calculate RWA must have a capital management structure compatible with the nature of their operations, the complexity of their products and services and the extent of their risk exposure.

CMN Resolution 4192/13 defined the capital structure, which separates requirements into three independent capital requirements that must be constantly monitored by financial institutions. The three minimum requirements are:

- Principal Capital – CP: consisting mainly of shares, quotas and earned income;

- Tier I Capital - CN1: consisting of Principal Capital and supplementary capital (other instruments capable of absorbing losses while the institution is in operation); and

- Regulatory Equity – PR: consisting of Tier I Capital and Tier II Capital - CN2 (the instruments capable of absorbing losses if the institution enters in liquidation).

In addition to the above-mentioned capital requirements, Bacen established the Additional Main Capital - ACP, or buffer capital, which should consist of the same instruments as Principal Capital (PC). Additional capital is defined by CMN Resolution 4193/13 as amended. ACP calculations will be required as of January 2016.

Based on the latest regulatory updates published by the CMN and Central Bank, ACP consists of the sum of the following portions:

ACP = Conservation ACP + Contracyclical ACP + Systemic ACP

Where:

Conservation ACP = Conservation Additional to Principal Capital;

Contracyclical ACP = Countercyclical Additional to Principal Capital calculated as per Central Bank Circular 3769/15;

Systemic ACPS = Systemic Importance Additional to Principal Capital, calculated as per Central Bank Circular 3768/15.

The limits of these requirements were determined by the Central Bank as per the timeline shown in the table below; if the percentage used in the methodology for calculating Contra cyclical ACP - ACCP for Brazil - is raised, this must be disclosed at least twelve months before it comes into effect.

	2015	2016	2017	2018	2019
Principal Capital	4.50%	4.50%	4.50%	4.50%	4.50%
Tier 1	6.00%	6.00%	6.00%	6.00%	6.00%
Regulatory Capital	11.00%	9.875%	9.25%	8.625%	8.00%
Conservation ACP	0.00%	0.625%	1.250%	1.875%	2.500%
Countercyclical ACP *	0.00%	Up to 0.625%	Up to 1.250%	Up to 1.875%	Up to 2.500%
Systemic ACP	0.00%	0.00%	Up to 0.500%	Up to 1.000%	Up to 2.000%
CP +ACP	4.50%	5.125% to 5.75%	5.75% to 7.5%	6.375% to 9.25%	7.00% to 11.50%
Tier I + ACP	6.00%	6.625% to 7.25%	7.25% to 9.00%	7.875% to 10.75%	8.50% to 13.00%
RegCap + ACP	11.00%	10.50% to 11.125%	10.50% to 12.25%	10.50% to 13.375%	10.50% a 15.00%
F Factor	11.00%	9.875%	9.250%	8.625%	8.00%

* If the percentage used in the methodology for calculating Countercyclical ACP is raised, this should be disclosed by the Central Bank at least 12 months in advance.

The Central Bank also demands that Financial Institutions maintain enough Regulatory Equity to cover interest rate risk from operations not included in the trading portfolio, RBAN (Banking Portfolio), established by CMN Resolution 3464/07.

Financial institutions may only distribute results of any kind in amounts greater than the minimum provided by law or applicable regulations if said distribution does not compromise compliance with capital and shareholders' equity requirements.

Limits: the following limits are applicable to Regulatory Capital:

(a) the adjusted amount of Principal Capital is limited to two hundred percent (200%) of the capital stock (to the capital stock composed of quotas, parts of quotas, or non-redeemable shares without dividend cumulatively mechanisms).

(b) over the balances of capital or debt instruments authorized to comprise Tier II with maturity, a reducer shall be applied, in accordance with the following schedule: (i) twenty percent (20%) from the 60th month to the 49th month prior to maturity; (ii) forty percent (40%) from the 48th month to the 37th month prior to maturity; (iii) sixty percent (60%) from the 36th month to the 25th month prior to maturity; (iv) eighty percent (80%) from the 24th month to the 13th month prior to maturity; and (v) one hundred percent (100%) for the 12 months prior to maturity.

(c) instruments authorized to compose the Regulatory Capital before this Resolution takes effect shall have their balances recognized, for the purposes of calculating each level of the Regulatory Capital according to the rules of this Resolution, restricted to the following maximum percentages of the authorized amount for each level as of December 31, 2012: (i) ninety percent (90%), as of October 1, 2013; (ii) eighty percent (80%), as of January 1, 2014; (iii) seventy percent (70%), as of January 1, 2015; (iv) sixty percent (60%), as of January 1, 2016; (v) fifty percent (50%), as of January 1, 2017; (vi) forty percent (40%), as of January 1, 2018; (vii) thirty percent (30%), as of January 1, 2019; (viii) twenty percent (20%), as of January 1, 2020; (ix) ten percent (10%), as of January 1, 2021; and (x) zero percent (0%), as of January 1, 2022:

Classification of Loan Operations and Allowance for Loan Losses

Financial institutions must classify their loan operations into nine categories from AA to H according to risk. This classification should be based on consistent and measurable criteria, including the evaluation of the debtor and guarantors (based on their financial situation, degree of indebtedness, cash flow and profit generation capacity) and the operation itself (based on nature, purpose, collateral and amount). According to the regulations, operations with overdue payments should be classified as follows:

Days Overdue[(1)]	Minimum Classification
15 to 30 days	B
31 to 60 days	C
61 to 90 days	D
91 to 120 days	E
121 to 150 days	F
151 to 180 days	G
More than 180 days	H

(1) For operations with remaining terms greater than 36 months, periods may be counted double.

Loan operations involving amounts less than R$50 thousand can be classified through the adoption of an internal evaluation model or as a function of the overdue period, as per the table above.

The allowance for loan losses must be constituted each month and may not be less than the sum resulting from the application of the following percentages:

Operation Classification	Minimum Provision
AA	0%
A	0.5%
B	1.0%
C	3.0%
D	10.0%
E	30.0%
F	50.0%
G	70.0%
H	100.0%[(1)]

(1) After six months of classification at level H, the operation should be transferred to the write-down account with the corresponding debit in the provision.

Financial institutions must review their classifications at least every 12 months. However, more frequent revision may be necessary in the event of:

- operations with a single client or economic group in amounts greater than 5.0% of Adjusted Shareholders' Equity, in which case reviews should be semiannual; and
- operations in which amortizations of the principal or interest are overdue, in which case reviews should be monthly.

Financial institutions should ensure that their credit granting and classification policies are appropriately documented, said documentation to be available to Bacen and the independent auditors. They must also provide, in the notes to their financial statements, a detailed breakdown of their loan portfolios by risk, separating, at the very least, operations overdue by less than 15 days and those overdue by 15 days or more. The information should also indicate, at the very least:

- a breakdown of the operations by type of client and economic activity;
- a breakdown by maturity; and
- amounts of operations that have been re-negotiated, recorded as a loss and/or recovered in the period.

Deductibility of Overdue Credit

Loan losses with companies, including financial institutions, can be deducted as expenses for the calculation of real income. The following can be recorded as loan losses:

- without guarantee, up to R$15.0 thousand per operation, more than six months overdue regardless of whether or not judicial recovery procedures have been initiated;
- without guarantee, between R$15.0 thousand and R$100.0 thousand per operation more than one year overdue, regardless of whether or not judicial recovery procedures have been initiated but with administrative collection in progress;
- without guarantee, more than R$100.0 thousand per operation more than one year overdue, as long as judicial recovery procedures have been initiated and are ongoing;
- with guarantee, more than two years overdue, up to R$50.0 thousand, regardless of whether or not judicial recovery or guarantee seizure procedures have been initiated;
- with guarantee, more than two years overdue, more than R$50.0 thousand, as long as judicial recovery or guarantee seizure procedures have been initiated and are ongoing;
- against individuals declared bankrupt or companies undergoing judicial reorganization, relative to the portion exceeding the amount committed to payment as long as the creditor has adopted legal procedures necessary for receipt; and
- when the debtor has been declared bankrupt by the courts.

The limits and procedures mentioned above are effective and applicable in relation to loan operations in default as of October 7, 2014. For agreements in default before the amendment to the legislation, the prior limits and procedures are maintained, as follows:

- without guarantee, up to R$5.0 thousand per operation, more than six months overdue regardless of whether or not judicial recovery procedures have been initiated;
- without guarantee, between R$5.0 thousand and R$30.0 thousand per operation more than one year overdue, regardless of whether or not judicial recovery procedures have been initiated but with administrative collection in progress;
- without guarantee, more than R$30.0 thousand per operation more than one year overdue, as long as judicial recovery procedures have been initiated and are ongoing;
- with guarantee, more than two years overdue as long as judicial recovery or guarantee seizure procedures have been initiated and are ongoing;
- against individuals declared bankrupt or companies undergoing judicial reorganization, relative to the portion exceeding the amount committed to payment as long as the creditor has adopted legal procedures necessary for receipt; and
- when the debtor has been declared bankrupt by the courts.

Deposit Insurance Fund

The Deposit Insurance Fund (FGC), the charter and regulations of which were approved by Resolution 2,211 of November 16, 1995 and given new wording through a subsequent amendment, is a non-profit, privately-held legal entity that administers protection mechanisms for account holders, depositors and investors, allowing them to recover deposits or credits held with financial institutions in the event of the latter's bankruptcy or winding up.

Financial institutions contribute with a percentage of the balance of their accounts corresponding to obligations subject to ordinary guarantees.

The FGC insures:

- demand deposits or deposits that may be withdrawn with prior notice;
- savings deposits;
- time deposits with or without certificates;
- deposits held in accounts that cannot be transacted by check for the registration and control of financial flows relative to services related to payrolls, amounts due, retirement payments, pensions and similar;
- bills of exchange;
- real estate notes;
- mortgage notes;
- real estate credit notes;
- agribusiness credit notes;
- repo operations involving securities issued after March 8, 2012 by affiliated companies.

The maximum amount insured by each institution is R$250.0 thousand per depositor or investor, regardless of the total amount and distribution across different types of deposit and investment.

Regulations regarding Payroll Deductible Amounts

Pursuant to the current regulations, especially Law 10,820 of December 17, 2003, Law 10,953 of September 27, 2004 and specific state and municipal legislation, as well as regulations issued by public entities, public and private employees may authorize their employers to discount directly from their salaries amounts owed for loans, financing and leasing operations as long as the respective contract permits this type of procedure. Employers should transfer the amounts discounted from payroll to the institutions that granted the credit to employees in accordance with the terms and conditions established by the respective loan, financing and/or leasing agreement.

We point out that besides the laws applying to government companies or private companies, the responsibilities of employers (consignor) and financial institutions (lender) are established by means of an agreement entered into between the parties.

Amounts may be deducted from employees' salaries for loan repayments depending on the portion that may be deducted for both public and private employees, although they are regulated by different legislation. Retirement and pension benefits from the INSS may also be discounted to amortize loans, as per INSS legislation.

Public employees

Article 45 of Law 8,112 of December 11, 1990, currently regulated by Decree 6,386 of February 29, 2008, permits discounts from payroll for the amortization of loans taken out by federal public employees. This Decree defines such discounts as optional, as opposed to mandatory discounts such as withholding income tax, social security contributions, union dues, child support and alimony payments and other legal retentions.

According to Law 10,820, the authorization by public employees, whose employment relationships are regulated by the Consolidated Labor Laws, for the discount of payments from their salary is irrevocable and therefore can only be canceled prior to full amortization of the loan with the permission of the lending bank or in the event that said procedure is in the interest of the public administration.

In addition to Law 8,112 and Decree 6,386, which is specifically for federal employees, and in addition to Law 10,820, specific for employees under the Consolidated Labor Laws, several other state and municipal laws authorize payroll deductible loans for public employees of their respective states and cities. In general, these laws also determine (i) discount limits and (ii) that the authorization granted by the beneficiary can only be canceled with the agreement of the lender.

The imposition of limits on discounts from salaries seeks to ensure that employees maintain a sufficient portion of their income to meet basic needs. Priority is given to mandatory discounts to ensure that salaries focus on the payment of essential debts.

Private Employees

This type of credit involves installment payments deducted from payroll for private employees contracted in accordance with the consolidated labor laws (CLT) by companies that maintain operational agreements with the financial institutions in question and is governed by Law 10,820/2003, which regulates the conditions for authorizing payroll deductions of loan/financing payments.

According to this Law, CLT employees may irrevocably authorize payroll deductions of amounts relative to the payment of loans granted by financial institutions when permitted by the respective contracts.

Pursuant to the same Law and the wording as per Law 13172/2015, employees may commit up to thirty-five percent (35%) of their disposable income, as defined in the regulations, of which 5% (five percent) used exclusively used to repay expenses incurred by a credit card, or used for credit card withdrawals. Disposable income is the portion of base salary remaining after mandatory deductions. The sum of all deductions may not exceed thirty-five percent (35%) of disposable income, while the sum of all voluntary deductions that are authorized by the employees, including those provided for by this Law, may not exceed forty percent (40%) of disposable income.

Companies must authorize the employees to take out loans from the financial institution. Until the loan or financing has been paid in full, discount authorizations may only be canceled with the prior agreement of the lender.

These discounts may also be applied to severance pay, i.e. amounts owed by the employer to employees due to labor contract terminations, once again up to limit of thirty-five percent (35%), of which 5% (five percent) used exclusively used to repay expenses incurred by a credit card, or used for credit card withdrawals, if stipulated by the loan agreement and the company. If an employee’s employment contract is terminated before the loan has been fully repaid, the beneficiary must make monthly payments directly to the lender.

Employers are responsible for the information provided and for the retention and transfer of the amounts to the institutions by the fifth business day after payment of the employee, and is jointly responsible with the debtor to the lender for amounts owed that are not retained or transferred due to its own failure or fault. It is not, however, responsible for paying off the loans granted to the employees, except in the case of contractual clauses to the contrary.

INSS Retirees and Pensioners

INSS/PRES Normative Instruction No. 28 of May 16, 2008 contains the legal basis for deducting repayment of loans granted by financial institutions to INSS retirees and pensioners from their benefits. INSS / PRES Instruction No. 80 of August 14, 2015 determines that maximum monthly amounts deducted must not exceed thirty-five percent (35%) of monthly benefit; the sum of deductions and/or amounts withheld must not exceed, at the time of obtaining the loan, after deduction of compulsory and voluntary deductions up to 30% (thirty percent) for personal loans and up to five percent (5%) for credit card transactions.

Based on Article 6, paragraph 1 of Law 10,820, the INSS published its own regulations for granting benefit-deductible loans to retirees and pensioners.

Leasing

Leasing operations are regulated by Law 6,099 of September 12, 1974, as amended, and by rules periodically published by the CMN. Law 6,099 establishes the general guidelines for the creation and functioning of leasing companies, as well as the activities that these companies are authorized to carry out. The CMN regulates transactions involving leasing companies, while the Central Bank is responsible for the regulations regarding financial institutions, which are also applicable to leasing companies.

Administration of Purchasing Consortiums

The Purchasing Consortium System is regulated by Law 11,795 of October 2008, which determines the general provisions for the Purchasing Consortium System and by Bacen Circular Letter 3,432 of February 2009, which governs the constitution and functioning of the consortium groups.

Foreign Loan Operations

The contracting of loan operations between individuals and legal entities resident or domiciled in Brazil and those resident or domiciled abroad, as per BACEN Resolution 3,844 of March 23, 2010, do not require the prior express authorization of the Central Bank, except in the case of foreign loans where the borrower is a public entity, including federal, state, federal district and municipal governments.

The proceeds of foreign loan operations should be invested in economic activities, in line with the compatibility between operating costs and the parameters generally used in the international market. These proceeds may be acquired through direct loans or the placement of securities.

The proceeds from financial institutions' funding transactions may be passed onto individuals and non-financial companies in Brazil. In relation to onlendings, financial institutions must transfer the credit to the borrower at the same cost as that of the originally contracted debt in foreign currency and may not charge financial intermediation services or any fee other than the onlendings commission.

Therefore financial institutions transfer the effects of foreign exchange variations to the final beneficiary of the loan, given that onlendings are denominated in Brazilian currency. Bacen regulations also allow financial institutions and leasing companies to obtain foreign funding and invest non-earmarked funds in the domestic market in accordance with their operational limits.

All foreign loan operations are also subject to Electronic Declaration Registration (RDE) with the Brazilian Central Bank, by means of the Financial Operation Registration (ROF) Module, in the Central Bank's electronic information system (SISBACEN), as well as the following foreign credit operations: (a) loan, in domestic or foreign currency, raised directly or through the placement of securities; (b) receiving payment for exports more than 360 days prior to shipment date; (c) International financing and financial leasing agreements; with a payment term of more than 360 days.

The registration of each type of operation in the RDE-ROF module must be provided by those taking foreign loans or their proxies within 30 days of the originating event. These registrations are generally granted automatically with issue of the ROF number, except when operation costs are not compatible with regular market practices and conditions or when the structure of the proposed operation does not fit the system's standards. After the inflow of funds, takers must register the payment schedule in the ROF, which is indispensable for principal remittances, interests and charges abroad, and for merchandise shipment, as the case may be.

Failure to register as stated above will lead to financial transfers supported by registration being blocked until irregularities are remedied, without prejudice to penalties being applied under current legislation or regulations.

Internet and E-Commerce

In Brazil there is no specific legislation regulating e-commerce, which is therefore subject to the conventional regulations governing commerce and corporate transactions. However, there are some draft bills regarding the internet and e-commerce in the congressional pipeline, including Draft Bill 1589/1999 and 4509/2012. The first one stresses the legal validity of documents and electronic signature, while the latter addresses the virtual stores. If approved, these bills will provide greater strength and transparency to Internet transactions. Moreover, regarding the principles, guarantees, rights and duties for Internet usage in Brazil, Law 12,965/2014 was approved. Based on the current wording and a broad discussion on this issue, we believe that the impact of these instruments on the financial sector will be limited.

Anticipating this legislation, the CMN issued Resolution 2,817 of February 22, 2001, amended by Resolution 2,953 of April 25, 2002, ratifying the possibility of opening deposit accounts with banks and other financial institutions via electronic means, including the internet, ATMs, telephone and other means of communication. This regulation establishes that all financial institutions that communicate with clients through electronic means must meet certain requirements in addition to those required by Resolution 2,025 of November 24, 1993, such as: (i) disclosing, clearly and accurately, (a) the company name, (b) the condition of the financial institution as duly authorized by Bacen to operate in Brazil, (c) the telephone numbers of the financial institution, which should operate at least from 8:00 a.m. to 6:00 p.m. during business days to conclude financial market transactions, (d) the electronic addresses of the institution on the internet, as well as e-mail, and (e) a description of fees charged and their amounts; (ii) complying with the maximum limit of five days to answer questions and respond to complaints made by deposit account holders; (iii) assuming, via its executive officers, responsibility for implementing the necessary systems to ensure confidentiality and the security of the electronic communication channels provided to clients, as well as monitoring all transactions concluded through deposit accounts; and (iv) informing the Central Bank and the CVM, as the case may be, in the manner and at the times imposed by these authorities, of the electronic communication channels provided to clients, including web and e-mail addresses, as applicable.

Additionally, at the end of 2013, the Brazilian Central Bank issued Resolutions 4,282 and 4,283 and Circular Letters 3,680, 3,681, 3,682 and 3,683, which define the guidelines for mobile payment systems, the rules define the existence of an electronic currency as element of the Brazilian financial system. From the e-commerce viewpoint, with the use of credit and debit cards for payment, this sector has been advancing with the self-regulation which, led by ABECS (Brazilian Association of Credit Card Companies and Services), has been promoting the interoperability of issuers, acquiring networks and equipment.

Regulation of Third-Party Asset Management

Asset portfolio management services are regulated and supervised by the CVM and cover the professional exercise of activities directly or indirectly related to the functioning, maintenance and management of portfolios of financial assets, including investments made in a securities market on behalf of an investor. Under CVM Instruction 558/2015, which has been in effect since January 4, 2016 replacing CVM Instruction 306/1999, in order to act as an asset portfolio manager, financial institutions must require a portfolio manager to be registered with the CVM in the fiduciary administrator category and / or fund manager category. Once a natural person administrator has obtained CVM accreditation, he/she may act in both categories.

The principal vehicles for asset and portfolio administration and management are investment funds (IFs) consisting of funds pooled as condominiums for the purpose of investing in financial assets, regulated by CVM Instruction 555/2014, in force since 1/10/2015, replacing CVM Instruction No. 409/2004. In terms of portfolio composition, IFs are classified as follows: fixed income, equities, multimarket (hedge funds) and foreign exchange. Fixed-income funds must as their main risk factor fluctuations in interest rates or price indices, or both; equities variation of share prices; foreign exchange, variation in currency exchange rates or exchange coupon rates; while multimarket (or hedge) funds involve a number of risk factors and there is no commitment to focus on any particular factor.

Other vehicles such as equity funds (“FIPs”), credit receivables funds (“FIDCs”), real estate funds (“Fijis”) and investment funds in emerging companies (“FIEEs”), whose transactions originate from the capital market and are structured therein, are governed by a different set of rules also determined by the CVM.

Addition, asset management and administration business is self-regulated by ANBIMA's Codes of Regulations and Best Practices which state parameters by which member institutions' activities must be governed.

Regulations to ensure the security and solidity of the SFN

Facilitation of Financial Sector Consolidation

Under Law 9,710 of November 19, 1998, the federal government introduced several rules to facilitate corporate reorganizations and granted Bacen powers to require capitalization and regulate the transfer of control and/or restructuring of financial institutions.

Central Bank Credit Information System (SCR):

The SCR is the main instrument used by banking supervision to monitor financial institutions' loan portfolios. In this respect, the SCR plays an important role by ensuring stability for the financial system and preventing crises, thus providing more facilities for borrowers and transparency for society.

Financial institutions must provide information regarding the granting of credit and guarantees to their clients. This information is used to:

- strengthen the Central Bank's capacity for oversight;
- provide information on debtors to other financial institutions (which may only access this information with the authorization of the client); and
- prepare and support macroeconomic analyses.

As a result, if the total amount of client transactions exceeds R$1.000, financial institutions must report the following details to the Central Bank with:

- identification of the client;
- the amount of debt maturing, matured and written off as losses under the client's responsibility;
- the amount of obligations assumed and guarantees provided by the client; and
- the level of risk.

For transactions less than or equal to R$1.0 thousand, the financial institutions must inform the Central Bank of certain aggregated format data for loans without needing to identify the client.

Brazilian Payment System

As of April 2002, the Brazilian Payment System (SPB) underwent important changes. The main goal of this process was to ensure the security and efficiency of the Brazilian financial market, reducing risks and incorporating practices recommended by the Bank of International Settlement (BIS).

The risks eliminated were, essentially, three: (i) the debt balance of the banks with the Brazilian Central Bank (negative bank reserve account), (ii) the absence of guarantees for the settlement of operations, and (iii) the settlement (COMPE) of large amounts.

The implementation of the new SPB included: (i) the adoption of an appropriate legal basis; (ii) a reduction in the Central Bank's credit risk; (iii) the finality of payments; (iv) a definition of the Central Bank's role; (v) participants with a full understanding of the risks involved in the systems in which they operate; (vi) a reduction in the mismatch between the contracting of operations and their financial settlement; (vii) clearing mechanisms to reduce risk and provide adequate contingencies; and (viii) the existence of two main payment and settlement systems: gross settlement in real time using reserves deposited with the Central Bank and deferred net settlements intermediated by clearing houses.

Accordingly, Bacen controls bank reserve accounts through the Reserve Transfer System (STR), which permits the on- line transfer of funds among financial institutions in real time.

Clearing houses were created as an option for banks that do not require the balance to be immediately available in their reserve accounts. These providers of clearing and settlement services vis-à-vis the balancing of credits and debits, permit the settlement of many operations with minimum recourse to bank reserves. These clearing houses are divided by type of transaction: (i) assets (stocks and bonds), (ii) derivatives (commodities), (iii) currency, and (iv) payments.

FEBRABAN Notice 108/2014, disclosed on August 28, 2014 stated that the minimum Wire Transfer amount (TED) changed to R$500.00 on January 16, 2015. FEBRABAN Notice 062/2015, disclosed on August 03, 2015, stated that there would be no minimum amount required to send TEDs as of January 15, 2016.

Bank Consumer Defense Code

Relations between financial institutions and their clients is regulated, in general, by legislation governing commercial relations, as well as by the Brazilian Civil Code and the Consumer Defense Code (Law 8,078/90). However, regulations laid down by the CMN and Bacen address specific issues related to financial activities, complementing the general provisions.

CMN Resolutions 3,694 of March 26, 2009, amended by Resolution 4,283 of November 4, 2013, and Resolution 3,919 of November 25, 2010, amended by Resolutions 3,954, of February 24, 2011, Resolution 4,021 of September 29, 2011 and Resolution 4,198 of March 15, 2013, approved new measures to defend bank clients in their relations with banks.

Resolution 3,694 addresses the prevention of risk in contracting operations and the provision of services, requiring financial institutions and other Bacen-authorized institutions to adopt and verify procedures ensuring to bank clients: (i) the adjustment of products and services offered or recommended to the needs, interests and objectives of clients and users; (ii) the integrity, reliability, security and confidentiality of transactions carried out, as well as legitimacy of operations contracted and services rendered; (iii) the rendering of information necessary to the free choice and decisions made by clients and users, also explaining rights and duties, responsibilities, costs or burden, fines and eventual risks from the execution of operations and rendering of services; (iv) timely supply to clients or users of agreements, receipts, statements, slips and other documents related to operations and services; (v) the use of clear, objective and appropriate wording to the nature and complexity of the operation or service, in agreements, receipts, statements, slips and documents destined to the public, allowing clients to understand the content and identify terms, amounts, fines, dates, locations and other conditions; (vi) the possibility of the timely cancellation of contracts; (vii) the formalization of appropriate instrument stipulating the rights and obligations for the opening, use and maintenance of postpaid payment account; (viii) the sending of bill to the client's domicile or user or its release only due to user's express request or authorization; and (ix) identification of final users, beneficiaries of payment or transfer in payer's statements and invoices, including in situations where the payment service involves financial institutions participating in different payment arrangements.

The Resolution also states that financial institutions must disclose information regarding the refusal to accept checks and bills, among others, in a visible location on their premises or in places where their products are offered, nor may financial institutions refuse or hinder access to service channels by clients or users of their products and services, except in the case of exclusively electronic facilities.

Resolution 3,919 establishes rules related to service fees. Compensation for services provided by financial institutions must be established in the contract executed with the client or receive prior authorization from the client. The Resolution also prohibits the charging of fees for essential services provided to natural persons, among others, as per current regulations. Subsequent rules provide for the hiring of correspondents in Brazil, as per Resolutions 3,954 and 4,294.

Independent Auditors and Audit Committee

Pursuant to CMN Resolution 3,198 of May 27, 2004, the financial statements of financial institutions must be audited by independent auditors duly registered with the CVM, with a certificate of specialization in banking analysis from the Federal Accounting Council and IBRACON and with minimum independence requirements. In addition, financial institutions must replace the person responsible for the auditing team (specialist, executive, manager, supervisor or other) after issuing opinions for a maximum of five full fiscal years. The return of technician in charge, officer, manager, supervisor and any other member with management duties of team involved in the audit may occur after three years as of his or her replacement date.

As a financial institution, our financial statements must be audited every six months. Quarterly information (ITR) is subject to special review by the independent auditors, as per CVM regulations.

The independent auditors must immediately inform the Central Bank of any major failures and any evidence indicating a situation that could put the financial institution's continuity at risk.

The regulations also require the creation of an audit committee for all financial institutions which in the close-outs for two fiscal years have shown: (i) Regulatory Capital - R$1.0 billion or more, (ii) assets under management - R$1.0 billion or more, or (iii) funding from deposits and asset management - R$5.0 billion or more.

Members of the audit committees of publicly-held financial institutions may not currently be or have been in the past twelve months: (i) an officer of the institution or any of its affiliates; (ii) an employee of the institution or any of its affiliates; (iii) the person responsible for the independent auditing team (specialist, executive, manager, supervisor or other); (iv) a member of the fiscal council of the institution or any of its affiliates or the spouse or relative to the second degree of same, either directly or by marriage or affinity. Members of the audit committee of publicly-held financial institutions are also prohibited from receiving any other type of compensation from the institution or its affiliates that is not related to their function as a member of the audit committee. If any member of the institution's audit committee is also a member of the board of directors of the institution or its affiliates, he or she will be compensated for only one of these positions.

Financial institutions must also appoint an executive officer responsible for compliance with all the regulations related to the preparation and audit of the financial statements. In addition to the audit report, the independent auditors should also provide a report on: (i) the evaluation of the financial institution's internal controls and risk management procedures, including those regarding the electronic data processing system, detailing any deficiencies; and (ii) a description of any noncompliance of the financial institution with the applicable regulations governing its financial statements or activities.

The audit committee should be created by an express provision of the financial institution's bylaws and be composed of a minimum of three members, one of whom must be specialized in accounting and auditing, with a maximum term of office of five years for publicly-held institutions and without any fixed term for privately-held companies.

Audit committee members may also be members of the board of directors of the financial institution and must meet certain criteria to ensure their independence. The audit committee must report directly to the board of directors and its main functions include:

- overseeing the work of the independent auditors;
- recommending the replacement of the independent auditors whenever necessary;
- reviewing, prior to their publication, the financial statements for each half, including the explanatory notes, management reports and independent auditors' report;
- evaluating the effectiveness of the independent and internal auditors, including verifying compliance with the legal provisions applicable to the institution in addition to the internal regulations and codes;

- evaluating compliance of the financial institution's management with the recommendations of the independent or internal auditors;

- establishing and disclosing procedures to receive and deal with information regarding the failure to comply with legal and normative provisions applicable to the financial institution, in addition to internal regulations and codes;

- recommending to Management corrections or improvements of policies, practices and procedures identified within the scope of their duties; and

- meeting at least once a quarter with the executive officers and the independent and internal auditors to verify compliance with the recommendations of the audit committee.

In addition, the regulations permit the establishment of a single audit committee for a group of companies. In this case, the committee will be responsible for complying with the attributions and responsibilities in the scope of other Group companies.

Internal Controls (Compliance)

Among the guidelines established by senior management, it is particularly worth mentioning the alignment of the Internal Control System with the goals established by the institution regarding overall business strategies and other policies.

The Internal Control Policy was set up to disseminate the control culture, as well as to ensure compliance with the standards and criteria established by the legislation and the oversight authorities, especially the Brazilian Central Bank.

The Internal Control area carries out its activities together with the management areas, aiming to improve processes, adopt best practices and implement control procedures and ethical standards. Its work is designed to reinforce the importance of formal policies and responsibilities and ensure continuous monitoring in order to reduce and manage risks.

Oversight in Other Jurisdictions

Bacen authorizes the opening of and oversees all branches, subsidiaries and representative offices of Brazilian financial institutions abroad.

Transactions with Affiliates

Pursuant to the Banking Reform Law (Law 7,492 of June 16, 1986) and the prevailing regulations, financial institutions may not grant loans or advances to any of its direct or indirect subsidiaries or jointly-controlled companies. CMN Resolution 1,996 of June 30, 1993, requires certain operations of this type to be reported to the Prosecutor's Office. Law 6,099 of September 12, 1974 and CMN Resolution 2,309 of August 28, 1996, and its amendments, establish exceptions to the provisions of Law 7,492.

Money Laundering

Based on its institutional money laundering prevention policy, Banrisul adopts specific systems and processes to ensure that its activities are subject to adequate controls for preventing money-laundering risks, as per the legislation and regulations.

In this context, the institution maintains an exclusive team dedicated to preventing money laundering, reviewing legislation and developing training programs for all employees.

Processes related to the "Know your Client" policy are continuously reviewed and disseminated to stress the importance of collecting information from clients with timely registration and qualification whenever a relationship is initiated, thereby minimizing the risk of having the Bank's products and services used to legitimize illegal activities.

Similarly, the “Know your Employee” policy states that all employees at all levels are responsible for complying with the money laundering prevention rules and for promoting ethical values, thereby preserving the Bank’s image and reputation.

Banking Confidentiality

Brazilian financial institutions are subject to banking confidentiality rules in accordance with Complementary Law 105 of January 10, 2001. Banks must maintain confidentiality regarding their operations and services except in certain cases, including: (i) releasing confidential information with the express consent of the interested parties; (ii) exchanging information among financial institutions for registration purposes; (iii) providing the registration details on issuers of bad checks and defaulting debtors to credit protection agencies; (iv) informing the appropriate authorities of any criminal or administrative violations; and (v) when banks are responsible for withholding taxes, providing the Brazilian Internal Revenue Service with all the information needed to identify taxpayers and the total amounts of the respective operations.

Tax Evasion

According to said Complementary Law 105, together with Decree 3,724 of January 10, 2001 and Law 9,430 of December 27, 1996, amended by Law 12715 of September 17, 2012, the Brazilian tax authorities are authorized to require financial institutions to provide information normally protected by banking confidentiality without the need for judicial authorization as long as there is sufficient evidence that the client in question has practiced acts involving tax evasion. This evidence may include:

- declarations by the client of operations whose value is below their market value;
- loans acquired from sources that are not part of the National Financial System;
- operations involving tax shelters;
- expenses or investments that exceed the amount of declared disposable income;
- remittances abroad through non-resident accounts in amounts that exceed those declared to the appropriate authorities;
- companies whose registration with the National Taxpayer’s Registry (CNPJ) has been canceled or annulled;
- the omission of net income or gains from fixed income or equity investments;
- hindering oversight, characterized by the unjustified refusal to present books and documents showing the accounts of the taxpayer, as well as failure to supply information regarding the assets, financial turnover, business or activities of the taxpayer or third parties when requested, and other hypotheses requiring requests for state intervention;
- resistance to oversight characterized by failure to provide access to the establishment, tax domicile or any other location where the taxpayer operates or retains assets in its possession or which it owns;
- evidence that the legal entity is constituted in the names of persons who are not the true partners or shareholders, or owner in the event of an individual firm;
- the carrying out of operations subject to tax without the appropriate registration in the taxpayer’s registry;
- repeated infractions of tax laws;

- the sale of contraband or stolen merchandise; and
- involvement in conduct resulting in criminal charges under the legislation regarding tax crimes.

Except in the above-mentioned circumstances, information protected by banking confidentiality laws may be provided only in compliance with a court order or as part of a Congressional Enquiry Commission (CPI).

Special Temporary Management Regime

The Special Temporary Management Regime or RAET, established by Decree-Law 2,321 of February 25, 1987 allows for financial recovery and reorganization of a financial institution without, however, affecting its regular course of business or normal functioning. The RAET can be declared by the Central Bank when the following have been identified in non-federal public or private financial institutions:

- the repeated practice of operations contrary to financial and economic policy as established by federal law;
- the existence of negative shareholders' equity;
- non-compliance with the banking reserve account rules;
- inept or fraudulent management; or
- the occurrence of any situations requiring intervention.

Intervention

Private, state and municipal public institutions are subject to procedures established by Law 6,024 of March 13, 1974, which addresses intervention and extrajudicial liquidation. These measures are imposed whenever the Central Bank perceives an unhealthy financial situation or detects events that could be contrary to creditors' interests.

The Central Bank must intervene in the management of any financial institution that:

- suffers losses representing a risk to creditors due to poor management;
- repeatedly violates financial system rules; or
- maintains circumstances that could result in bankruptcy.

The maximum intervention period is six months, extendable once only for a further six months at the discretion of the Central Bank. During the intervention period, the institution's responsibility for deposits, unpaid obligations and obligations assumed prior to the intervention that have not yet matured are suspended.

The intervention process will terminate in the following cases: (i) if the Central Bank recognizes that the irregularities triggering the intervention have been eliminated; (ii) with the permission of the Central Bank if the parties agree to assume management of the financial institutions after providing sufficient guarantees; or (iii) when the extrajudicial liquidation or bankruptcy of the financial institution is declared.

The Central Bank may, in light of the intervenor's report or proposal, decree the liquidation of the financial institution or authorize the intervenor to file for bankruptcy if the institution's assets are insufficient to settle at least 50% of unsecured credit or when extrajudicial liquidation is considered inappropriate, or when the complexity of the institution's business or the seriousness of the facts so advise.

Extrajudicial Liquidation

The Central Bank will liquidate a financial institution:

(i) by order:

- as a result of events that compromise its economic or financial situation, especially when it no longer meets its obligations at maturity or when it presents signs of insolvency;
- if it seriously violates the laws, provisions or rules of the financial market;
- if it suffers losses that subject its unsecured creditors to abnormal risk; or
- if authorization to operate has been revoked and it does not begin liquidation procedures within 90 days or, if it has done so and the Central Bank finds that the liquidation process will prejudice its creditors;

(ii) at the request of the institution's management if the respective bylaws give them this attribute, or if proposed by the intervenor, accompanied by due justification for the measure.

A declaration of extrajudicial liquidation has the following effects: (i) suspension of shares and foreclosure of rights and interests relative to the assets of the entity under liquidation, as well as prohibition of the distribution of other shares or foreclosures during liquidation; (ii) the early maturity of all obligations of the entity under liquidation; (iii) the non-fulfillment of penalty clauses in unilateral contracts terminated due to the liquidation; (iv) the non-accrual of interest on assets while liabilities have not been paid in full; (v) interruption of the statute of limitations on the institution's obligations and responsibilities and (vi) the denial of monetary restatement of any liabilities, nor pecuniary fines for infraction of the penal or administrative code.

Extrajudicial liquidation will end: (i) if the interested parties agree to support the continuity of the institution's activities, presenting sufficient guarantees as required by the Central Bank; (ii) with approval of the final accounts of the liquidator and exclusion of the appropriate public registration; (iii) when bankruptcy of the entity has been declared; (iv) through transfer in ordinary liquidation.

New Bankruptcy Law

In 2005, the Brazilian Congress sanctioned the New Bankruptcy Law (Law 11,101 of February 9, 2005), which regulates the judicial execution, extrajudicial execution and bankruptcy of business owners and companies.

The New Bankruptcy Law has been effective since June 9, 2005 and has no direct effect on financial institutions, which remain subject to the intervention and extrajudicial liquidation regimes under specific legislation.

According to the New Bankruptcy Law, in the event of bankruptcy, the order of preference for the payment of credits is as follows: (i) labor credits (up to 150 minimum wages per employee) and credits arising from on-the-job accidents; (ii) credits with security interest up to the limit of the asset provided as collateral; (iii) tax credits; (iv) credits with special privileges under Brazilian law; (v) credits with general privileges under Brazilian law; (vi) secured credits; (vii) contractual fines and pecuniary penal, administrative and tax penalties; and (viii) subordinated credits.

The changes in the order of preference are considered favorable to Brazilian creditors as tax credits no longer enjoy preference over credits with financial institutions that have security interests. This should encourage the granting of credit and promote the development of the national financial sector.

In addition, the National Tax Code was amended to establish that in cases where a company is under court-supervised reorganization or bankruptcy procedures and sells assets, the acquirer will not succeed the company in regard to the latter's tax obligations prior to the sale. This change is expected to favor the reorganization of companies by permitting the sale of part of their assets.

Environmental Regulations

The activities that we finance, especially in the agricultural and development sectors, are subject to extensive environmental legislation in the federal, state and municipal spheres. This legislation establishes obligations involving preventive and corrective measures related to environmental impacts, including environmental licensing for potentially or effectively polluting activities, among other environmental matters. It also envisages the application of penal and administrative sanctions on individuals and companies that fail to comply with the established obligations. In addition, Law 11,105/2005 (the so-called Biosecurity Law), which specifically regulates activities involving transgenic crops, expressly establishes the joint responsibility of financial institutions in regard to any non-compliance on the part of financing beneficiaries with their obligations established under the law.

Considering the risk to our reputation and the legal responsibility to which we are subject should we finance projects or activities that do not comply with the respective requirements, we have adopted internal procedures to help verify compliance of the projects and activities that we finance with the environmental legislation, including the presentation of environmental licenses and other pertinent documents.

Taxation

Financial Operations Tax

Financial operations in Brazil are generally subject to Withholding Income Tax (IRRF), which may be levied definitively or in advance, and Financial Operations Tax (IOF). Revenue from financial operations earned by Brazilian companies is also subject to Social Integration Program Contributions (PIS) and Social Contribution on Revenue (COFINS). PIS and COFINS rates are currently zero for most financial revenues earned by companies subject to the non-cumulative PIS and COFINS tax regime. However, financial institutions are not included in this regime and are subject to PIS of 0.65% and COFINS of 4.0% on total revenue, with certain deductions from taxable revenue.

Revenue from financial operations carried out by legal entities, including financial institutions, should be included in taxable income for the calculation of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL).

Income Tax

In general, income tax is applicable on income or gains from financial operations carried out by individuals or companies resident and domiciled in Brazil. Income from equity investments in general is taxed at a rate of 15%. Income from fixed income investments is generally subject to IRRF at regressive rates of 22.5%, 20.0%, 17.5% and 15.0% in accordance with the term and type of investment. For companies domiciled in Brazil, these rates are considered as pre-payment of IRPJ.

Except for foreign investments undertaken in compliance with CMN Resolution 4,373/2014, which currently benefit from a special tax regime, investments in the Brazilian financial and capital markets by persons resident or domiciled abroad are subject to the same tax rules applicable to Brazilian residents. Foreign investors in the Brazilian financial and capital market, in accordance with CMN rules, are subject to IRRF at the following rates: (i) 10% for investments in equity funds, swap operations registered or not on the exchange, and over-the-counter futures operations; (ii) 15% for fixed income and other financial investments, regardless of the term of investment; and (iii) 0% for capital gains, defined by law as gains from operations on the securities, commodities and futures exchange and similar and over-the-counter operations with other financial assets, as well as certain income from public bonds and investments in certain types of investment fund.

For financial institutions, income and gains from financial operations should be included in taxable income for the calculation of IRPJ and CSLL. Generally, IRPJ is levied on real taxable income at 15% plus an additional 10% on real taxable income exceeding R$20,000.00 per month or R$240,000.00 per year. CSLL is levied at 15% on net income prior to the provision for IRPJ, however for the period from September/2015 to December/2018 the government set a 20% rate for CSLL. Financial institutions are exempt from IRRF and income tax on equity investments due to pre-payment of IRPJ on income or gains from fixed income or equity operations.

Financial Operations Tax (IOF)

Pursuant to Law 8,894 of June 21, 1994 and Decree 6,306 of December 14, 2007, IOF is a federal tax on different types of operations (credit, foreign exchange, insurance, securities, gold or foreign exchange instruments) at different rates. IOF rates may be altered at any time by the federal government through an Executive Decree up to the limits provided by law without congressional approval. Alterations to IOF legislation are applicable immediately, although any increase in IOF applies to future operations only.

Foreign exchange operations undertaken by authorized institutions are subject to IOF ("IOF/Exchange") at a maximum rate of 25%. Currently, the IOF/Exchange rate is zero except in certain cases such as funds entering Brazil derived from or allocated to currency loans with a minimum average term of up to 90 days, which are subject to IOF of 5.38%, and foreign remittances due to credit card purchases abroad, subject to 6.38%.

IOF is also levied on general credit operations ("IOF/Credit") by financial or non-financial institutions, at a rate of 0.0041% per day, limited to 1.5% per year for legal entities, and due to the alteration in January 2015, 0.0082% per day or 3% per year for individuals when the calculation basis is not determined by the sum of daily debt amounts, plus an additional 0.38% even if the operation is paid in installments, with the exception of foreign credit operations, which are not subject to IOF/Credit. IOF taxpayers in these operations are individuals or corporate borrowers. The financial institution is responsible for collecting the tax when it acts as the lender.

IOF on operations related to debt securities ("IOF/Securities") is levied at a maximum of 1.5% per day. However, current rates vary from 0% to 1.5% depending on the type of operation. The Ministry of Finance may increase the rate to the maximum of 1.5% per day on the amount of the taxable operation during the period in which the investor maintains ownership of the securities, up to the amount equal to the gains obtained from the transaction only as of the date of the increase or creation.

IOF/Securities is also applicable on gains from transactions with terms of less than 30 days that consist of the sale, assignment, repurchase or renegotiation of fixed income investments or the redemption of investments in investment funds or investment clubs. The maximum IOF applicable on these transactions is 1% per day up to a given percentage of the amount equal to the gains obtained from the transaction. This percentage decreases according to the duration of the transaction, falling to 0% for operations with a minimum maturity of 30 days. Currently, the rate for the following operations is 0%:

- operations with financial institutions and other institutions registered with the Brazilian Central Bank as principals;
- operations carried out by portfolios of investment funds or investment clubs;
- operations carried out in the equity markets, including those on securities, commodities and futures exchanges and similar;
- the redemption of shares from equity funds; and
- operations carried out by government entities, political parties and labor unions.

In most of its transactions, the financial institutions are subject to IOF incurred on marketable securities operations at zero rate.

IOF is incurred on insurance operations at the following rates: (i) 0% for reinsurance operations or those related to export credits, international merchandise shipments or when premiums are allocated to financing life insurance plans with survival coverage clauses, among others; (ii) 0% on premiums paid for (a) health insurance and (b) life insurance for personal and labor accidents (as of September 1, 2006) and (iii) 7.38% on premiums paid for other types of insurance. Rural insurance is not subject to IOF.

PIS and COFINS

PIS and COFINS are social contributions levied on the total revenue of Brazilian companies, regardless of its denomination or accounting classification.

Total revenue comprises gross revenue from the sale of goods and services in own or third-party operations, plus all other revenue earned by the company. Brazilian legislation provides for two systems for calculating PIS and COFINS: cumulative and non-cumulative.

The non-cumulative system was instituted by Laws 10,637/02 and 10,833/03 for PIS and COFINS, respectively. According to this regime, PIS and COFINS contributions may be calculated by discounting certain credits due from the acquisition of certain goods, inputs and services envisaged by law.

Under this system, PIS and COFINS contributions are payable at 1.65% and 7.6%, respectively, except for financial income, which is exempt. As of July 2015, the 4% rate for PIS tax and 0.65% for COFINS on financial income were re-introduced by Decree No. 8426/15. The non-cumulative regime is generally applicable to companies liable for IRPJ and CSLL taxes in accordance with real income.

Under the cumulative regime, applicable to companies taxed under the presumed income regime and other companies as specifically established by law, rates are 0.65% and 3.0% for PIS and COFINS, respectively and the taxpayer has no right to use any credits when calculating both contributions. In the specific case of financial institutions, they are authorized to deduct expenses related to the provision of banking services, among others provided by law, from the PIS and COFINS calculation base.

In addition, financial institutions pay PIS and COFINS rates of 0.65% and 4.0%, respectively.

Finally, the PIS and COFINS tax system for financial institutions is not the same as the non-cumulative regime applicable to other companies as, even though expenses are deductible, credits cannot be used.

Service Tax

Revenue earned from the services we provide to our clients, as distinct from financial operations, is subject to Municipal Service Tax (ISS) at variable rates in accordance with the legislation of the municipality where the establishment provides the respective service.

b. issuer's environmental policy and costs incurred to comply with environmental legislation and, if the case, other environmental practices, including adherence to international environmental protection standards.

The company has its own sustainability policy. At the same time, it complies with Law 6,938/81, which establishes that financing entities and organizations and government incentives must predicate approval of projects cleared for these benefits on licensing under this Law and on compliance with the rules, criteria and standards issued by the National Environmental Council – CONAMA and the State Environmental Council – CONSEMA.

There are certain required exclusions in these credit policies.

In all long-term operations involving BNDES onlending, the following clauses must be observed:

a) Beneficiaries cannot be on the Employers' "black list" (Ordinance 540 of October 15, 2004) as a result of acts that imply racial or gender discrimination, child or forced labor and/or any unappealable condemnation for such acts, or any other acts that characterize moral or sexual harassment or that result in crimes against the environment.

b) The client must sign a clear declaration to the Financial Agent that it has not been notified of any legal restrictive sanctions, as per items I, II, IV and V of Article 20 of Decree 6,514 of July 22, 2008 (Declaration of Inexistence of Environmental Infractions and Administrative Sanctions).

The client should be aware that any knowing misrepresentation in this declaration will result in the application of appropriate legal sanctions, both civil and criminal.

c) With the client's taxpayer IDs (CPF/CNPJ), obtain a debt clearance certificate from the Ministry of the Environment – MMA and the Brazilian Institute of the Environment and Renewable Resources – IBAMA, signed by same.

There are also processes and procedures for identifying and evaluating social and environmental risks.

In agreements accrediting limited liability companies or specialists with individual companies duly registered with the CREA or the CVRM with Banrisul to prepare projects and/or provide technical assistance in rural credit operations, there is a clause in which the accredited companies commit to recommending and providing guidance on the use of technically, economically and environmentally sustainable production technologies.

Procedures for evaluating and classifying social and environmental risks in business lines are established by the BNDES for long-term operations. Short-term financing for irrigated crops require authorization documents issued by the Water Resources Department of the State Environment Department (DRH/SEMA) and an irrigation operating license from the Henrique Luiz Roessler State Environmental Protection Agency/RS-FEPAM.

In regard to real estate financing, works financed by the Bank (including environmental licensing) must be approved by the city where they will be built.

Long-term financing operations use existing BNDES criteria and policies in transaction decisions.

In addition to the above, Banrisul has adhered to the Green Protocol (2009), a letter of intent whereby the signatory banks undertake to create banking policies and practices in line with the goal of promoting sustainable development. Among its five guiding principles are financing via credit lines and programs geared towards the quality of life of local communities, the sustainable use of natural resources and the materials derived from them (in order to rationalize internal processes) and stakeholder awareness and engagement (internal and external stakeholders).
These and other sustainability initiatives are currently incorporated into the bank's mission and values. When the Bank adhered to the Global Compact, the Notice of Progress was the 2013 GRI Sustainability Report (Global Reporting Initiative), which complied with the Global Compact and GRI requirements in a single document.

With regard to the Carbon Disclosure Project (CDP), the institution answered the questionnaire about climate change for the first time, demonstrating Banrisul's concern with the issue and reporting initiatives that help reduce greenhouse gas emissions.

We also participated in the development of the Targets of the Millennium Development Goals (established by the United Nations - UN).

The main environmental programs, structured some time ago and with more continuous activities include:

Recycle Program– launched in 2001, Banrisul's Recycle Program encourages and promotes waste collection and recycling in all the institution's units and branches, as well as the proper disposal of these materials. Moreover, there is a growing concern about consumption reduction and material recycling.

In the communities, the Program contributes to social inclusion, income generation and job creation by donating waste, sharing spaces and knowledge and experiences about environmental education and initiatives with partners. These partners contribute to commitment and behavior change through a series of sustainability initiatives and alternatives. Waste management through consumption adaptation, recycling and sale has generated considerable savings, and these figures are not only economic efficiency indicators but also reflect a program that has shown positive results.

Seeds Program – it was created in 2008 with the purpose of contributing to building the paradigm to guide ecological agriculture and sustainable rural development strategies.

Two fundamental concepts guide the project: agrobiodiversity and agroecology.

The strengthening of family farming, the incorporation of food security and sovereignty aspects, the incentive to form agroforestry systems and the empowerment of communities represent key strategies for the development of the program.

This program's initiatives also focus on providing information on the direct and indirect benefits of consuming organic products and encouraging the use and exchange of seeds among farmers, considering that social seed networks play an essential role in the community management of biodiversity.

In total, the Seeds Program has already distributed more than 290 million seedlings and seeds of native trees (adapted to each biogeographic region of Rio Grande do Sul) adapted species and agroecological horticulture to rural producers, schools, associations of ecological farmers, cooperatives of family farmers, indigenous peoples and quilombolas, in public outreach works by universities, agroecological fairs and environmental events related to the rural area and to agroecology.

BANRISUL won the 19th Prêmio Expressão de Ecologia (Ecology Expression Award), the most important prize in the South region of Brazil, with the Seeds Program in the Conservation of Natural Resources category, receiving the Troféu Onda Verde (Green Wave Trophy) during the 2012 Sustainable Management Forum. The event took place on September 21, 2012, at the headquarters of the Federation of Industries of the State of Santa Catarina – Fiesc, in the city of Florianópolis. The Ecology Expression Award will celebrate its 23rd anniversary in 2015.

The Ecology Expression Award is certified by the Ministry of the Environment as the most important environmental award in the South of Brazil with 1,793 cases inscribed during these 20 years.

In 2014, we received the Prêmio Pioneiras da Ecologia (Ecology Pioneers Award), from the Health and Environment Committee of the Legislative Assembly of Rio Grande do Sul. In the Institutional category, Banrisul received the award as a social and economic organization, for its project of incentive of ecological agriculture and sustainable rural development strategies.

BANRIBIKE – Provides the employees of Banrisul's headquarters with conditions to use bicycles as a means of transportation, providing a safe parking space and medical supervision for users, through the Occupational Health and Safety Service- SESMT.

The development of the program, created in 2010, with the advisory of the Brazilian Sustainable Transportation Center– CTS-Brasil, is a pilot experience that gives a major contribution to Porto Alegre's integrated cycling infrastructure master plan; ensuring Banrisul's greater alignment with the Global Compact and working as an incentive to cycling as a means of reducing the effects of climate changes, enabling the use of bicycles as a means transport, transforming urban landscape and making the urban environment more sustainable.

Battery Collector Project - Banrisul– since the project's implementation in 2008, Banrisul has already collected 10,780 kilos of batteries, a significant figure considering the chemical composition of batteries (presence of toxic heavy metals), which affects both human health and the environment. The initiative coordinated by Banrisul maintains a partnership with some public bodies: the State Public Prosecutor's Office, the Judicial Branch, Porto Alegre Secretary of the Environment (SMAM) and the State Foundation of Environmental Protection (FEPAM) which help in this process, together with the Brazilian Post and Telegraph Corporation – ECT. The Program currently has 59 points of collection, available to different communities, comprising 40 municipalities.

Social and Environmental Diagnoses Project: from the University to the Communities

Since 2008, Banrisul has been developing this project, which includes thematic, informative and itinerant exhibitions, with the purpose of disseminating formation about environmental problems in an accessible language, easily comprehensible by lay people; encouraging people to think about preservation and the sustainable use of the environment; and disclosing scientific research carried out in the Universities by researchers, professors and academics, integrating universities, the community and social responsibility.

The exhibitions focus on environmental, cultural and social issues sometimes unknown to local communities, stimulating the reflection about future prospects and the relationship between human beings and their environment.

This project is a partnership between Social and Environmental Banrisul (initially it was Banrisul Recycle Program) and Universities, municipal governments and other institutions operating in the social and environmental front (SEMA/RS, Drainage Basin Committees and others).

In November 2013, Banrisul received the 2013 Social Responsibility Award from the Legislative Assembly of Rio Grande do Sul, for the Social and Environmental Diagnoses Project: from the University to the Community together with the Sustainability Agents Project.

The exhibitions created the opportunity for a partnership between Banrisul and the Drainage Basin Committees of Rio Grande do Sul (bodies that decide on water resource use and care in Brazil).

In August 2014, Banrisul signed a Technical Cooperation Agreement with three Drainage Basin Committees: Caí, Gravataí and Tramandaí, aiming to join efforts to benefit the communities served by developing social and environmental initiatives and projects in these regions. In November 2014, the project was presented at the National Drainage Basin Committee Meeting, in Maceió, as best practices for Drainage Basin Committees. Banrisul was the only financial institution to present this type of initiative at the event.

Since the beginning of the project, nine exhibitions have been held, with an estimated public of 25,000 people, including school teachers and students, participants of environmental events and the public in general. The exhibitions were held in more than 60 Banrisul branches, comprising more than 30 municipalities in the state. They were also included in the schedule of several environmental events organized and/or sponsored by state and municipal institutions.

Green IT

Below, we offer some updated data about the Information Technology area:
-Purchase of new computers to replace the 8,476 work stations (with stations with higher performance and lower associated consumption): 9,500 Itautec computers;

-Replacement of 3,100 box printers by thermal printers which, in addition to not using ink, make considerably less noise;

-Replacement of 1,200 laser printers by multi-functional machines that allowed the disposal of scanners and fax machines: printers not acquired;

-Implementation of the Bank’s new datacenter and office building in accordance with Green building criteria.

-Establishment of targets for exponential and growing reduction of electronic waste (tonners, inks, spools, cables in general, computers, laptops, printers, UPS batteries, among others); we could mention purchases (sustainable bids) of equipment items which, due to their constitution or the way they are produced, generated less impact;

-Creation of a Printing Internal Policy that can be progressively improved;

-Adoption of tonner collection procedures with third-parties that perform reverse logistics;

-Reutilization of mechanical and electronic structures of partially damaged equipment;

-Use of video conferencing technology.

The institution's Expenses Department monitors the number of pages printed by each employee during the year and this has a direct influence on the variable compensation of each unit of the Bank.

On the intranet it is possible to see each employee's environmental impact regarding the following criteria of the abovementioned item: trees (2.068% of a tree since March 27, 2012), carbon (7.5 kilograms of carbon dioxide since March 27, 2012) and energy (equivalent 60W lamp lit for 471.8 hours).

c. material dependence on patents, brands, licenses, concessions, franchises and royalty contracts to carry out activities.

This information is detailed in item 9.1.b.

7.6 – Revenues from foreign countries

7.6. In relation to the countries from which the issuer obtains material amounts of revenues, identify:

The Institution does not earn material revenue in countries other than Brazil.

7.7 – Effects of foreign regulation on activities

7.7. In relation to the foreign countries mentioned in item 7.6, state the extent to which the issuer is subject to regulatory requirements of these countries and how this may affect the issuer's business.

Not applicable since the Bank does not obtain significant revenues from other countries.

7.8 – Environmental policies

7.8. In relation to environmental policies, state:

a. whether the issuer discloses social and environmental information.

The Bank publishes through its Sustainability Portal the following information:

- Sustainability Policy;
- Public policy;
- Sustainability Reports;
- Acknowledgments;
- Programs (Environmental, Community, Culture and Internal Public);
- Voluntary Commitments;
- Sustainable Products; and
- News.

b. the methodology used to prepare this information.

Not applicable.

c. whether this information is audited or reviewed by an independent entity.

This information is not audited or reviewed by an independent entity.

d. an internet address/page on which this information may be found.

http://www.banrisul.com.br – Sustentabilidade.

7.9 – Other material information

7.9. Provide other information issuer believes material or relevant.

Two laws passed by the state government in late-2015 are expected to affect future business: Law 14796 authorized Banrisul to organize corporate structure for the business of issuing, managing and processing cards; and State Law 14797 authorized the institution to distribute insurance, private pension and savings bonds products, thus allow the Bank to organize an insurance brokerage firm in 2016 for a market that shows strong growth potential.

Law 14837, enacted in January 2016, authorizes the State of Rio Grande do Sul to enter into a payroll management agreement with Banrisul. The Bank began, from this date, using consulting firms, studies related to the purchase transaction of the payroll of the State of Rio Grande do Sul. The assessments, nearing completion, will equip the negotiation of the operation with the State Government. On 05/02/2016, the Bank published a material fact, giving science to the market about the negotiation process.

On 05/31/2016 Banrisul published a material fact stating that concluded the terms of the financial conditions of the transaction with the State of Rio Grande do Sul, which were approved by the Board of Directors, excluding the votes of the conflicted, in meeting held on 05/30/2016. Under the terms was defined that: Banrisul will pay the state the amount of R$ 1.275 billion in a single installment, on a date yet to be defined between the parties; the agreed price will be paid by Banrisul in contrast to the exclusivity granted to Banrisul in services related to the payroll of the State for a period of 10 years from the conclusion of the contract between the parties; and in view of the contract term, the value can be adjusted according to the SELIC rate variation and inflation forecasts for the Country, which is why in the 61th month of the contract, the amount corresponding to the remainder of the contract period may suffer adjustment if there is a reduction in the discount rate used. The Bank will initiate the negotiation of other terms and conditions of the agreement which will formalize the Operation with the State.

8.1 – Extraordinary business

8.1. Indicate the acquisition or sale of any relevant asset not classified as regular operation in the issuer's businesses.

Banrisul has neither acquired nor sold any relevant asset not classified as regular operation in the Company's businesses over the last three fiscal years.

8.2 - Relevant changes in the way how the issuer's businesses are done

8.2. Indicate relevant changes in the way how the issuer's businesses are done.

No relevant changes in the way how the Company's businesses were done over the last three fiscal years.

8.3 - Relevant agreements entered into between the Company and its subsidiaries not directly related to their operating activities.

8.3. Identify relevant agreements entered into between the Company and its subsidiaries not directly related to their operating activities.

Banrisul and its subsidiaries did not enter into any agreement not directly related to their operating activities over the last three fiscal years.

8.4 - Other information the issuer believes material or relevant

8.4. Provide other information the issuer believes material or relevant.

There is no information we deem relevant about this item 8.

9.1 – Relevant non-current assets - other

9.1. Describe non-current assets relevant to the development of the issuer's activities, stating in particular:

a. property and equipment, including leased assets, identifying their locations.

	RS	Other States
Leased	548	36
Own	189	20
Total	737	56

b. intangible assets, including patents, brands, licenses, concessions, franchises and technology transfer agreements, internet domain name.

Name	Description	Term	Footprint	Events that may cause loss of rights related to these assets	Eventual consequences for of losing such rights for the issuer
Banrisul Brand	The brand name by which Banco do Estado do Rio Grande do Sul, S.A. is known, registered at the National Institute of Industrial Property - INPI on August 10, 1971 under the nominative form.	Until December 2025, renewable every 10 years.	Brazil	Within the administrative scope with the National Institute of Industrial Property – INPI, brand applications under its analysis may be rejected. Even for brand registrations already granted, it is not possible to assure that third parties (or the INPI itself) will not try to impair the Company's registrations (with action for annulment or lapse, for example). Within the legal scope, although the Company owns the registration, it is not possible to assure that third parties will not try to allege that the Company is infringing intellectual property rights and eventually they succeed. Furthermore, brand registration is maintained through periodic payments to INPI, indispensable to prevent the extinguishment of registrations and accordingly, the suspension of holder's right.	Eventual loss of rights over the brand registered by Banrisul would result in the end of right to exclusive use nationwide. As Banrisul would face difficulties to prevent third parties from using identical or similar brands, in order to also distinguish competing products and services. Moreover, if Banrisul does not evidence is the lawful owner of the brand used, there is a possibility of being sued in the criminal and civil levels, due to brand misappropriation and violation to third parties' rights, causing image and financial damages.

Banricompras Brand	It refers to the brand through which an exclusive product of Banrisul clients is known, which uses the current account card to pay for purchases, either in cash, post-dated, by installments and Crédito 1 Minuto (Instant Credit), at merchants accredited by Banrisul and duly identified with Banricompras brand, registered at the National Institute of Industrial Property - INPI on November 30, 1997 under the nominative form and on March 18, 2008 under the mixed form.	Until September 2017, renewable every ten years (nominative). Until August 2018, renewable every ten years (mixed).	Brazil	Within the administrative scope with the National Institute of Industrial Property – INPI, brand applications under its analysis may be rejected. Even for brand registrations already granted, it is not possible to assure that third parties (or the INPI itself) will not try to impair the Company's registrations (with action for annulment or lapse, for example). Within the legal scope, although the Company owns the registration, it is not possible to assure that third parties will not try to allege that the Company is infringing intellectual property rights and eventually they succeed. Furthermore, brand registration is maintained through periodic payments to INPI, indispensable to prevent the extinguishment of registrations and accordingly, the suspension of holder's right.	Eventual loss of rights over the brand registered by Banrisul would result in the end of right to exclusive use nationwide. As Banrisul would face difficulties to prevent third parties from using identical or similar brands, in order to also distinguish competing products and services. Moreover, if Banrisul does not evidence is the lawful owner of the brand used, there is a possibility of being sued in the criminal and civil levels, due to brand misappropriation and violation to third parties' rights, causing image and financial damages.
BanriCard Brand	It refers to the brand through which the corporate and benefit voucher cards that make up BanriCard's payment arrangement is composed of. BanriCard's payment arrangement is composed of meal, food, gift and salary cards, and post-paid fuel, corporate benefit and payment management cards. Brand registered at the National Institute of Industrial Property – INPI on April 15, 2004 and granted on August 28, 2007 on a nominative basis.	Until August 2017, renewable every ten years. Without right to the exclusive use of the word CARD in isolation.	Brazil	Within the administrative scope with the National Institute of Industrial Property – INPI, brand applications under its analysis may be rejected. Even for brand registrations already granted, it is not possible to assure that third parties (or the INPI itself) will not try to impair the Company's registrations (with action for annulment or lapse, for example). Within the legal scope, although the Company owns the registration, it is not possible to assure that third parties will not try to allege that the Company is infringing intellectual property rights and eventually they succeed. Furthermore, brand registration is maintained through periodic payments to INPI, indispensable to prevent the extinguishment of registrations and accordingly, the suspension of holder's right.	Eventual loss of rights over the brand registered by Banrisul would result in the end of right to exclusive use nationwide. As Banrisul would face difficulties to prevent third parties from using identical or similar brands, in order to also distinguish competing products and services. Moreover, if Banrisul does not evidence is the lawful owner of the brand used, there is a possibility of being sued in the criminal and civil levels, due to brand misappropriation and violation to third parties' rights, causing image and financial damages.

Note: brand value is not accounted for.

c. companies in which the issuer holds interest and in relation to the latter, state:

Company name	**Banrisul Armazéns Gerais S.A.**		
Corporate Taxpayer's ID	92.721.232/0001-57		
Headquarters	Av. Getúlio Vargas nº 8201, Canoas-RS		
Activities developed	The company operates under the import and export systems – bonded warehouse, public customs warehouse (DAP) and certified customs warehouse (DAC) and general warehouse.		
Issuer's interest	99.50%		
Subsidiary or associated company	Subsidiary		
Registration at the Brazilian Securities and Exchange Commission (CVM)	CVM registration no. 15,822, October 18, 1996		
Book value of the interest (R$ '000)	2015	2014	2013
	35,826	33,723	31,309
Interest market value according to the share quote on the fiscal year's closing date, when these shares are traded at the organized securities markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Appreciation or devaluation of said interest over the last three fiscal years, according to the carrying amount (R$ thousand)	2015	2014	2013
	2,830	3,218	3,159
Appreciation or devaluation of said interest over the last three fiscal years, according to the market value, as per share quotes on the closing date of each fiscal year, when these shares are traded at the organized markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Dividends received over the last three fiscal years (R$ thousand)	2015	2014	2013
	728	804	771
Reasons for acquiring and holding such interest	The investment is established and maintained in conformity with the State government policy, due to the need of maintaining warehouse public utilities.		

Company name	**Banrisul Cartões S.A.**		
CNPJ	92.934.215/0001-06		
Corporate Taxpayer's ID	Rua Caldas Júnior nº 108 - 9º andar, Porto Alegre - RS		
Activities developed	Banrisul CArtões operates in two business segments: (i) Vero's acquiring network, which covers accreditation for commercial establishments and the capture, transmission, processing and settlement of transactions with the major card brands (Visa, MasterCard and VerdeCard) with current account cards Banrisul - Banricompras - and BanriCard cards; and (ii) BanriCard cards, which are issued by Banrisul Cartões and administered through special agreements. The BanriCard brand represents a family of benefit cards and company cards and the portfolio comprises the following product lines: food, meals, cultural activities, gifts, salary, benefits, fuel, fleet management, expense management and payment management.		
Issuer's interest/holding	99.78%		
Subsidiary or associated company	Subsidiary		
Registration at the Brazilian Securities and Exchange Commission (CVM)	Nill		
Book value of the interest (R$ '000)	2015	2014	2013
	380,509	257,751	167,160
Interest market value according to the share quote on the fiscal year's closing date, when these shares are traded at the organized securities markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Appreciation or devaluation of said interest over the last three fiscal years, according to the carrying amount (R$ thousand)	2015	2014	2013
	160,775	116,910	41,159
Appreciation or devaluation of said interest over the last three fiscal years, according to the market value, as per share quotes on the closing date of each fiscal year, when these shares are traded at the organized markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Dividends received over the last three fiscal years (R$ thousand)	2015	2014	2013
	38,811	27,748	9,750
Reasons for acquiring and holding such interest	The investment is established and maintained in view of market opportunities and the expectations of expanding the use of cards, and business synergy with banking activity.		

Company name	**Banrisul S.A. Corretora de Valores Mobiliários e Câmbio**		
Corporate Taxpayer's ID	93.026.847/0001-26		
Headquarters	Rua Caldas Júnior nº 108 - 4º andar, Porto Alegre - RS		
Activities developed	The Company's main activity is to buy and sell shares, by itself or through third parties on the spot market, options market, forward and futures markets, manage investment clubs; acting as a broker in gold operations, funding and sale of quotas to produce films (Culture Incentive Law); acting as a broker in commodities operations at the Brazilian Securities, Commodities and Futures Exchange; to coordinate the issue of debentures in the capital markets, acting as a broker in the purchase and sale of these instruments with investors.		
Issuer's interest/holding	98.98%		
Subsidiary or associated company	Subsidiary		
Registration at the Brazilian Securities and Exchange Commission (CVM)	Nill		
Book value of the interest(R$ '000)	2015	2014	2013
	77,936	76,267	75,522
Interest market value according to the share quote on the fiscal year's closing date, when these shares are traded at the organized securities markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Appreciation or devaluation of said interest over the last three fiscal years, according to the carrying amount (R$ thousand)	2015	2014	2013
	2,199	1,168	698
Appreciation or devaluation of said interest over the last three fiscal years, according to the market value, as per share quotes on the closing date of each fiscal year, when these shares are traded at the organized markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Dividends received over the last three fiscal years (R$ thousand)	2015	2014	2013
	520	276	162
Reasons for acquiring and holding such interest	Associated company merged due to the need of expanding the financial conglomerate activities, through the integration of brokerage activities in the real estate market.		

Company name	**Banrisul S.A. Administradora de Consórcios**		
Corporate Taxpayer's ID	92.692.979/0001-24		
Headquarters	Rua Caldas Júnior nº 108 - 7º andar, Porto Alegre - RS		
Activities developed	It manages groups of purchasing consortium in general		
Issuer's interest	99.70%		
Subsidiary or associated company	Subsidiary		
Registration at the Brazilian Securities and Exchange Commission (CVM)	CVM Registration No. 15,130, granted on November 29, 1995		
Book value of the interest (R$ '000)	2015	2014	2013
	207,016	184,641	165,382
Interest market value according to the share quote on the fiscal year's closing date, when these shares are traded at the organized securities markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Appreciation or devaluation of said interest over the last three fiscal years, according to the carrying amount (R$ thousand)	2015	2014	2013
	29,235	25,438	17,400
Appreciation or devaluation of said interest over the last three fiscal years, according to the market value, as per share quotes on the closing date of each fiscal year, when these shares are traded at the organized markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Dividends received over the last three fiscal years (R$ thousand)	2015	2014	2013
	6,966	6,041	2,351
Reasons for acquiring and holding such interest	Investment is related to the expansion of portfolio of financing alternative options for consumer needs, synergy between business and banking activities, expectations of expansion in the market.		

Company name	**Bem Promotora de Vendas e Serviços S/A**		
Corporate Taxpayer's ID	10.397.031/0001-81		
Headquarters	Rua Siqueira Campos, 1163, 5º/9º andares, Porto Alegre/RS		
Activities developed	Key activities: originating loans secured by payroll deductions, selling and activating credit cards secured by payroll deductions through its own network of stores and correspondents including the reception, formalization and forwarding of credit proposals and loan agreements; managing production of loans and credit cards secured by payroll deductions; debt collection services in cases of delinquency.		
Issuer's interest/holding	49.9%		
Subsidiary or associated company	Associated company		
Registration at the Brazilian Securities and Exchange Commission (CVM)	Nill		
Book value of the interest (R$ '000)	2015	2014	2013
	13,793	14,746	13,515
Interest market value according to the share quote on the fiscal year's closing date, when these shares are traded at the organized securities markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Appreciation or devaluation of said interest over the last three fiscal years, according to the carrying amount (R$ thousand)	2015	2014	2013
	(953)	1,231	2,054
Appreciation or devaluation of said interest over the last three fiscal years, according to the market value, as per share quotes on the closing date of each fiscal year, when these shares are traded at the organized markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Dividends received over the last three fiscal years (R$ thousand)	2015	2014	2013
	1,358	2,464	1,040
Reasons for acquiring and holding such interest	The investment is established and maintained in view of market opportunities and the expectations of expanding the use of cards, and business synergy with banking activity.		

Company name	**Banrisul Icatu Participações S.A.**		
Corporate Taxpayer's ID	14.159.197/0001-10		
Headquarters	Rua Siqueira Campos, 1163, 6º andar, Porto Alegre/RS		
Activities developed	Marketing and selling life insurance and private pension products.		
Issuer's interest/holding	49.9%		
Subsidiary or associated company	Associated company		
Registration at the Brazilian Securities and Exchange Commission (CVM)	Nill		
Book value of the interest (R$ '000)	2015	2014	2013
	28,185	-	-
Interest market value according to the share quote on the fiscal year's closing date, when these shares are traded at the organized securities markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Appreciation or devaluation of said interest over the last three fiscal years, according to the carrying amount (R$ thousand)	2015	2014	2013
	-	-	-
Appreciation or devaluation of said interest over the last three fiscal years, according to the market value, as per share quotes on the closing date of each fiscal year, when these shares are traded at the organized markets	2015	2014	2013
	The Company does not hold shares traded at the organized securities markets.		
Dividends received over the last three fiscal years (R$ thousand)	2015	2014	2013
	7,261	-	-
Reasons for acquiring and holding such interest	Incorporating the holding showed how the Bank's business model has evolved. Previously it received commission on the product but will now absorb some of the income generated by the operation.		

9.1 - Relevant non-current assets / 9.1.a – Non-current assets

Description of the non-current asset	Country	State	City	Proporty Type
Buildings	Brazil	SC	Several	Leased
Buildings	Brazil	RS		Own
Buildings	Brazil	RS		Leased
Buildings	Brazil	SC		Own
Buildings	Brazil	SC		Leased
Buildings	Brazil	RS		Own
Buildings	Brazil	RS		Leased
Buildings	Brazil	SC		Own
Buildings	Brazil	SC		Leased
Buildings	Brazil	RS		Own
Buildings	Brazil	RS		Leased
Buildings	Brazil	SC		Own
Buildings	Brazil	SC		Leased
Buildings	Brazil	RS		Leased
Buildings	Brazil	RS		Own
Buildings	Brazil	RS		Own
Buildings	Brazil	RS		Leased
Buildings	Brazil	SC		Own
Buildings	Brazil	SC		Leased
Buildings	Brazil	RS		Own
Buildings	Brazil	RS		Leased
Buildings	Brazil	SC		Own

9.1 - Relevant non-current assets / 9.1.b – Intangible assets

Asset type	Description	Term	Events that may cause loss of rights related to these assets	Eventual consequences for of losing such rights for the issuer
Brand	Banrisul Brand	December/2025	Within the administrative scope with the National Institute of Industrial Property – INPI, brand applications under its analysis may be rejected. Even for brand registrations already granted, it is not possible to assure that third parties (or the INPI itself) will not try to impair the Company's registrations (with action for annulment or lapse, for example). Within the legal scope, although the Company owns the registration, it is not possible to assure that third parties will not try to allege that the Company is infringing intellectual property rights and eventually they succeed. Furthermore, brand registration is maintained through periodic payments to INPI, indispensable to prevent the extinguishment of registrations and accordingly, the suspension of holder's right.	Eventual loss of rights over the brand registered by Banrisul would result in the end of right to exclusive use nationwide. As Banrisul would face difficulties to prevent third parties from using identical or similar brands, in order to also distinguish competing products and services. Moreover, if Banrisul does not evidence is the lawful owner of the brand used, there is a possibility of being sued in the criminal and civil levels, due to brand misappropriation and violation to third parties' rights, causing image and financial damages.
Brand	Banricompras Brand	September/2017 and August/2018	Within the administrative scope with the National Institute of Industrial Property – INPI, brand applications under its analysis may be rejected. Even for brand registrations already granted, it is not possible to assure that third parties (or the INPI itself) will not try to impair the Company's registrations (with action for annulment or lapse, for example). Within the legal scope, although the Company owns the registration, it is not possible to assure that third parties will not try to allege that the Company is infringing intellectual property rights and eventually they succeed. Furthermore, brand registration is maintained through periodic payments to INPI, indispensable to prevent the extinguishment of registrations and accordingly, the suspension of holder's right.	Eventual loss of rights over the brand registered by Banrisul would result in the end of right to exclusive use nationwide. As Banrisul would face difficulties to prevent third parties from using identical or similar brands, in order to also distinguish competing products and services. Moreover, if Banrisul does not evidence is the lawful owner of the brand used, there is a possibility of being sued in the criminal and civil levels, due to brand misappropriation and violation to third parties' rights, causing image and financial damages.
Brand	BanriCard Brand	August/2017	Within the administrative scope with the National Institute of Industrial Property – INPI, brand applications under its analysis may be rejected. Even for brand registrations already granted, it is not possible to assure that third parties (or the INPI itself) will not try to impair the Company's registrations (with action for annulment or lapse, for example). Within the legal scope, although the Company owns the registration, it is not possible to assure that third parties will not try to allege that the Company is infringing intellectual property rights and eventually they succeed. Furthermore, brand registration is maintained through periodic payments to INPI, indispensable to prevent the extinguishment of registrations and accordingly, the suspension of holder's right.	Eventual loss of rights over the brand registered by Banrisul would result in the end of right to exclusive use nationwide. As Banrisul would face difficulties to prevent third parties from using identical or similar brands, in order to also distinguish competing products and services. Moreover, if Banrisul does not evidence is the lawful owner of the brand used, there is a possibility of being sued in the criminal and civil levels, due to brand misappropriation and violation to third parties' rights, causing image and financial damages.

9.1 - Relevant non-current assets / 9.1.c – Interest companies

Company name	Corporate Taxpayer's ID	Registration at the Brazilian Securities and Exchange Commission (CVM)	Subsidiary or associated company	Country	State	City	Activities developed	Issuer's interest
Fiscal year	**Book value - change %**	**Market value - change %**	**Dividends received over the last three fiscal years (Reais)**		**Date**	**Value (Reais)**		
Banrisul Armazéns Gerais S.A.	92.721.232/0001-57	1582-2	Subsidiary	Brazil	RS	Porto Alegre	The company operates under the import and export systems – bonded warehouse, public customs warehouse (DAP) and certified customs warehouse (DAC) and general warehouse.	99.500000
				Market value				
12/31/2015	6.240000	0.000000	728,000.00	**Book value**	12/31/2015	35,826,000.00		
12/31/2014	7.710000	0.000000	804,000.00					
12/31/2013	8.250000	0.000000	771,000.00					

Reasons for acquiring and holding such interest

The investment is established and maintained in conformity with the State government policy, due to the need of maintaining warehouse public utilities.

Company name	Corporate Taxpayer's ID	Registration at the Brazilian Securities and Exchange Commission (CVM)	Subsidiary or associated company	Country	State	City	Activities developed	Issuer's interest
Banrisul Cartões S.A.	92.934.215/0001-06	-	Subsidiary	Brazil	RS	Porto Alegre	Banrisul Cartões operates in two business segments: (i) Vero's acquiring network, which covers accreditation for commercial establishments and the capture, transmission, processing and settlement of transactions with the major card brands (Visa, MasterCard and VerdeCard) with current account cards Banrisul - Banricompras - and BanriCard cards; and (ii) BanriCard cards, which are issued by Banrisul Cartões and administered through special agreements. The BanriCard brand represents a family of benefit cards and company cards and the portfolio comprises the following product lines: food, meals, cultural activities, gifts, salary, benefits, fuel, fleet management, expense management and payment management.	99.780000
				Market value				
12/31/2015	47.630000	0.000000	38,811,000.00	**Book value**	12/31/2015	380,509,000.00		
12/31/2014	54.190000	0.000000	27,748,000.00					
12/31/2013	21.850000	0.000000	9,750,000.00					

Reasons for acquiring and holding such interest

The investment is established and maintained in view of market opportunities and the expectations of expanding the use of cards, and business synergy with banking activity.

Company name	Corporate Taxpayer's ID	Registration at the Brazilian Securities and Exchange Commission (CVM)	Subsidiary or associated company	Country	State	City	Activities developed	Issuer's interest
Fiscal year	**Book value - change %**	**Market value - change %**	**Dividends received over the last three fiscal years (Reais)**		**Date**	**Value (Reais)**		
Banrisul Icatu Participações S.A.	14.159.197/0001-10	-	Associated company	Brazil	RS	Porto Alegre	Marketing and selling life insurance and private pension products.	49.900000
				Market value				
12/31/2015	0.000000	0.000000	7,261,000.00	**Book value**	12/31/2015	28,185,000.00		
12/31/2014	0.000000	0.000000	0.00					
12/31/2013	0.000000	0.000000	0.00					

Reasons for acquiring and holding such interest

Incorporating the holding showed how the Bank's business model has evolved. Previously it received commission on the product but will now absorb some of the income generated by the operation.

Company name	Corporate Taxpayer's ID	CVM	Subsidiary or associated company	Country	State	City	Activities developed	Issuer's interest
Banrisul S.A. Administradora de Consórcios	92.692.979/0001-24	-	Subsidiary	Brazil	RS	Porto Alegre	It manages groups of purchasing consortium in general.	99.700000
				Market value				
12/31/2015	12.120000	0.000000	6,966,000.00	**Book value**	12/31/2015	207,016,000.00		
12/31/2014	11.650000	0.000000	6,041,000.00					
12/31/2013	8.700000	0.000000	2,351,000.00					

Reasons for acquiring and holding such interest

Investment is related to the expansion of portfolio of financing alternative options for consumer needs, synergy between business and banking activities, expectations of expansion in the market.

Company name	Corporate Taxpayer's ID	CVM	Subsidiary or associated company	Country	State	City	Activities developed	Issuer's interest
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	93.026.847/0001-26	-	Subsidiary	Brazil	RS	Porto Alegre	The Company's main activity is to buy and sell shares, by itself or through third parties on the spot market, options market, forward and futures markets, manage investment clubs; acting as a broker in gold operations, funding and sale of quotas to produce films (Culture Incentive Law); acting as a broker in commodities operations at the Brazilian Securities, Commodities and Futures Exchange; to coordinate the issue of debentures in the capital markets, acting as a broker in the purchase and sale of these instruments with investors.	98.980000
				Market value				
12/31/2015	2.190000	0.000000	520,000.00	**Book value**	12/31/2015	77,936,000.00		
12/31/2014	0.980000	0.000000	276,000.00					
12/31/2013	0.510000	0.000000	162,000.00					

Company name	Corporate Taxpayer's ID	Registration at the Brazilian Securities and Exchange Commission (CVM)	Subsidiary or associated company	Country	State	City	Activities developed	Issuer's interest
Fiscal year	Book value - change %	Market value - change %	Dividends received over the last three fiscal years (Reais)		Date	Value (Reais)		

Reasons for acquiring and holding such interest

Associated company merged due to the need of expanding the financial conglomerate activities, through the integration of brokerage activities in the real estate market.

Company name	Corporate Taxpayer's ID	Registration at the CVM	Subsidiary or associated company	Country	State	City	Activities developed	Issuer's interest
Bem Promotora de Vendas e Serviços S.A.	10.397.031/0001-81	-	Associated company	Brazil	RS	Porto Alegre	Key activities: originating loans secured by payroll deductions, selling and activating credit cards secured by payroll deductions through its own network of stores and correspondents including the reception, formalization and forwarding of credit proposals and loan agreements; managing production of loans and credit cards secured by payroll deductions; debt collection services in cases of delinquency.	49.900000

Fiscal year	Book value - change %	Market value - change %	Dividends received (Reais)		Date	Value (Reais)
				Market value		
12/31/2015	-6.460000	0.000000	1,358,000.00	**Book value**	12/31/2015	13,793,000.00
12/31/2014	9.100000	0.000000	2,464,000.00			
12/31/2013	-17.530000	0.000000	1.040,000.00			

Reasons for acquiring and holding such interest

The investment is established and maintained in view of market opportunities and the expectations of expanding the use of cards, and business synergy with banking activity.

9.2 – Other material information

9.2 Provide other information the issuer deems relevant.

Buildings by municipality – Rio Grande do Sul (RS)

CITY	P	A	CITY	P	A	CITY	P	A	CITY	P	A
ACEGUÁ	0	1	CRUZ ALTA	1	2	M ARQUES SOUZA	0	1	SANTO AUGUSTO	1	0
ÁGUA SANTA	0	1	CRUZALTENSE	0	1	M ATA	0	1	SANTO CRISTO	1	1
AGUDO	0	1	CRUZEIRO DO SUL	1	0	M ATO LEITÃO	0	1	SANTO EXPEDITO	0	1
AJURICABA	0	1	DAVIDCANABARRO	0	1	M AXIM ILIANO DE ALM EIDA	0	1	SÃO BORJA	1	2
ALECRIM	1	0	DERRUBADAS	0	1	M INAS DO LEÃO	0	1	SÃO DOM INGOS DO SUL	0	1
ALEGRETE	1	1	DEZESSEIS DE NOVEM BRO	0	1	M IRAGUAI	0	1	SÃO FRANCISCO ASSIS	1	0
ALEGRIA	0	1	DILERM ANDO DE AGUIAR	0	1	M ONTENEGRO	0	2	SÃO FRANCISCO PAULA	1	0
ALM IRANTE TAM ANDARÉ DO SUL	0	1	DOIS IRM ÃOS	1	0	M ORRINHOS DO SUL	0	1	SÃO GABRIEL	1	2
ALPESTRE	1	0	DOIS IRM ÃOS DAS M ISSÕES	0	1	M ORRO REDONDO	0	1	SÃO JERONIM O	1	0
ALVORADA	1	1	DOIS LAJEADOS	0	1	M ORRO REUTER	0	1	SÃO JOÃO DA URTIGA	0	1
AM ARAL FERRADOR	0	1	DOM FELICIANO	0	1	M OSTARDAS	0	1	SÃO JOÃO DO POLESINE	0	1
AM ETISTA DO SUL	0	1	DOM PEDRITO	1	0	M UCUM	1	0	SÃO JORGE	0	1
ANDRE DA ROCHA	0	1	DOM PEDRO DE ALCANTARA	0	1	M UITOS CAPÕES	0	1	SÃO JOSÉ DO HERVAL	0	1
ANTA GORDA	0	1	DONA FRANCISCA	1	0	NÃO M E TOQUE	0	1	SÃO JOSÉ DO HORTENCIO	0	1
ANTONIO PRADO	1	0	DR RICARDO	0	1	NONOAI	1	1	SÃO JOSÉ DO NORTE	1	0
ARAM BARÉ	0	1	DR M AURICIO CARDOSO	0	1	NOVA ALVORADA	0	1	SÃO JOSÉ DO OURO	0	1
ARARICA	0	1	ELDORADO DO SUL	0	1	NOVA ARAÇA	0	1	SÃO JOSÉ DOS AUSENTES	0	1
ARATIBA	0	1	ENCANTADO	2	0	NOVA BASSANO	1	0	SÃO LEOPOLDO	1	7
ARROIO DO M EIO	0	1	ENCRUZILHADA DO SUL	1	0	NOVA BRESCIA	0	1	SÃO LOURENÇO DO SUL	1	0
ARROIO DO SAL	0	1	ENTRE IJUÍS	0	1	NOVA CANDELÁRIA	0	2	SÃO LUIZ GONZAGA	1	1
ARROIO DO TIGRE	0	1	ENTRE RIOS DO SUL	0	1	NOVA ESPERANÇA DO SUL	0	1	SÃO M ARCOS	1	0
ARROIO DOS RATOS	1	1	EREBANGO	0	1	NOVA HARTZ	0	1	SÃO M ARTINHO	0	1
ARROIO GRANDE	1	0	ERECHIM	0	7	NOVA PADUA	0	1	SÃO M ARTINHO DA SERRA	0	1
ARVOREZINHA	0	1	ERNESTINA	0	1	NOVA PALM A	0	1	SÃO M IGUEL DAS M ISSÕES	0	1
AUGUSTO PESTANA	0	1	ERVAL GRANDE	0	1	NOVA PETROPOLIS	0	1	SÃO NICOLAU	0	1
AUREA	0	1	ERVAL SEXO	0	1	NOVA PRATA	1	0	SÃO PAULO DAS M ISSÕES	0	1
BAGÉ	2	3	ESM ERALDA	1	0	NOVA ROM A DO SUL	0	1	SÃO PEDRO DA SERRA	0	1
BALNEARIO PINHAL	0	2	ESPERANÃ DO SUL	0	1	NOVA SANTA RITA	0	1	SÃO PEDRO DO SUL	1	0
BARÃO	0	1	ESPUM OSO	0	1	NOVO BARREIRO	0	1	SÃO SEBASTIÃO DO CAI	1	0
BARÃO DO COTEGIPE	0	1	ESTAÇÃO	0	1	NOVO CABRAIS	0	1	SÃO SEPÉ	1	0
BARÃO DO TRIUNFO	0	1	ESTANCIA VELHA	1	0	NOVO HAM BURGO	0	8	SÃO VALENTIM	0	1
BARRA DO QUARAÍ	0	1	ESTEIO	0	2	NOVO M ACHADO	0	1	SÃO VALENTIM SUL	0	1
BARRA DO RIBEIRO	1	0	ESTRELA	1	0	NOVO TIRADENTES	0	1	SÃO VENDELINO	0	1
BARRA FUNDA	0	1	EUGENIO DE CASTRO	0	1	OSORIO	2	1	SÃO VICENTE DO SUL	1	0
BARRACAO	1	0	FARROUPILHA	1	2	PAIM FILHO	1	0	SAPIRANGA	1	1
BARROS CASSAL	1	0	FAXINAL DO SOTURNO	0	1	PALM ARES DO SUL	0	1	SAPUCAIA DO SUL	0	2
BENTO GONÇALVES	1	5	FAXINALZINHO	0	1	PALM EIRA DAS M ISSÕES	1	0	SARANDI	0	1
BOA VISTA DO BURICA	1	0	FAZENDA VILA NOVA	0	1	PALM ITINHO	0	1	SEBERI	0	1
BOA VISTA DO CADEADO	0	1	FELIZ	0	1	PANAM BI	1	0	SEDE NOVA	0	1
BOA VISTA DO INCRA	0	1	FLORES DA CUNHA	1	2	PANTANO GRANDE	0	1	SEGREDO	0	1
BOA VISTA DO SUL	0	1	FONTOURA XAVIER	0	1	PARAI	0	1	SELBACH	0	1
BOM JESUS	1	0	FORM IGUEIRO	0	1	PARAISO DO SUL	0	1	SENADOR SALGADO FILHO	0	1
BOM PRINCIPIO	1	1	FORQUETINHA	0	1	PARECI NOVO	0	1	SENTINELA DO SUL	0	1
BOM PROGRESSO	0	1	FORTALEZA DOS VALOS	1	0	PAROBÉ	0	1	SERAFINA CORREA	1	0
BOM RETIRO DO SUL	1	1	FREDERICO WESTPHALEN	1	0	PASSA SETE	0	1	SERIO	0	1
BOQUEIRÃO DO LEÃO	0	1	GARIBALDI	0	1	PASSO DO SOBRADO	0	1	SERTÃO	0	1
BOSSOROCA	0	1	GARRUCHOS	0	1	PASSO FUNDO	1	10	SERTÃO SANTANA	0	1
BOZANO	0	1	GAURAM A	1	0	PAVERAM A	0	1	SEVERIANO DE ALM EIDA	0	1
BRAGA	0	1	GENERAL CAM ARA	1	0	PEDRAS ALTAS	0	1	SILVEIRA M ARTINS	1	0
BUTIA	0	1	GETULIO VARGAS	1	0	PEDRO OSORIO	1	0	SINIM BU	0	1
CAÇAPAVA DO SUL	1	0	GIRUA	1	0	PEJUCARA	1	0	SOBRADINHO	1	0
CACEQUI	1	0	GLORINHA	0	1	PELOTAS	4	5	SOLEDADE	1	0
CACHOEIRA DO SUL	1	2	GRAM ADO	1	1	PICADA CAFÉ	0	1	TABAI	0	1
CACHOEIRINHA	1	2	GRAM ADO DOS LOUREIROS	0	1	PINHAL	0	1	TAPEJARA	0	1
CACIQUE DOBLE	0	1	GRAM ADO XAVIER	0	1	PINHAL DA SERRA	0	1	TAPERA	0	1
CAIBATÉ	0	1	GRAVATAI	1	6	PINHAL GRANDE	0	1	TAPES	1	0
CAIÇARA	0	1	GUABIJU	0	1	PINHEIRINHO DO VALE	0	1	TAQUARA	1	0
CAM AQUÃ	1	1	GUAIBA	1	2	PINHEIRO M ACHADO	1	0	TAQUARI	0	1
CAM BARA DO SUL	1	0	GUAPORÉ	0	1	PINTO BANDEIRA	0	1	TAQUARUCU DO SUL	0	1
CAM PESTRE DA SERRA	0	1	GUARANI DAS M ISSÕES	1	0	PIRATINI	1	0	TAVARES	0	1
CAM PINA DAS M ISSÕES	0	1	HARM ONIA	0	1	PLANALTO	0	1	TENENTE PORTELA	1	0
CAM PINAS DO SUL	0	1	HERVAL	1	0	POÇO DAS ANTAS	0	1	TERRA DE AREIA	0	1
CAM PO BOM	0	1	HORIZONTINA	0	1	PONTÃO	0	1	TEUTONIA	1	2
CAM PO NOVO	0	1	HULHA NEGRA	0	1	PONTE PRETA	0	1	TIO HUGO	0	1
CAM POS BORGES	0	1	HUM AITA	1	0	PORTÃO	1	1	TIRADENTES DO SUL	0	1
CANDELÁRIA	1	0	IBARAM A	0	1	PORTO ALEGRE	43	98	TORRES	1	1
CANDIDO GODOI	1	0	IBIAÇÁ	0	1	PORTO LUCENA	0	1	TRAM ANDAÍ	0	3
CANDIOTA	0	1	IBIRAIARAS	0	1	PORTO M AUA	0	1	TRÊS ARROIOS	0	1
CANELA	1	1	IBIRAPUITÃ	0	1	PORTO VERA CRUZ	0	1	TRÊS CACHOEIRAS	0	1
CANGUÇU	1	0	IBIRUBA	1	0	PORTO XAVIER	1	0	TRÊS COROAS	1	0
CANOAS	2	5	IGREJINHA	1	0	PROGRESSO	0	1	TRÊS DE M AIO	0	1
CAPÃO DA CANOA	0	2	IJUI	1	3	PROTASIO ALVES	0	1	TRÊS FORQUILHAS	0	1
CAPÃO DO CIPÓ	0	1	ILOPOLIS	0	1	PUTINGA	0	1	TRÊS PALM EIRAS	0	1
CAPÃO DO LEÃO	0	2	IM BÉ	0	1	QUARAI	1	0	TRÊS PASSOS	2	0
CAPELA SANTANA	0	1	IM IGRANTES	0	1	QUEVEDOS	0	1	TRINDADE DO SUL	0	1
CAPIVARI DO SUL	0	1	INDEPENDÊNCIA	0	1	QUINZE DE NOVEM BRO	0	1	TRIUNFO	0	2
CARAA	0	1	IPE	0	1	REDENTORA	1	0	TUCUNDUVA	0	1
CARAZINHO	0	1	IRAI	1	0	RESTINGA SECA	1	1	TUNAS	0	1
CARLOS BARBOSA	1	0	ITAARA	0	1	RIO DOS INDIOS	0	1	TUPANCIRETA	1	0
CARLOS GOM ES	0	1	ITACURUBI	0	1	RIO GRANDE	0	5	TUPANDI	0	1
CASCA	1	0	ITAQUI	1	0	RIO PARDO	1	1	TUPARENDI	0	1
CASEIROS	0	1	ITATIBA DO SUL	0	1	RIOZINHO	0	1	TURUÇU	0	1
CATUIPE	1	0	IVORA	0	1	ROCA SALES	0	1	UBIRETAM A	0	1
CAXIAS DO SUL	1	20	IVOTI	0	1	RODEIO BONITO	1	0	UNIÃO DA SERRA	0	1
CENTENÁRIO	0	1	JABOTICABA	0	1	ROLANTE	0	1	UNISTALDA	0	1
CERRITO	0	1	JACUTINGA	0	1	RONDA ALTA	0	1	URUGUAIANA	0	2
CERRO BRANCO	0	1	JAGUARÃO	1	0	RONDINHA	0	1	VACARIA	1	2
CERRO GRANDE	0	1	JAGUARI	1	0	ROQUE GONZALES	0	1	VALE DO SOL	0	1
CERRO GRANDE DO SUL	0	1	JAQUIRANA	0	1	ROSARIO DO SUL	1	0	VALE REAL	0	1
CERRO LARGO	1	0	JARI	0	1	SALTO DO JACUI	0	1	VALE VERDE	0	1
CHAPADA	0	1	JOIA	1	0	SALVADOR DAS M ISSÕES	0	1	VENANCIO AIRES	0	1
CHARQUEADAS	1	2	JULIO DE CASTILHOS	1	0	SALVADOR DO SUL	0	1	VERA CRUZ	1	0
CHIAPETA	0	1	LAGOA VERM ELHA	1	0	SANANDUVA	1	0	VERANÓPOLIS	1	0
CHUÍ	0	1	LAGOÃO	0	1	SANTA BARBARA DO SUL	1	1	VESPASIANO CORREA	0	1
CIDREIRA	0	1	LAJEADO	1	3	SANTA CLARA DO SUL	0	1	VIADUTOS	0	1
CIRIACO	0	1	LAVRAS DO SUL	1	0	SANTA CRUZ DO SUL	0	6	VIAM ÃO	1	3
COLINAS	0	1	LIBERATO SALZANO	0	1	SANTA M ARIA	0	9	VIAM ÃO AGUAS CLARAS	0	1
COLORADO	0	1	LINDOLFO COLLOR	0	1	SANTA M ARIA HERVAL	0	1	VICENTE DUTRA	0	1
CONDOR	0	1	M AÇAM BARÁ	0	1	SANTA ROSA	1	3	VICTOR GRAEFF	1	0
CONSTANTINA	0	1	M ACHADINHO	1	0	SANTA TEREZA	0	1	VILA FLORES	0	1
CAQUEIROS DO SUL	0	1	M AM PITUBA	0	1	SANTA VITORIA PALM AR	1	0	VILA M ARIA	0	1
CORONEL BARROS	0	1	M ANOEL VIANA	0	1	SANTANA DA BOA VISTA	1	0	VILA NOVA DO SUL	0	1
CORONEL BICACO	1	0	M AQUINÉ	0	1	SANTANA DO LIVRAM ENTO	1	1	VISTA ALEGRE	0	1
CORONEL PILAR	0	1	M ARATA	0	1	SANTIAGO	1	0	VISTA ALEGRE DO PRATA	0	1
COTIPORÃ	0	1	M ARAU	1	0	SANTO ANGELO	1	3	VITÓRIA DAS M ISSÕES	0	1
COXILHA	0	1	M ARCELINO RAM OS	0	1	SANTO ANTONIO DO PLANALTO	0	1	WESTFALIA	0	1
CRISSIUM AL	0	1	M ARIANA PIM ENTEL	0	1	SANTO ANTONIO M ISSOES	1	0	XANGRI-LÁ	0	1
CRISTAL	0	1	M ARIANO M ORO	0	1	SANTO ANTONIO PATRULHA	1	0			
TOTAL	36	123	TOTAL	39	98	TOTAL	79	227	TOTAL	35	100

	Total in RS	737	Total in other States	56
O	Own	189	Own	20
L	Leased	548	Leased	36

10.1 – General financial and asset conditions

10.1.Officers should comment on:

a. general financial and asset conditions.

Overview

In 2015, the international economic situation was marked by uneven performances from the world's leading economies. The emerging economies saw disappointment as the failed to meet growth expectations, while the advanced economies posted moderate growth. In this context, in Europe, after overcoming the impasse related to the rescheduled Greek financial aid program, the continent's economic situation began to show signs of a gradual recovery of activity. The American economy's fundaments remained robust with a consistently recovering labor market that to a large extent led to the beginning of a process of rate hikes in the United States in December. In China, after a period of pronounced slowdown in activity, the economy started to show growth rates more consistent with the process of rebalancing the economy that is now underway, nevertheless growth rates while significant were well below previous years' numbers.

Brazil's economic environment proved to be very complex in the context of yet more uncertainty over fiscal uncertainties and political issues in particular, with negative impacts on the conduct of economic policy the affecting the level of activity. In this environment, there was a sharp contraction of GDP with significantly rising unemployment, while the inflationary trajectory remained unfavorable despite a prolonged cycle of basic rate hikes that reached 14.25% at the end of 2015. In line with these conditions, credit markets showed significant weakening, which reflected financial institutions being more cautious due to higher levels of risk as well as households and businesses deleveraging in a context in which both personal and business confidence remained weak, with adverse effects on consumer spending and investment, which continued to fall to levels below those of the last few years. Personal business delinquency has increased, which has led to households and firms deleveraging on the one hand and a more cautious stance from financial institutions due to the higher level of risk in this environment. This scenario, in turn, affected product mix and lending, which fell significantly in real terms, as did portfolios based on non-earmarked funds and particular funds subject to regulatory restrictions. Despite the shrinking volume of lending based on earmarked funds, note that the performance of public-sector institutions in this segment helped attenuate the trend toward retraction in the total loan portfolio in the aftermath of higher concentration of lending categories such as housing finance and loans secured by payroll/paycheck deductions. Spreads widened too, on loans based on non-earmarked funds for personal clients, which are usually characterized by higher levels of risk than facilities based on earmarked funds.

In the state economy of Rio Grande do Sul, amid the severe fiscal crisis affecting the state, the adverse effects on the level of activity that prevailed in industry particularly were related to the environment of contraction of aggregate demand, rising production costs and major trading partners mired in economic crises. Lending performed rather modestly in line with the more cautious scenario for financial institutions driven by components of risk in Brazil. Nevertheless, a substantial weakening of the Brazilian real against the US dollar and a record grain harvest helped ameliorate the economic situation in the state of Rio Grande do Sul. In this context, the state's trade balance saw a reasonable improvement in the 2015 annual number with a surplus of US$7.5 billion against 2014's US$3.7 billion. This result was largely due to imports falling from US$14.9 to US$10.0 billion, while exports too retreated from US$18.6 to US$17.5 billion, on the same basis of comparison.

At Banrisul, 2015 was marked by events that impacted the Institution's results and which will influence future indexes, among which:

Early in the second half of 2015, Banrisul introduced a program to encourage early retirement for employees eligible for official and private pensions, in order to reduce this substantial item of administrative expenses. A total of 501 employees applied to retire under the Early Retirement/Termination plan between July 27, 2015 and September 25, 2015. Some later changed their mind and eventually a total of 471 employees took left employment. Expenses paid and provisioned in relation to the Early Retirement/Termination Plan totaled R$48.5 million. Net of tax benefit, expenses incurred in connection with the Plan had a R$28.8 million impact on earnings.

Another initiative consolidated in August 2015 was the conclusion of the insurance business restructuring when Susep authorized the Bank's 49.9% holding of the share capital of the holding company, Banrisul Icatu Participações S.A., followed by the incorporation of Rio Grande Seguros e Previdência S.A., thus comprising the group of companies. This shows how the Bank's business model has evolved to absorb some of the earnings generated by the operation. The insurance company holds exclusive rights to market and sell life insurance and pension products through Banrisul's distribution channels, a condition for which Icatu paid out R$ 115.0 million in 2014. In order to incorporate the holding company, Icatu Seguros S.A. invested R$ 22.5 million in Banrisul. Discounting tax effects, the incorporation of the new company positively affected 2015 earnings in the amount of R$ 13.5 million.

Another event recognized as extraordinary refers to the application of Temporary Measure 675 of May 21, 2015, now converted into Law 13169/15, which raised Social Contribution on Net Income (CSLL) tax rate from 15% to 20% to be effective through December 2018. Under the new regulations, although the higher rate will mean higher expenses, its immediate effect is to update the stock of tax credits relating to the value of the temporary additions that will become deductible by 2018 calculated based on the new rate, producing a tax gain of R$ 105.5 million in September/2015.

At the end of 2015, Banrisul totaled R$66,938 million in assets. Loan operations totaled R$32,013 million, deposits totaled R$38,698 million and shareholders' equity, R$6,209 million in December 2015.

Banrisul is focused on meeting individuals' demands and corporate working capital financing. In addition, clients are granted long-term lines of mortgage, rural credit, foreign exchange and specific resources for the public sector.

The commercial loan maintained an outstanding position in the total loan portfolio, comprising 66.7% of loan assets. Individual commercial portfolio advanced 10.9% in 12 months and credit to the corporate segment remained flat in 12 months. It is also worth mentioning the annual growth of real estate financing at 16.7%.

Banrisul's debt in arrears for over 60 days reached 5.00% of loans while debt in arrears for over 90 days reached 4.32% in December 2015.

The Bank's performance geographic focus is the South region of Brazil, especially the state of Rio Grande do Sul, which was ranked in the 5th position among the economies composing Brazil's Gross Domestic Product (GDP) in 2013. The Financial Institution is headquartered in this state.

The Banrisul conglomerate consists of Banco do Estado do Rio Grande do Sul S.A., Banrisul S.A. Administradora de Consórcios, Banrisul S.A. Corretora de Valores Mobiliários e Câmbio, Banrisul Armazéns Gerais S.A., and Banrisul Cartões S.A..In addition, consolidating an important strategic partnership, it holds 49.9% of the shares of two companies. Bem Promotora de Vendas e Serviços S.A., and Banrisul Icatu Participações S.A.

In a competitive market, in September 2015, Banrisul was ranked 11th among medium and large-sized banks of the Brazilian National Financial System (SFN) in total assets, 11th in shareholder's equity, 8th in total deposits and 7th in number of branches, according to the ranking released by the Brazilian Central Bank, excluding BNDES.

In the last twelve months, Banrisul reported market share gains of 0.8058 p.p. for time deposits in the domestic financial market, as a result of the positive 20.8% variation of these deposits, versus the 1.1% increase recorded in SFN in the same period. As for demand deposits, Banrisul's representativeness of such resources in the domestic market came to 2.1553% in December 2015, 0.2529 p.p. up on the 1.9024% recorded in December 2014. As for savings deposits, Banrisul's share in SFN increased by 0.0029 p.p. over December 2014, to 1.1704% in December 2015. With regard to total credit balance, Banrisul posted increase of 5.0% in the last twelve months while the institutions of the National Financial System recorded increase of 6.6% in the same period. The Institution's share of National Financial System lending was 0.9952% in December 2015, versus 1.0104% in December 2014.

In the regional market, Banrisul recorded expansion in the share of time deposits of 7.8869 pp. in 12 months to 46.7268% in September 2015, an increase in demand deposits of 0.8826 p.p. and a 0.3246 p.p. decline in savings deposits in the same period. The percentage of balance of the Bank's loan operations in the market of Rio Grande do Sul reached 17.1113% in September 2015, with a 0.1320 p.p. reduction compared to the percentage in September 2014.

Banrisul recorded net income of R$849 million in 2015. Recurring profit came to R$759 million, 0.7% up on 2014. Profitability, calculated based on recurring income was 12.8% over average equity. Non-recurring events (PDA, the partnership with Icatu Seguros and tax credit adjustment), net of the R$11 million tax benefit, generated a positive net impact of R$90 million in the year result. 2015 recurring profit reflects increased provision for doubtful debts, growth of net interest income favored by repriced loans and higher balance amounts, growth in revenue from fees and services earned by the acquiring, insurance, pension and savings bond businesses, higher personnel and other administrative expenses, especially those related to the acquiring network and to loan origination at points of services other than the bank's branches, via correspondent banking, as well as the positive effect of early settlement of part of subordinated debt.

b. capital structure.

Banrisul subscribed and paid-up share capital on December 31, 2015 totaled R$4,250,000,000, represented by 408,974,000 non-par shares. In the period between January and December 2015, share conversion occurred, mainly between preferred shares class A and common shares amounting to 8,133 shares, in response to shareholders' requests. The Extraordinary Shareholder's Meeting held on April 30, 2015, approved a capital increase through the utilization of Profit Reserves, totaling R$250,000 thousand, without issuing new shares, ratified by Bacen on June 30, 2015.

	Common share		Preferred share Class A		Preferred Share Class B		Total	
	Number	%	Number	%	Number	%	Number	%
State of Rio Grande do Sul	204,199,859	99.6	2,721,484	77.3	26,086,957	13.0	233,008,300	57.0
Banrisul Social Security Foundation (FBSS)	449,054	0.2	158,983	4.5	-	-	608,037	0.1
Social Security Institute of the State of Rio Grande do Sul (IPE)	44,934	0.0	168,612	4.8	-	-	213,546	0.1
Other	357,681	0.2	471,139	13.4	174,315,774	87.0	175,144,594	42.8
Total	**205,051,528**	**100.0**	**3,520,218**	**100.0**	**200,402,731**	**100.0**	**408,974,477**	**100.0**

Banrisul subscribed and paid-up share capital on December 31, 2014 totaled R$4,000,000 thousand, represented by 408,974 thousand non-par shares. In the period between January and December 2014, share conversion occurred, mainly between preferred shares class A and preferred shares class B amounting to 1,879 shares. The Extraordinary Shareholder's Meeting held on April 30, 2014, approved a capital increase through the utilization of Profit Reserves, totaling R$250,000 thousand, without issuing new shares, ratified by Bacen on May 26, 2014.

	Common share		Preferred share Class A		Preferred Share Class B		Total	
	Number	%	Number	%	Number	%	Number	%
State of Rio Grande do Sul	204,199,859	99.6	2,721,484	77.1	26,086,957	13.0	233,008,300	57.0
Banrisul Social Security Foundation (FBSS)	449,054	0.2	158,983	4.5	-	-	608,037	0.2
Social Security Institute of the State of Rio Grande do Sul (IPE)	44,934	0.0	168,612	4. 8	-	-	213,546	0.1
Other	349,548	0.2	480,272	13.6	174,314,774	87.0	175,144,594	42.8
Total	205,043,395	100.0	3,529,351	100.0	200,401,731	100.0	408,974,477	100.0

Banrisul subscribed and paid-up share capital on December 31, 2013 totaled R$3,750,000 thousand, represented by 408,974 thousand non-par shares. Between January and December 2013, share conversion occurred between preferred share class A (PNA) and preferred share class B (PNB) amounting to 11,026 shares. The Extraordinary Shareholders' Meeting held on April 30, 2013, approved capital increase through the utilization of Profit Reserves, totaling R$250,000 thousand, without issuing new shares, ratified by the Brazilian Central Bank in June 2013.

	Common share		Preferred share Class A		Preferred Share Class B		Total	
	Number	%	Number	%	Number	%	Number	%
State of Rio Grande do Sul	204,199,859	99.6	2,721,484	77.1	26,086,957	13.0	233,008,300	57.0
Banrisul Social Security Foundation (FBSS)	449,054	0.2	158,983	4.5	0	0.0	608,037	0.1
Social Security Institute of the State of Rio Grande do Sul (IPE)	44,934	0.0	168,612	4.8	0	0.0	213,546	0.1
Other	349,527	0.2	482,672	13.6	174,312,395	87.0	175,144,594	42.9
Total	205,043,374	100.0	3,531,751	100.0	200,399,352	100.0	408,974,477	100.0

Banrisul increased the percentage of operations funding through debt capital in 2015, reaching 90.7%, compared to 90.5%, in 2014, and 90.3% in 2013.

Standard operations funding	2015		2014		2013	
Equity Capital	6,209	9.3%	5,671	9.5%	5,150	9.7%
Debt Capital	60,729	90.7%	53,891	90.5%	48,061	90.3%
Total Capital	66,938	100.0%	59,562	100.0%	53,211	100.0%

c. capacity of payment in relation to the financial commitments assumed.

Banrisul liquidity is favored by funding characteristics through a retail network, especially in the state of Rio Grande do Sul, in other locations of Brazil's south region and in other Brazilian states. In loan, main type of assets, fragmented operations were also prioritized, especially operating with individuals, micro, small and medium-sized companies. Deposits are still the main source of funding.

The treasury policy did not change in 2015. All net cash and cash equivalents remain invested in federal government instruments indexed to the SELIC rate, Treasury bonds ("LFTs"), or repo operations, always pegged by federal government bonds, without any foreign exchange exposure.

Banrisul participates in operations involving personivate financial instruments in the swap modality, recorded in equity and memorandum accounts, destined to the meet its own needs to manage its global exposure. The utilization of derivatives mainly aims at mitigating the risks deriving from foreign exchange fluctuations of foreign funding operation carried out by Banrisul, mentioned in the Note 14 to the financial statements, which resulted in the conversion of these rates to CDI rate variation. Thus, the derivative instruments under the swap mode are in the long run, following the flow and maturity of foreign funding, maturing to the extent foreign funding amounts have a natural hedge. The operations are based on OTC contracts registered at the CETIP S/A – Mercados Organizados, and have first-tier financial institutions as counterparties. Banrisul adopts the hedge accounting provided for in the Brazilian Central Bank standards and the expected effectiveness since the designation of hedge instruments and during operations is in conformity with Bacen standards.

As shown by in-company technical studies, Banrisul has financial capacity and intention to hold to maturity the securities classified in the "held to maturity" category as required by Article 8 of Bacen Circular Letter 3068 of November 8, 2001.

The table below shows average terms of assets and liabilities in 2015 and ability to pay financial commitments:

Table 1: Aging Assets and Liabilities

ASSETS	No maturity	Up to 3 months	3 to 12 months	More than 12 months	Total
Current and Long-Term Assets					
Cash and cash equivalents	864	-	-	-	864
Liquidity interbank investments	530	-	-	-	530
Marketable securities and derivatives	329	229	743	19,286	20,586
Loan operations, leasing and other receivables	-	5,619	9,977	16,417	32,013
Other assets	11,682	-	-	973	12,654
Permanent assets	290	-	-	-	290
Total Assets	**13,695**	**5,848**	**10,720**	**36,675**	**66,938**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current and Long-Term Liabilities					
Deposits	10,754	2,113	1,141	24,691	38,698
Open market operations	-	7,189	0	-	7,189
Borrowings and onlending	-	661	1,757	2,097	4,515
Other obligations	4,661	71	72	2,781	7,585
Other liabilities	269	221	1,377	875	2,742
Shareholders' equity	**6,209**	**-**	**-**	**-**	**6,209**
Total Liabilities and Shareholders' Equity	**21,892**	**10,255**	**4,347**	**30,443**	**66,938**

d. sources of financing for working capital and investments in non-current assets.

The company applies its own funds and asset management to conduct its activities.

<u>Own funds – Shareholders' equity</u>

Banrisul's shareholder's equity stood at R$6,209 million at the end of December 2015, 9.5% up on 2014.

However, the Company's funds allocated to different investment alternatives are based on solid risk and return analysis. Leverage indicators were similar to the average of Brazil's major banks and, like other Brazilian institutions, Banrisul was compelled to adjust its capital adequacy ratio based on level of risk, a methodology developed in July 1988 by the Basel Committee on Banking Supervision and implemented with amendments determined by the Brazilian Central Bank.

As per CMN Resolutions 4.192/13 and 4193/13, calculations of regulatory capital and risk weighted assets will be based on Prudential Conglomerate statements from January 1, 2015. The calculation of regulatory capital and risk weighted assets for Prudential Conglomerate was introduced in January 2015, thus starting a new series of data that will not comparable to previous data for which the calculation was based on the Financial Conglomerate.

Continuing to implement Basel III guidelines, Bacen issued Circular 3.748/15 defining the methodology for calculating leverage ratios to come into effect from October 2015. Changes in Principal Capital Additional were also introduced under specific regulations to be required as of January 2016.

The Prudential Conglomerate's Regulatory Capital totaled R$ 7,389 million in December 2015, which was the sum of Tier I's R$ 6,146 million and Tier II's R$ 1,244 million.

Risk weighted assets total exposure (RWATOTAL) reached R$ 41,537 million, of which the highlight amount was credit risk at R$ 34,689 million. The remaining portions closed at R$ 1,012 million for market risk and R$ 5,835 million for operational risk.

Based on the above Regulatory Capital and Risk Weighted Assets (RWA), the Bank's Basel ratio reached 17.8% in December 2015. Principal Capital and Tier I Capital ended the year 2015 at 14.8%, both being higher than the minimum required.

The Brazilian Central Bank also granted Banrisul the possibility to consider the eligibility of raising funds abroad, in the amount of US$775,000,000 at Tier II of Reference Capital, under the subordinated debt category, in statements issued in April 2012 and January 2013. Tier II Capital was not impacted by the subordinated debt note buyback in the second half of 2015, as per regulatory requirements.

Asset Management

A fragmented funding policy privileges small and medium-sized investors, rather than institutional investors, such as pension funds and investment funds, which ensures reducing financial cost and diversified sources of financing or fragmented funding, a policy meeting the funding needs to grant new loans.

In December 2015, the main sources of funding were: deposits, which totaled R$38,698 million, accounting for 63.7% of sources from asset management; open market operations, totaling R$7,189 million or 11.8% of third-party capital, borrowings and onlendings, totaling R$4,515 million, accounting for 7.,4%, followed by financial bills, totaling R$2,349 million, accounting for 3.9%, and subordinated debt totaling R$1,992 million, accounting for 3,3% of total asset management.

Table 2 shows the main sources of asset management for the years ended December 31, 2013, 2014 and 2015:

Table 2: Mains Sources of Asset Management

R$ Million

			2015 x 2014			2014 x 2013	
	2015	**2014**	**R$**	**%**	**2013**	**R$**	**%**
Total Deposits	38,698	34,135	4,563	13.4%	30,645	3,491	11.4%
Demand deposits	3,174	3,281	(107)	-3.3%	3,398	(117)	-3.4%
Savings deposits	7,574	7,762	(188)	-2.4%	6,991	771	11.0%
Time deposits	27,208	22,523	4,685	20.8%	19,904	2,619	13.2%
Other deposits	743	570	173	30.3%	352	218	62.0%
Open market operations	7,189	4,318	2,870	66.5%	4,221	98	2.3%
Financial bills (1)	2,349	2,838	(489)	-17.2%	2,506	332	13.2%
Borrowings and onlendings(2)	4,515	4,180	335	8.0%	3,488	692	19.8%
Subordinated debt	1,992	2,223	(231)	-10.4%	1,861	361	19.4%
Other (3)	5,987	6,197	(210)	-3.4%	5,341	856	16.0%
Asset Management	**60,729**	**53,891**	**6,839**	**12.7%**	**48,061**	**5,830**	**12.1%**

(1) Financial and Mortgage Bills.
(2) Includes Borrowings and Onlendings in Brazil – Official Institutions and Onlendings Abroad (short and long terms).
(3) Includes Interbank and Interdepartmental Accounts, Derivative Financial Instruments, Financial and Development Funds and Other Liabilities.

Total Deposits

Deposits are the Bank's main funding instrument. Time deposits, which are stimulated by commercial policy, are contracted with clients of the entire branch network, under fixed or floating interest rates.

Open Market Operations

Repo operations with other financial institutions are used to manage the liquidity position. This is a one-day trade through the purchase or sale of federal government bonds, whose profitability is defined upon trade, based on the repurchase or resale commitment, where applicable. Their spreads usually decrease, in order to increase the sources of funds and improve Banrisul's cash management liquidity.

Funding through repo operations mostly complement financial intermediation transactions. Open market operations are transactions contracted at an average rate corresponding to 100% of CDI variation.

Financial Bills Notes

In August 2013, Banrisul concluded the first issue of financial bills, totaling R$1,600.0 million, in three series: the first series totaling R$700.00 million and two-year term, the second series totaling R$870.00 million and three-year term, and the third series totaling R$30.00 million and four-year term. The operation represented the Bank's better positioning in the fixed income market, besides giving opportunities of future transactions with lengthened terms. The first series of notes matured in 2015.

Borrowings and Onlendings

Onlendings funds are obtained from BNDES (Brazilian Development Bank), FINAME (government agency for machinery and equipment financing), Federal Savings Bank and FINEP, in accordance with programs

established by these financial institutions. The funds are transferred to clients under same term and funding rate conditions, plus intermediation commission.
Based on this strategy, foreign funding only occurs in case of borrower already identified in Brazil, without arbitration between foreign exchange rates and foreign exchange risk.

Banrisul also trades its funds raised abroad to conduct foreign exchange commercial operations. These operations incur in foreign exchange variation with interest rates lower than those practiced in the domestic market.

<u>Subordinated Debt</u>

In 2012, Banrisul placed its first international debt issue in the amount of US$775 million in two tranches - US$500 million in February and US$275 million in December with a 10-year tenor. Both tranches are recognized by the Brazilian Central Bank to compose the Bank's Tier II capital. Funding in 2012 through the international debt issue enables the Bank to extend credit and strengthen Tier II capital, thus favoring sustained growth of the business. In 2015, Banrisul repurchased some of these debt securities in order to reduce funding costs in the context of narrower spreads and ensure the notes' liquidity given the context of Brazil's weakening currency and higher level of country risk. The partial repurchase amounted to US$251.8 million and did not impact Regulatory Capital's Tier II Capital.

e. sources of funding for working capital and investments in non-current assets to cover liquidity deficit.

Banrisul adopts a Liquidity Contingency Plan aiming at identifying, in advance, and adjusting the Company's capacity of dealing with domestic and/or international liquidity crises, minimizing their potential effects on going concern, its capacity of generating income and its image.

The Liquidity Contingency Plan and this policy systematize parameters that identify adverse situations, units' responsibilities and the departments involved in its execution, as well as the procedures to be observed in order to recover a proper liquidity level.

In order to recover liquidity levels, the Treasury Committee must immediately propose to the Chief Financial Officer the following measures, severally or cumulatively:

a) Realignment of interest rates levied on loan operations, so that to consider the new risk level;

b) Interest rates increase in funding instruments, so that to block and reverse volume reductions seen in funding products;

c) Implementation of sales, marketing initiatives, including new products, strengthening Banrisul brand aiming at mitigating risks to reputation and image;

d) Tightening of loan operations for a better cash control;

e) Improvement of relationship with other financial institutions aiming interbank deposit certificates;

f) Total or partial sale of tradable assets;

g) Total or partial sale of loan portfolio and;

h) Ultimately have access to the discount window with the Brazilian Monetary Authority.

f. levels and characteristics of indebtedness, also describing:

i. relevant loan and borrowings agreements.

Banrisul offers several types of loans granted with funds from BNDES, FINAME, FINEP and Federal Savings Bank, the responsibility of which is to transfer these funds to the final beneficiaries, by means of contractual remuneration. In special shared operations, the Institution is in line with other financial institutions for such purpose, and each agent is liable for the specific amount invested into the credit to the project.

In accordance with Provisions Applicable to BNDES Agreements included in BNDES Resolution 665/87, Banrisul is jointly liable to BNDES for the payment of the installments of the financing contracted, even if not settled by the final beneficiaries, as well as for committing to assign credit to BNDES, if it so determines, and requesting that final beneficiaries pledge security interest on behalf of the Bank, in the minimum amount of 130% of principal, except in cases when BNDES waives such security interest.

Banrisul also has a private pension plan managed by Fundação Banrisul de Seguridade Social, or Banrisul Social Security Foundation. Under this plan, Banrisul has a remaining debt of R$71 million on December 31, 2015 (when compared to R$67 million in 2014). This debt is paid plus interest rate of 6% p.a. and adjusted by the General Price Index - Domestic Availability (IGP-DI), through monthly adjustments and payments, with final maturity in 2028.

ii. other long-term relationships with financial institutions.

There are no other relevant long-term relationships with financial institutions.

iii. subordination level of debts.

There is no subordination level of debts. However, the obligations recorded in current liabilities are organized according to origin, in the event of composition with creditors, pursuant to the Law No. 11,101, Article 83, which classifies credits, prioritizing those deriving from labor laws, followed by credits with security interest and tax credits. Thereafter, other credits are considered, pursuant to the aforementioned law.

The table below shows Banrisul's list of creditors in the order as per the abovementioned law:

Table 3: Current Liabilities According to Precedence

R$ Thousand

	2015	%	2014	%	2013	%
Tax, labor and pension plan liabilities	1,345,817	2.2%	1,139,483	2.1%	1,166,084	2.4%
Labor	550,684	0.9%	458,636	0.9%	466,261	1.0%
Tax and pension plan	795,133	1.3%	680,847	1.3%	699,823	1.5%
Collection and payment of taxes and related charges	53,441	0.1%	44,446	0.1%	45,121	0.1%
Sundry liabilities	57,313,061	94.4%	50,435,360	93.6%	44,906,031	93.4%
Other liabilities	2,016,905	3.3%	2,271,062	4.2%	1,943,769	4.0%
Subordinated debt	1,991,644	3.3%	2,222,523	4.1%	1,861,494	3.9%
Social and statutory	25,261	0.0%	48,539	0.1%	82,275	0.2%
Current Liabilities	**60,729,224**	**100.0%**	**53,890,351**	**100.0%**	**48,061,005**	**100.0%**

iv. any restrictions imposed to the issuer, especially, in relation to indebtedness limits and new debts, dividend distribution, divestment, issue of new securities and sale of controlling interest, and whether the issuer has been complying with the restrictions.

Long-term operations are subject to statutory contract limits. Pursuant to Article 14 of Banrisul's Bylaws, "long-term operations carried out with BNDES onlendings are restricted to eighty percent (80%) of the Company's Shareholders' Equity".

Banrisul is also subject to the limits imposed by BNDES for the utilization of funds based on reference shareholders' equity and rating analysis made by an external institution. In case of onlendings, funds are fully transferred to clients, under same terms and rates, plus financial intermediation commission. BNDES does not impose specific restrictions in relation to Banrisul, besides the usual limit required. However, BNDES has covenants relating to financial agents in general, which can be seen in "Provisions Applicable to BNDES Agreements" (BNDES Resolution No. 665/87), Chapters I – Cooperation Conditions, II – Onlendings Agreements and III – Loan Agreements to Shareholders, and further ruling updates issued by BNDES referring to suspensive conditions of the Financial Cooperation and each amount of credit.

For onlendings operations of Programa Saneamento para Todos (sanitation for all program), we follow the rules set forth in the Development Manual (FGTS' Oversight Council which establishes these rules) issued by Federal Savings Bank (CEF) ruling this financing. We established an agreement so that CEF is the Operational Technical Agent (ATO), draft approved by our legal department and signed by Banrisul and CEF executive boards, for supervision and procedures to release funds for the works financed in this Program. A study is conducted periodically for Banrisul's risk re-rating with CEF, with distribution of limit amount for new agreements.

Indebtedness Levels

Table 4: Funds Raised by Maturity - 2015, 2014 and 2013

R$ Million

	Without Maturity	Up to 3 months	3 to 12 months	More than 12 months	2015	2014	2013
Total Deposits	10,754	2,113	1,141	24,691	38,698	34,135	30,645
Demand (a)	3,174	-			3,174	3,281	3,398
Savings (a)	7,574				7,574	7,762	6,991
Interbank	-	161	11	571	743	570	352
Time *	6	1,952	1,130	24,120	27,208	22,523	19,904
Open market operations	-	7,189	-	-	7,189	4,318	4,221
Own Portfolio	-	7,189	-	-	7,189	4,318	4,221
Borrowing		**661**	**1,757**	**2,097**	**4,515**	**4,180**	**3,488**
Funds from Acceptance and Issue of Securities		**221**	**1,377**	**751**	**2,349**	**2,838**	**2,506**
Subordinated Debt		**71**	**72**	**1,848**	**1,992**	**2,223**	**1,861**
Short Term					**25,356**	**23,634**	**22,209**
Long Term					**29,386**	**24,060**	**20,512**

(a) Classified as without maturity, as there is no contractual maturity date.
(*) It includes the terms established in investments.

Deposits and Open Market Operations

Time deposits are raised with individuals or companies, under fixed or floating interest rates corresponding to 95.83% and 4.17% of total portfolio, respectively. The average funding rate for floating rate deposits corresponds to 82.35% (2014 – 79.46%) of CDI variation and 9.27% (2014 – 9.64%) p.a. for fixed rate deposits. Repo operations in own portfolio - open market, carried out with financial institutions have an average funding rate of 100% of CDI variation.

Borrowings

Borrowings abroad are represented by funds raised from foreign banks for investment in foreign exchange operations with foreign exchange variation of related currencies, plus interest rates between 0.85% and 4.04% (2014 – 0.62% and 3.82%) p.a., with maximum maturity up to 1,601 days (2014 – 1,591 days) and a balance of R$1,633 million (2014 – R$1,507 million).

Onlendings

Domestic onlendings are basically represented by funding from official institutions (BNDES, FINAME, Federal Savings Bank and FINEP). These liabilities have monthly maturities up to May 2030, with financial charges levied on floating rate operations of 0.40% to 14.87% (2014 – 0.40% to 8.00%) p.a., besides index variations (TJLP, URTJ-01, U.S. dollar, Currency Basket, UPRD and SELIC) and fixed rate liabilities up to 19.79% (2014 – 11.00%) p.a.. The funds are transferred to clients, under same terms and funding rates, plus financial intermediation commission. As guarantee of these funds, guarantees received in related loan operations were transferred.

Funds from Acceptance and Issue of Securities

Of the amount of R$2,349 million (2014 - R$2,838 million), R$955 million (2014 - R$1,679 million) refer to the issue of Bank Notes occurred in August 01, 02 and 5, 2013, held in three tranches, maturing in 2, 3 and 4 years respectively, as of the date of issue. The Interest Rate was indexed to the DI rate, limited the rate of up to 108%, 109% and 110% of the accumulated variation of the DI rate. The Compensatory Interest of the Bank Notes will be paid semiannually. The Bank Notes of the first tranche were settled in August 2015, amounting to R$747 million.

Subordinated Debt

On September 30, 2015, there was a partial repurchase of the Subordinated Debt in the amount of USD249 million for 80% of the face value, or USD199 million

Table 5: Onlending - 2015, 2014 and 2013

R$ Million

	Onlending in Brazil – Official Institutions	Foreign Onlendings	2015	2014	2013
Up to 3 months	221	-	221	206	167
3 to 12 months	553	18	570	516	403
More than 12 months	2,078	9	2088	1,947	1,642
Total	2,852	27	2,879	2,669	2,211
Short Term			**792**	**722**	**569**
Long Term			**2,088**	**1,947**	**1,642**

g. limits of financing agreed and percentages already used.

Amongst Banrisul’s indebtedness characteristics, long-term operations are subject to statutory contracting limits. As per Article 14 of Banrisul’s Bylaws, “long-term operations carried out with funds deriving from BNDES onlendings are restricted to eighty percent (80%) of the company’s Shareholders’ Equity”. In case of onlendings operations, amounts may be gradually released up to the limit of the contracted amount. In 2015, the amount of R$775 million was contracted via BNDES onlendings, of which 86.1% has already been released. Referring to the Federal Savings Bank onlendings, no operation was contracted in the period, however, R$817,000 were released referring to operations contracted in previous years. With regards to funds from FINEP, The amount agreed was R$ 2,603 million and 25.8% of the amount financed was released. Also agreed and released was PSI own funds financing as per Central Bank Circular 3.741 in the amount of R$ 20 million.

h. significant alterations in each item of financial statements.

Tables 6 and 7 show abridged versions of the consolidated statements of income and consolidated balance sheet for the fiscal years ended December 31, 2015, 2014 and 2013.

Table 6: Statement of Income for 2015, 2014 and 2013

R$'000

	2015	2014	2013	2015 x 2014		2014 x 2013	
				R$	%	R$	%
Revenues from financial intermediation	**10,804,344**	**8,196,657**	**6,572,527**	**2,607,687**	**31.8%**	**1,624,130**	**24.7%**
Revenue from loans and leasing	6,460,868	5,241,585	4,604,145	1,219,283	23.3%	637,440	13.8%
Result of transactions with securities	2,335,907	1,828,994	1,438,545	506,913	27.7%	390,449	27.1%
Income from derivatives	623,503	250,653	2,685	372,850	148.8%	247,968	-
Income from foreign exchange transactions	451,239	200,249	155,081	250,990	125.3%	45,168	29.1%
Income from reserve requirements funds	841,025	630,212	323,500	210,813	33.5%	306,712	94.8%
Sale or transfer of financial assets	91,802	44,964	48,571	46,838	104.2%	-3,607	-7.4%
Financial intermediation expenses	**(7,941,802)**	**(5,191,055)**	**(3,566,959)**	**-2,750,747**	**53.0%**	**-1,624,096**	**45.5%**
Funding	(5,380,574)	(3,880,043)	(2,452,528)	-1,500,531	38.7%	-1,427,515	58.2%
Loans, assignments and onlendings	(1,009,797)	(526,770)	(453,484)	-483,027	91.7%	-73,286	16.2%
Provision for loans	(1,551,431)	(784,242)	(660,947)	-767,189	97.8%	-123,295	18.7%
Gross income from financial intermediation	**2,862,542**	**3,005,602**	**3,005,568**	**-143,060**	**-4.8%**	**34**	**0.0%**
Net interest income	**4,413,973**	**3,789,844**	**3,666,515**	**624,129**	**16.5%**	**123,329**	**3.4%**
Other operating revenue/expenses	**(1,798,266)**	**(1,888,338)**	**(1,799,001)**	**90,072**	**-4.8%**	**-89,337**	**5.0%**
Fee income/Bank fees	1,444,630	1,196,298	983,440	248,332	20.8%	212,858	21.6%
Payroll expenses	(1,635,899)	(1,470,962)	(1,360,090)	-164,937	11.2%	-110,872	8.2%
Other administrative expenses	(1,396,369)	(1,271,444)	(1,054,658)	-124,925	9.8%	-216,786	20.6%
Equity in earnings of subsidiaries and associated companies	6,194	3,174	1,503	3,020	95.1%	1,671	-
Other operating revenue	612,878	321,279	254,591	291,599	90.8%	66,688	26.2%
Tax expenses	(396,301)	(319,437)	(279,186)	-76,864	24.1%	-40,251	14.4%
Other operating expenses	(433,399)	(347,246)	(344,601)	-86,153	24.8%	-2,645	0.8%
Operating income	**1,064,276**	**1,117,264**	**1,206,567**	**-52,988**	**-4.7%**	**-89,303**	**-7.4%**
Income before taxes	**1,064,276**	**1,117,264**	**1,206,567**	**-52,988**	**-4.7%**	**-89,303**	**-7.4%**
Income tax and social contribution	(199,123)	(272,934)	(323,455)	73,811	-27.0%	50,521	-15.6%
Employee profit sharing	(106,161)	(90,980)	(91,331)	-15,181	16.7%	351	-0.4%
Minority interest	(477)	(361)	(167)	-116	32.2%	-194	-
Recurring net income	**758,515**	**752,989**	**791,614**	**5,526**	**0.7%**	**-38,625**	**-4.9%**
Retirement Plan - PAI / PDA	(48,463)	(64,104)	-	15,641	-24.4%	-64,104	-
Insurance Distribution Agreement	22,521	115,000	-	-92,479	-80.4%	115,000	-
Foundation Restructuring Plans - Migration Incentives	-	(204,508)	-	204,508	-100.0%	-204,508	-
Tax effects	10,678	92,039	-	-81,361	-88.4%	92,039	-
Tax Credits - CSLL Law 13169 / 15	105,519	-	-	105,519	-	-	-
Net Book Income	**848,770**	**691,416**	**791,614**	**157,354**	**22.8%**	**-100,198**	**-12.7%**

Fiscal Year Ended December 31, 2015 compared to the Fiscal Year Ended December 31, 2014

Net Income

Net income for 2015 of R$849 million was impacted by specific recurring events - early settlement of subordinated debt - and extraordinary events: (i) the Retirement/Termination plan was introduced; (ii) Icatu Seguros S.A. contributed funds for paid up capital of the holding company Banrisul Icatu Participações S.A.; (iii) tax effect on the non-recurring events; and (iv) adjusted tax credits arising from 5 pp increase in the rate of Social Contribution on Net Income (CSLL).

Recurring income in 2015 totaled R$ 759 million and showed relative stability with growth of R$ 6 million on the previous year's recurring income. The year's numbers were affected by (i) net interest income growth of R$ 624 million impacted by higher revenues and interest expenses; (ii) expense of provisioning loan loss allowance increased R$ 767 million reflecting portfolio turnover due to arrears on higher rating levels; (iii) growth in revenues from services and bank fees of R$ 248 million, especially revenues from acquiring and vouchers; (iv) an increase in administrative expenses, including personnel, of R$ 290 million, due to the collective bargaining agreement and the increased expenses for acquiring credit origination on platforms other than branches; (v) favorable performance of other operating revenues (expenses) with an increase of R$ 205 million due mainly to the subordinated debt repurchase.

The following table compares the main income accounts for the fiscal years ended December 31, 2015 vs 2014 2014 vs 2013 and 2012 vs 2013.

Revenues from Financial Intermediation

In 2015, revenues from financial intermediation totaled R$10,804 million, 31.8% or R$2,608 million up on 2014. The upward trend in revenues from financial intermediation in the twelve months of 2015 resulted mainly from a rise in income from loans, leasing and the sale or transfer of financial assets, amounting to R$1,266 million, from improved results on securities and derivatives, of R$880 million, and from increased earnings of R$251 million on currency trading. The rise in the basic interest rate, the higher average balance of securities and the foreign exchange variation were responsible for the increase in revenues for the year.

Revenues from Loan, Leasing and Sale or Transfer of Financial Assets

Revenues from loan, leasing and transfer of financial assets totaled R$6,553 million in 2015, 23.9% or R$1,266 million up year-on-year. The growth in revenues from loans, leasing and the sale or transfer of financial assets during the twelve-month period came mainly from higher income of R$909 million from commercial loans, and of R$201 million from long-term lending. The increase in loan revenues was influenced by the rise in the effective Selic rate, which was reflected in repricing of transactions contracted, especially corporate loans, by the currency variation and by an increase in the balance of loan transactions.

Income from Securities and Derivatives Operations

Income from securities (TVM) and derivatives operations totaled R$2,959 million in 2015, 42.3% or R$880 million more than in 2014. The improved results for treasury in the twelve months of 2015 against 2014 came from higher income on securities, with the rise in the effective Selic rate from 10.90% in 2014 to 13.27% in 2015, as well as from a greater volume of securities in treasury and better results from derivative financial instruments, influenced by the currency variation and marking to market of subordinated debt, which also affected swap contracts, according to the method of hedge accounting implemented to minimize the effect of current variations on overseas funding.

Income from Foreign Exchange Operations

Income from foreign exchange operations totaled R$451 million in 2015, R$251 million up on 2014. The trend in foreign exchange income over the twelve-month period reflects the devaluation of the Real (13.39% in 2014 and 47.01% in 2015). Banrisul's foreign exchange transactions are matched to funding in foreign currency, and so changes in revenues are compensated, proportionally, by a change in the cost of liabilities for foreign currency loans and onlending.

Income from Reserve Requirements Funds

Income from reserve requirements funds totaled R$841 million in 2015, 33.5% or R$211 million up year-on-year. The increase in income from reserve requirements was mainly due to higher income linked to time deposits, reflecting the change to 25% in the rate for compulsory deposits introduced by Circular No. 3756/15 of the Central Bank of Brazil, and the increase in earnings from loans linked to additional compulsory deposits, resulting from the increase in the deposit balances.

Financial Intermediation Expenses

Financial intermediation expenses totaled R$7,942 million in 2015, 53.0% or R$2,751 million above 2014. The expansion in intermediation expenses for the period derived from the R$1,501 million increase in funding expenses, impacted by an increase in the balance of time deposits, the rise in the Selic rate, currency variation and the marking to market of subordinated debt, a R$767 million increase in provisions for loan transactions resulting from changes in the rollover of credit transactions according to rating and higher costs of loans, assignments and onlending, amounting to R$483 million, as a result of currency variation.

Funding Operations Expenses

Funding operations expenses totaled R$5,381 million in 2015, 38.7% or R$1,501 million up on 2014. The growth in the cost of funding in the market over the previous year came mainly from higher expenses for time deposits, amounting to R$832 million, due to the increase in the balance and the rise in the basic interest rate, which is applied to the majority of the funding, and from currency variation and marking to market of subordinated debt, which cost R$447 million.

Loans, Assignment and Onlendings Expense

Loan, assignment and onlendings expenses totaled R$1,010 million in 2015, 91.7% or R$483 million more than in 2014. This increase was mainly due to higher costs for onlendings in foreign currency, as a result of the devaluation of the Real during the period.

Net Interest Income

Net interest income totaled R$4,414 million in 2015, 16.5% or R$624 million up year-on-year. The rise in the financial margin for the year was due to the repricing of the loan portfolio, a trend which started in 2014 in line with the steadily rising level of basic interest rates in Brazil. Although the increase in the Selic rate had a direct effect on funding costs (floating rate transactions) and an indirect effect on interest revenues, because of the structure of the portfolio (which is mainly at fixed rates), an adjustment of spreads boosted margins at a time when balances of income-producing assets and interest-bearing liabilities were rising.

Expenses related to Provision for Loan Operations

Expenses related to provision for loan operations totaled R$1,551 million in 2015, 97.8% or R$767 million above 2014. The upward trend in the cost of loan provisions year-on-year was due to the expansion of loan assets and the rollover of overdue balances at higher rating levels, which required more provisioning at a time when there were more write-offs.

Fee Income and Commissions

Fee income and commissions totaled R$1,445 million in 2015, 20.8% or R$248 million up year-on-year, mainly due to the increase in revenue from the acquiring and voucher business, current account bank fees and from insurance, pension plan and capitalization bonds.

Administrative Expenses

Administrative expenses totaled R$3,032 million in 2015, 10.6% or R$290 million up on 2014. Staff expenses do not include the cost of the Retirement Plan (PDA) in the second half of 2015, or the Early Retirement Plan introduced in 2014. Both these plans were treated as extraordinary expenses. Recurring staff costs totaled R$1,636 million in 2015. Compared with the previous year, this figure was 11.2% or R$165 million higher, affected by the collective bargaining agreement for the category and the new levels of employer contribution to the private pension plans in the context of balancing the GDP deficit. Other administrative expenses reached R$1,396 million in the twelve months of 2015, 9.8% or R$125 million higher than in 2014, influenced by higher costs of R$100 million for contracted services, in view of the growth in expenses for the acquiring business and the originating channel for payroll loans, for data processing and telecommunications, of R$16 million, and for water, electricity and gas, of R$8 million, after an adjustment in energy tariffs during the year, partially offset by a R$15 million fall in expenses for advertising, promotions and publicity, and R$11 million less for amortization and depreciation.

Other Operating Revenue

Other recurring operating revenue came to R$613 million in 2015, 90.8% or R$292 million more than the amount recorded in 2014. The rise in other recurring operating revenue for the period was due mainly to the partial repurchase of subordinated debt, which brought revenues of R$174 million, higher income from currency adjustments, of R$65 million, thanks to the currency devaluation during the year, and income received in advance for transactions - the acquiring network, amounting to R$23 million.

Other Operating Expenses

Other operating expenses totaled R$433 million in 2015, 24.8% or R$86 million up on 2014. The growth in other recurring operating expenses over the previous year was mainly the result of increased costs for labor provisions, amounting to R$37 million, R$23 million in higher provisions for civil cases, R$11 million for provisions for guarantees issued by Banrisul, and R$10 million for card expenses, partly offset by lower costs of discounts granted, of R$19 million.

Fiscal Year Ended December 31, 2014 compared to the Fiscal Year Ended December 31, 2013

Net Income

Net income came to R$691 million in 2014. Recurring income totaled R$753 million, 4.9% or R$39 million down on 2013, due to the following non-recurring events: (i) the R$115 million revenue from the commitment to sign an agreement for the exclusive distribution of life insurance products and pension plans through Banrisul's network; (ii) R$205 million expenses from the restructuring of Fundação Banrisul's post-employment benefit plans, due to incentives paid for the migration of mathematical reserves to the plans, minimized by actuarial gains from the calculation of the settlement of rights of participants who migrated from PBI, in relation to the sponsor's portion of obligations; (iii) R$64 million expenses from the implementation of the Incentivized Retirement Plan; (iv) tax effects on non-recurring events totaling R$92 million. These events generated a net loss of R$62 million in 2014.

Adjusted income in 2014 compared to 2013 was impacted by the increase of: (i) R$123 million in the net interest income, due to higher interest revenues, mainly loan and treasury, partially offset by the expansion of funding expenses; (ii) R$123 million in expenses for provision for loan operations; (iii) R$213 million in fee income and commissions; (iv) R$328 million in administrative expenses, including personnel; and (v) R$67 million in other operating revenue.

Below, the comparison between main income accounts for the fiscal years ended December 31, 2014 and 2013.

Revenues from Financial Intermediation

In 2014, revenues from financial intermediation totaled R$8,197 million, 24.7% or R$1,624 million up on 2013. The financial intermediation revenue growth in 12M14 year-on-year was due to the R$638 million expansion of income from marketable securities and derivatives, the growth of revenues from loan, leasing and sale or transfer of financial assets, amounting to R$634 million, and the R$307 million increase in income from reserve requirements. The improvement of the Selic interest rate and of the average balance of assets lead to higher revenues in the period.

Revenues from Loan, Leasing and Sale or Transfer of Financial Assets

Revenues from loan, leasing and transfer of financial assets totaled R$5,287 million in 2014, 13.6% or R$634 million up on 2013. The increase in revenues from loans, leasing, sale or transfer of financial assets in 12M14 year-on-year was mainly due to the growth of R$443 million in the commercial loan revenue, especially in the individual segment; of R$94 million in the long-term financing revenue, mainly in foreign currency financings, and of R$60 million in the mortgage segment. The increase in loan revenue was impacted by higher loan assets balance and average floating rates, which are influenced by the Selic rate, and by the period's exchange variation.

Income from Securities and Derivatives Operations

Income from securities and derivatives operations totaled R$2,080 million in 2014, 44.3% or R$638 million up on 2013. In 2014 versus 2013, income from treasury derived from the increase in income from securities, which was impacted by the expansion in the effective Selic rate from 8.22% in 2013 to 10.90% in 2014, and in income from derivative operations, influenced by the mark-to-market adjustment of swap agreements.

Income from Foreign Exchange Operations

Income from foreign exchange operations totaled R$200 million in 2014, 29.1% or R$45 million up on 2013, reflecting the foreign exchange depreciation of the period. Banrisul's foreign exchange operations are matched with the foreign currency-denominated funding, thus, variation in revenue is proportionally offset by the variation in expenses from borrowings and onlendings denominated in foreign currency.

Income from Reserve Requirements Funds

Income from reserve requirements funds totaled R$630 million in 2014, R$307 million above 2013. The increase in income from reserve requirements in 2014 versus 2013 was mainly due to higher income of credit linked to additional liabilities and time deposits, due to higher balance of these reserve requirements, the change in the basis of calculation of reserve requirements, impacted by the Bank's reference shareholders' equity level, besides the increase in the main remuneration index (Selic rate).

Financial Intermediation Expenses

Financial intermediation expenses totaled R$5,191 million in 2014, 45.5% or R$1,624 million above 2013. The expansion in intermediation expenses when comparing 2014 to 2013 derived mainly from the R$1,428 million growth in funding expenses and R$123 million in provision for loan operations.

Funding Operations Expenses

Funding operations expenses totaled R$3,880 million in 2014, 58.2% or R$1,428 million up on 2013. Higher funding expenses in 12M14 over 12M13 was mainly due to the increase of R$598 million in time deposit expenses, of R$302 million expenses related to mark-to-market and exchange variation of subordinated debt, whose hedge operation is recorded in derivative financial instruments (swap); of R$200 million in repo operations expenses, and of R$184 million in financial bills and mortgage expenses. The increase in the effective benchmark interest rate (Selic), which references most of funding operations, and higher balance of these funds favored higher expenses in the period.

Loans, Assignment and Onlendings Expenses

Loan, assignment and onlendings expenses totaled R$527 million in 2014, 16.2% or R$73 million above 2013. Higher loan, assignment and onlendings expenses in the yearly comparison (2014 versus 2013) was due to higher foreign currency-denominated onlendings expenses at R$114 million, impacted by the exchange variation in the period and partially offset by lower expenses of Escrow Deposits Reserve Fund at R$53 million.

Net Interest Income

Net interest income totaled R$3,790 million in 2014, 3.4% or R$123 million up on 2013. In 2014, net interest income was impacted by higher effective benchmark interest rate (Selic) compared to 2013, with direct effect on floating funding expenses and indirectly on interest income, in view of the portfolio structure and the market's competitiveness conditions, higher balance of revenue-generating assets and expense-generating liabilities.

Expenses Related to Provision for Loan Operations

Expenses related to provision for loan operations totaled R$784 million in 2014, 18.7% or R$123 million above 2013, due to portfolio rollover by rating, deriving from one-time operations that required adjustments to provisions flow over the past six months, so that to improve the loan portfolio of usual risk and expand the loan assets.

Fee Income and Commissions

Fee income and commissions totaled R$1,196 million in 2014, 21.6% or R$213 million up on 2013, especially due to the increase in the revenue from acquiring business and vouchers, in R$111 million, from insurance, pension plan and capitalization bonds, in R$37 million, and current account bank fees in R$31 million.

Administrative Expenses

Recurring administrative expenses totaled R$2,742 million in 2014, 13.6% or R$328 million up on 2013.

Personnel expenses, adjusted by the Incentive Retirement Plan in the amount of R$64 million, totaled R$1,471 million in 2014, 8.2% or R$111 million above 2013, impacted by the category is collective bargaining agreement. Other administrative expenses reached R$1,271 million in 2014, 20.6% or R$217 million up on 2013, mainly due to the R$201 million increase in outsourced services expenses, mainly influenced by higher costs related to the new revenue-generating business of payroll-deductible loans for non-account holders, due to the increase in the payroll- deductible loan portfolio and related revenues, as well as by higher exchange revenues referring to card businesses and the 11.6% or R$22 million increase in data processing and telecommunication expenses, partially offset by the 25.0% or R$23 million reduction in propaganda, promotions and advertising expenses.

Other Operating Revenue

Other operating expenses, which totaled R$321 million in 2014, 26.2% or R$67 million up on 2013, were adjusted by actuarial gains deriving from the effects of calculating PBI's settlement and curtailment and the commitment to enter into an exclusive distribution agreement for life insurance and private pension products at Banrisul network. The growth of other recurring operating revenues in 2014 over 2013 was mainly due to the increase of R$27 million in revenue from anticipated performed operations of the acquiring network, of R$22 million increase in revenues from reversal of operating provisions and R$16 million increase in revenues from the escrow deposits reserve fund.

Other Operating Expenses

Other operating expenses, adjusted by expenses related to incentives to migrate to new private pension plans, reached R$347 million in 2014, 0.8% or R$3 million above 2013. The increase in other recurring operating expenses in 2014 over 2013 was chiefly due to the higher expenses related to provisions for other loans without credit nature, expenses related to provision for properties – non-personal use assets, and expenses related to the adjustment to provision for tax contingencies, which together went up by R$28 million, and to the R$7 million increase in expenses related to renegotiations granted discounts, partially mitigated by the R$35 million reduction in expenses related to provisions for civil and labor claims.

Fiscal Year Ended December 31, 2013 compared to the Fiscal Year Ended December 31, 2012

Net Income

Banrisul's net income was R$792 million in 2013, 3.3% or R$27 million below 2012 results. In the annual comparison, the results evidence the slowdown in revenue and higher interest expenses, administrative expenses, increased fee income and commissions and bank fees, and the positive performance of other operating income and expenses, reflected in (i) the 1.7% or R$64 million reduction in net interest income, impacted by stable credit revenue, leasing and sale or transfer of assets, due to reduced loan operations fees, higher expenses related to open market operations, flow partially offset by the decrease in loans, assignment and onlendings expenses, both affected by FRDJ (escrow deposit reserve fund) expenses, due to the Government's withdrawal in April 2013, and the increase in the income from marketable securities (TVM) and derivative financial instruments operations; (ii) the 15.3% or R$320 million increase in administrative expenses, chiefly due to the increase in headcount, the effect of collective bargaining agreements, expenses related to the credit origination channel, expansion of the service network and institutional propaganda; (iii) the 22.5% or R$191 million decrease in expenses related to provisions for loan operations; (iv) the 23.2% or R$185 million increase in fee income.

Revenues from Financial Intermediation

In 12M13, revenues from financial intermediation totaled R$6,573 million, 3.6% up or R$226 million above 12M12, mainly due to the growth of income from marketable securities and derivative financial instruments operations, of 11.9% or R$153 million, impacted by the R$1,937 million increase in the balance of these assets and by the 45.3% or R$48 million increase in income from foreign exchange operations, favored by the foreign exchange variation in the period.

Revenues from Loan, Leasing and Sale or Transfer of Financial Assets

Revenues from loan, leasing and transfer of financial assets totaled R$4,653 million in 12M13, R$733 thousand below 12M12. The stability of revenues from loans, leasing, sale or transfer of financial assets in 12M13 was influenced by the tight interest rates, which offset the 9.6% growth of loan operations balance. The variation of this revenue in the period was mainly due to the decrease in revenue from corporate commercial loan by 6.9% or R$103 million, which was partially offset by an increase in mortgage revenue by 19.5% or R$38 million, the growth of long-term financing revenue by 23.9% or R$25 million, and by the expansion in sales revenues or transfer of financial assets by 67.4% or R$20 million.

Income from Securities and Derivatives Operations

Income from securities and derivatives operations totaled R$1,441 million in 12M13, 11.9% or R$153 million below 12M12. The annual comparison was influenced by the 33.1% or R$358 million increase in the income from marketable securities, due to the R$1,937 million increase in the balance of these assets and the 98.7% or R$205 million decrease in the income from derivative financial instruments, in view of the mark-to-market adjustment of swap agreements, which impacted the cost of subordinated debt.

Income from Foreign Exchange Operations

Income from foreign exchange operations totaled R$155 million in 12M13, 45.3% or R$48 million up on 12M12, influenced by foreign exchange depreciation of 14.64% in 12M13 against a depreciation of 8.94% in 12M12.

Income from Reserve Requirements Funds

Income from reserve requirements funds totaled R$324 million in 12M13, 8.5% or R$25 million above 12M12. The increase in income from reserve requirements in the annual comparison was mainly due to higher income linked to time deposits at 18.0% or R$10 million, and savings deposits at 15.4% or R$10 million, influenced by higher loan amount linked to compulsory savings deposits and time deposits at R$543 million.

Financial Intermediation Expenses

Financial intermediation expenses totaled R$3,567 million in 12M13, 2.8% up or R$99 million above 12M12. The expansion in intermediation expenses for the period derived from the 23.5% or R$466 million increase in funding expenses, partially offset by the 22.5% or R$191 million decrease in provision for loan expenses, and the 28.0% or R$176 million decline in loan, assignment and onlendings expenses. The expansion in time deposits and savings balances partially justify the growth of funding expenses, which is minimized by a decrease in subordinated debt expenses. The reduction in provision for loan expenses reflects the improved compliance in the client rating system process, by implementing a new centralized system. The variation in loan, assignment and onlendings expenses was mainly impacted by the drop in the Development and Financial Funds balance, due to a withdrawal by the State in April/13, which also influenced the upward trend of repo operation expenses.

Funding Operations Expenses

Funding operations expenses totaled R$2,453 million in 12M13, 23.5% or R$466 million up on 2012. In the period, the higher flow of funding resulted from the 163.5% or R$260 million increase in repo operation expenses, the 16.2% or R$233 million increase in time deposits, savings accounts and interbank deposits expenses, and the

R$94 million growth of financial bills and mortgage expenses, partially offset by the 37.6% or R$128 million drop in cost, foreign exchange variation and subordinated debt mark-to-market, whose hedge operation is recorded in derivative financial instruments - swap. The increase in these resources' balance and the trend of the effective Selic Rate influenced these expenses variation.

Loans, Assignment and Onlendings Expense

Loan, assignment and onlendings expenses totaled R$453 million in 12M13, 28.0% or R$176 million below 2012. In 12M13, the lower flow of loan, granting and onlendings expenses compared to 12M12 resulted from the 54.1% or R$244 million decline in expenses from the escrow deposits reserve fund - FRDJ, due to the withdrawal by the State in April 2013, and the 0.27 p.p. drop in the effective Selic Rate in the period, which was partially offset by the 54.7% or R$55 million increase in foreign currency onlendings expenses, influenced by the foreign exchange variation in the period.

Net Interest Income

Net interest income totaled R$3,667 million in 2013, 1.7% or R$64 million down on 2012. Net interest income in the period was affected by lower interest income against the acceleration of interest expenses, both impacted by the Selic Rate trend, the subordinated debt mark-to-market and related swap agreements and by balance increase.

Expenses Related to Provision for Loan Operations

Expenses related to provision for loan operations totaled R$661 million in 12M13, 22.5% or R$191 million below 2012. The twelve-month decrease in provision for loan expenses derived from the implementation of a new client rating system, with effects on improved compliance.

Fee Income and Commissions

Fee income and commissions totaled R$983 million in 12M13, 23.2% or R$185 million up on 12M12. In 12 months, fee income and commissions were especially influenced by the growth of R$85 million in revenue from the acquiring network, current account bank fees, of R$42 million, and from insurance, pension plan and capitalization bonds, of R$35 million.

Administrative Expenses

Administrative expenses totaled R$2,415 million in 12M13, 15.3% or R$320 million up on 2012 Personnel expenses, which comprise 56.3% of total administrative expenses in 2013, went up 10.3% or R$127 million over 2012.

In the annual comparison, personnel expenses were impacted by category's collective labor agreement and increase in headcount by 728 employees. Other administrative expenses posted a 22.4% or R$193 million increase in the period, impacted by (i) the R$152 million increase in outsourced services expenses, influenced by an increase in costs related to the new business generating payroll-related loan income for non-account holders, due to the increase in the payroll-related credit portfolio, as well as related revenue, (ii) the R$36 million increase in expenses related surveillance, security, amounts transportation and financial system services, arising from the opening of new service points; (iii) the R$18 million increase in propaganda, promotions and advertising expenses, due to advertising campaigns launched in the period, and (iv) the R$17 million increase in data processing and telecommunication expenses, resulting from monetary restatement of current contracts and renewal of lease and equipment maintenance agreements, which was partially offset by (v) the R$44 million decrease in depreciation and amortization expenses.

Other Operating Revenue

In 12M13 other operating expenses totaled R$255 million, 2.0% or R$5 million up on 12M12. The annual increase mainly derived from the R$27 million growth of revenues from reversal of provisions recorded for payment of administrative expenses, the R$16 million increase in card revenue and the R$10 million increase in revenue from forex adjustments, partially offset by the R$47 million reduction of revenue from provisions reversal, due to the R$41 million income tax recovery due to court's decision related to the Worker's Meal Program tax incentive in 2012.

Other Operating Expenses

In 12M13 other operating expenses totaled R$345 million, 7.1% or R$26 million below 12M12. The reduction in the 12M13 compared to 2012 especially derived from lower expenses related to labor and civil claims provisions, at 22.5% or R$43 million, partially offset by the R$24 million increase in monetary restatement expenses of Fundação Banrisul's contracted debt.

A comparison of the main asset accounts is shown below, for the years ended December 31, 2015 vs. 2014, 2014 vs. 2013 and 2013 vs. 2012.

Table 7: 2015, 2014 and 2013 Balance Sheet

R$Thousand

Assets	Dec2015	Dec2014	Dec2013	2015 x 2014		2014 x 2013	
				R$	%	R$	%
Current and long-term assets	**66,648,084**	**59,295,042**	**52,942,118**	**7,353,042**	**12.4%**	**6,352,924**	**12.0%**
Cash and cash equivalents	864,255	797,643	737,962	66,612	8.4%	59,681	8.1%
Liquidity interbank investments	530,218	28,714	527,752	501,504	1,746.5%	-499,038	-94.6%
Marketable securities and derivatives	20,585,883	18,888,553	18,379,567	1,697,330	9.0%	508,986	2.8%
Interbank and interdepartmental accounts	9,280,588	6,555,523	4,839,350	2,725,065	41.6%	1,716,173	35.5%
Loan operations	30,320,502	28,678,339	25,407,739	1,642,163	5.7%	3,270,600	12.9%
Provision for loan operations	(2,085,745)	(1,609,548)	(1,490,020)	-476,197	29.6%	-119,528	8.0%
Leasing operations	59,342	76,828	76,995	-17,486	-22.8%	-167	-0.2%
Provision for leasing operations	(6,256)	(6,877)	(6,488)	621	-9.0%	-389	6.0%
Other receivables	7,073,560	5,707,298	4,375,448	1,366,262	23.9%	1,331,850	30.4%
Provision for other receivables	(214,701)	(129,520)	(138,099)	-85,181	65.8%	8,579	-6.2%
Other values and goods	240,438	308,089	231,912	-67,651	-22.0%	76,177	32.8%
Permanent assets	**289,706**	**266,654**	**268,569**	**23,052**	**8.6%**	**-1,915**	**-0.7%**
Investments	86,829	59,086	58,161	27,743	47.0%	925	1.6%
Property and equipment	185,701	185,995	176,964	-294	-0.2%	9,031	5.1%
Intangible assets	17,176	21,573	33,444	-4,397	-20.4%	-11,871	-35.5%
Total assets	**66,937,790**	**59,561,696**	**53,210,687**	**7,376,094**	**12.4%**	**6,351,009**	**11.9%**
Liabilities							
Current and long-term liabilities	**60,729,224**	**53,890,351**	**48,061,005**	**6,838,873**	**12.7%**	**5,829,346**	**12.1%**
Deposits	**38,698,329**	**34,135,444**	**30,644,598**	**4,562,885**	**13.4%**	**3,490,846**	**11.4%**
Demand deposits	3,173,925	3,280,758	3,397,760	-106,833	-3.3%	-117,002	-3.4%
Savings deposits	7,573,671	7,762,045	6,990,978	-188,374	-2.4%	771,067	11.0%
Interbank deposits	742,811	569,869	351,820	172,942	30.3%	218,049	62.0%
Time deposits	27,207,922	22,522,772	19,904,040	4,685,150	20.8%	2,618,732	13.2%
Open market operations	**7,188,736**	**4,318,236**	**4,220,707**	**2,870,500**	**66.5%**	**97,529**	**2.3%**
Acceptance and issue of securities	**2,348,769**	**2,837,792**	**2,505,882**	**-489,023**	**-17.2%**	**331,910**	**13.2%**
Interbank and interdepartmental accounts	**235,062**	**228,524**	**239,953**	**6,538**	**2.9%**	**-11,429**	**-4.8%**
Loans and onlendings	**4,515,033**	**4,179,647**	**3,487,509**	**335,386**	**8.0%**	**692,138**	**19.8%**
Derivative financial instruments	**157,951**	**41,566**	**112,047**	**116,385**	**280.0%**	**-70,481**	**-62.9%**
Other liabilities	**7,585,344**	**8,149,142**	**6,850,309**	**-563,798**	**-6.9%**	**1,298,833**	**19.0%**
Collection and payment of taxes and related charges	53,441	44,446	45,121	8,995	20.2%	-675	-1.5%
Foreign exchange portfolio	13,700	40,686	7,516	-26,986	-66.3%	33,170	441.3%
Social and statutory	25,261	48,539	82,275	-23,278	-48.0%	-33,736	-41.0%
Tax and pension plan	787,184	673,385	683,959	113,799	16.9%	-10,574	-1.5%
Securities trading and intermediation	779	1,138	693	-359	-31.5%	445	64.1%
Financial and development funds	709,463	2,080,698	1,367,034	-1,371,235	-65.9%	713,664	52.2%
Subordinated debt	1,991,644	2,222,523	1,861,494	-230,879	-10.4%	361,029	19.4%
Sundry liabilities	4,003,872	3,037,727	2,802,217	966,145	31.8%	235,510	8.4%
Shareholders' equity	**6,208,566**	**5,671,345**	**5,149,682**	**537,221**	**9.5%**	**521,663**	**10.1%**
Total liabilities and shareholders' equity	**66,937,790**	**59,561,696**	**53,210,687**	**7,376,094**	**12.4%**	**6,351,009**	**11.9%**

Fiscal Year Ended December 31, 2015 compared to the Fiscal Year Ended December 31, 2014

Total Assets

Total assets came to R$66,938 million in December 2015, composed of (i) 47.8% of loan operations, (ii) 31.5% of marketable securities and short-term interbank investments, (iii) 13.9% of interbank and interdepartmental accounts and (iv) 6.8% of other assets. Most of assets are classified in the long term. The composition of assets to mature within 360 days is concentrated in loan and leasing operations, interbank and interdepartmental accounts, securities, derivative financial instruments and interbank investments, accounting for 39.1%, 26.5% and 15.5% of short-term investments balance, respectively. With regard to assets to mature above 360 days, we point out the percentage of securities and derivative financial instruments, and loan and leasing operations, which account for 46.6% and 45.5% of long-term assets, respectively.

In comparison with December 2014, assets grew by 12.4% or R$7,376 million. This change is due mainly to an increase of R$4,563 million in deposits and R$2,871 million in open market funding, offset partly by a R$1,371 million decrease in financial and development funds, pursuant to Law No. 14738/15, which increased (to 95%) the limit for withdrawals by the government from court deposits. In terms of allocation, interbank and interbranch transactions increased by R$2,725 million, especially in the case of loans linked to compulsory deposits with the Central Bank, treasury funds rose by R$2,199 million and the loan portfolio expanded by R$1,526 million.

Securities and Derivative Financial Instruments

Investments in securities, including derivative financial instruments, added to short-term interbank investments less repo operations, totaled R$13,927 million in December 2015, 4.6% or R$672 million down on December. The annual fall in the treasury balance was due to settlements of financial bills issued in 2013, to the prepayment of subordinated debt issued in 2012 and to the increase in compulsory deposits.

Interbank and Interdepartmental Accounts

Interbank and interdepartmental accounts totaled R$9,281 million in December 2015, an increase of 41.6% or R$2,725 million year-on-year. In the twelve-month period, the balance of interbank and interbranch transactions rose, as a result of the increase in loans linked to compulsory deposits with the Central Bank, with the increase in the balance of time deposits, and the change to 25% in the compulsory deposit rate for time deposits, in accordance with Circular No. 3756/15 of the Central Bank of Brazil.

Loan Operations

Banrisul loan portfolio totaled R$32,013 million in December 2015, 5.0% or R$1,526 million more than in December 2014. The balance of the broad loan portfolio, which includes co-obligation and risks regarding collateral pledged, grew by 5.1% or R$1,615 million against December 2014. The rise in the loan balance during the year was due mainly to an increase in the commercial portfolio, real estate financing and the foreign exchange. This trend was partly offset by a lower level of loans linked to transactions received in assignment and long-term lending.

Breakdown of Loans by Company Size

The corporate segment loan operations totaled R$14,473 million in December 2015, or 45.2% of total loan portfolio. Out of total credit to the corporate segment, 59.2% are allocated to micro, small and medium-sized companies, which grew by R$225 million over December 2014, mainly influenced by the increase in medium-sized companies balance, while loans to large corporates declined by R$341 million in the period.

Breakdown of Loans by Activity Sector

In the breakdown of loan portfolio by activity, the private sector reached 99.7% of loan assets in December 2015The loan portfolio by activity is chiefly composed of individuals (39.3% of the total) and industry (16.6%

of the Bank's loan assets by activity). Compared to December 2014, we point out the expansion of the loan operations to individuals and the housing sector.

Breakdown of Loans by Portfolio

The breakdown by portfolio shows free funds invested in loan assets. Commercial portfolio, leasing, credits restricted to operations acquired through assignment and the public sector are originated from free resources from deposits and equity capital, and accounted for 69.4% of total loan portfolio in December 2015. Long-term loan, rural, real estate and foreign exchange portfolios mostly derive from specific sources of funds, comprising directed credit and accounted for 30.6% of the amount invested in December 2015.
Commercial portfolio totaled R$21,346 million in December 2015, or 66.7% of the Bank's total loan balance, accounting for 75.8% of the increase in total loan assets in twelve months. In relation to commercial loan breakdown, the individuals segment corresponded to 55.6% of the commercial portfolio balance and 37.1% of the Bank's total loan operations in December 2015. The corporate segment accounted for 44.4% of the commercial loan balance and 29.6% of total loan in the same period.

The mortgage portfolio totaled R$3,829 million in December 2015, 16.7% up or an increase of R$549 million In twelve months. The rise was the result of adjustments to the product policy following on changes in the market, as well as compliance with Bacen Circular No 3.757, which deals with the allocation of the compulsory deposit on savings accounts. Mortgage accounted for 12.0% of the Bank's credit assets in December 2015. The mortgage amount includes R$55 million referring to the mortgage assignment operation with co-obligation.

Rural loan balance totaledR$2,725 million in December 2015 and was relatively flat year-on-year, dipping by 0.9% or R$25 million, accounting for 8.5% of the Bank's loan portfolio in December 2015.

Long-term loan totaled R$2,338 million in December 2015, 1.4% or R$33 million down in twelve months.

Foreign exchange portfolio totaled R$910 million in December 2015, 23.2% or R$172 million up on December 2014.

Breakdown of Loan by Rating

Usual risk loan operations rated from AA to C, pursuant to Resolution 2,682/99 of the Brazilian National Monetary Council, accounted for 90.0% of loan portfolio in December 2015. The index had a decline of 1.3 p.p. year-on-year.

<u>Provision for Loan Operations</u>

Provisions for loan operation losses totaled R$2,252 million in December 2015 or 7.0% of the loan portfolio. This index increased by 1.4 p.p. over December. The year-on-year variation in the balance of provisions for loan operations reflects the expansion of loan portfolio and the volume of loans in arrears.

In December 2015, provision for loan losses had the following breakdown, pursuant to Resolution 2,682/99 of the Brazilian National Monetary Council and additions:

(i) R$1,190 million for operations with amounts overdue by more than 60 days;

(ii) R$943 million for falling due agreements or with amounts overdue by less than 60 days;

(iii) R$119 million referring to the provision exceeding the minimum required by Resolution 2,682/99 of the Brazilian National Monetary Council, recorded due to a periodical analysis of the client's quality conducted by the Management, aiming at covering any events not mentioned in clients' rating model.

Asset Management

Asset management, consisting of deposits, financial bills and subordinated debt, totaled R$43,039 million in December 2015, 9.8% or R$3,843 million up in twelve months. The rise in the balance of funding during the year was influenced by growth in deposits, and by lower raisings in bills and subordinated debt.

Demand Deposits

Demand deposits totaled R$3,174 million in December 2015, 3.3% or R$107 million down on 2014.

Savings Deposits

Savings deposits totaled R$7,574 million in December 2015, 2.4% or R$188 million down on December 2014. The fall in the balance of these deposits was influenced by lower yields compared to other financial investments.

Time Deposits

Time deposits are the Bank's main funding instrument, reaching R$27,208 million in December 2015, 20.8% or R$4,685 million up on December 2014.

Financial Bills

The balance of financial and mortgage bills totaled R$2,349 million in December 2015, 17.2% or R$489 million down in twelve months. The change during the year is the result of the maturity of the first series of financial bills, issued in August 2013.

Subordinated Debt

Subordinated debt totaled R$1,992 million in December 2015, a decline of 10.4% or R$231 million over December 2014. The fall during the year was due to the early settlement of part of the subordinated debt issued in 2012 for a total of US$775 million for 10 years, and intended to cut the cost of funding and to guarantee liquidity for the notes, at a time of currency devaluation and a rise in country risk. The repurchase transaction amounted to US$249 million in September 2015, at a cost of US$199 million. The amount of the liability on the curve, R$1,037 million, was marked to market in the books, on the settlement date, at R$911 million. The debt was settled for R$811 million. In October 2015, there was a further partial repurchase of subordinated debt amounting to US$2.8 million.

Asset Management

Asset management totaled R$8,951 million in December 2015, relatively flat, edging up by R$82 million year-on-year. Given the volatility of the markets, Banrisul has adopted a conservative strategy in relation to third parties assets under its management throughout the year, focusing on portfolio liquidity. The entry into force on October 1, 2015 of CVM Instruction No. 555, of December 17, 2014, which provides for the establishment, administration, operation and information disclosure of investment funds, had no effect on portfolios in 2015, since adjustments in investment funds in operation as of the date of effectiveness of the instruction may be made until June 30, 2016, pursuant to CVM Instruction No. 572, of November 26, 2015.

Shareholders' Equity

Banrisul's shareholders' equity totaled R$6,209 million in December 2015, 9.5% or R$537 million up on December 2014, due to the inclusion of results, less payment of dividends and interest on equity, and the reassesment of actuarial liabilitied, related to post-employment benefits (CPC 33 - R1).

Fiscal Year Ended December 31, 2014 compared to the Fiscal Year Ended December 31, 2013

Total Assets

Total assets totaled R$59,562 million in December 2014, composed of (i) 51.2% of loan operations, (ii) 31.8% of marketable securities and short-term interbank investments, (iii) 11.0% of interbank and interdepartmental accounts and (iv) 6.0% of other assets. Most of assets are classified in the long term. The composition of assets to mature within 360 days is concentrated in loan and leasing operations, interbank and interdepartmental accounts, securities, derivative financial instruments and interbank investments, accounting for 44.2%, 21.3% and 18.0% of short-term investments balance, respectively. With regard to assets to mature above 360 days, we point out the percentage of loan and leasing operations, securities and derivative financial instruments, which account for 47.1% and 43.7% of long-term assets, respectively. The 11.9% or R$6,351 million growth in assets balance year-on-year was mainly due to the increase of R$3,491 million in deposits, R$714 million in financial and development funds and R$692 million in borrowings and onlendings. Funds raised were allocated to loan operations, which went up R$3,835 million, and interbank accounts, which grew by R$1,726 million, due to the increase in reserve requirements at the Brazilian Central Bank.

Securities and Derivative Financial Instruments

Investments in securities, including derivative financial instruments, added to short-term interbank investments less repo operations, totaled R$14,599 million in December 2014, relatively flat year-on-year. Referring to treasury assets, 80.7% or R$15,261 million are securities held to maturity, 12.8% or R$2,426 million are securities held for trading, 3.3% or R$615 million are securities available for sale, 3.1% or R$586 million are derivative financial instruments and 0.2% or R$29 million are interbank short-term investments, totaling R$18,917 million in treasury assets.

Interbank and Interdepartmental Accounts

Interbank and interdepartmental accounts totaled R$6,556 million in December 2014, an increase of 35.5% or R$1,716 million year-on-year. Interbank and interdepartmental accounts balance increased R$1,714 million year-on- year due to direction of credits linked to Brazilian Central Bank’s reserve requirements, reflecting the reference shareholder’s equity level achieved by the Bank, which implied the loss of reducer applied to the basis of calculation of reserve requirements over time deposits.

Loan Operations

Banrisul loan portfolio totaled R$30,487 million in December 2014, an increase of 14.4% or R$3,835 million year-on- year. In 12 months, the growth in the loan portfolio especially derived from an increase in the commercial portfolio, mortgage and credits related to operations acquired through assignment, the latter due to the acquisition of loan co- obligation portfolios from eligible banks within the scope of Brazilian Central Bank’s Circular Letter 3712 of July 2014, which was adopted to minimize the effects of reducing the compensation over reserve requirements.

Breakdown of Loans by Company Size

The corporate segment loan operations totaled R$14,589 million in December 2014 or 47.9% of total loan portfolio. Out of total credit to the corporate segment, 57.2% are allocated to micro, small and medium-sized companies, which grew by R$894 million over 2013, mainly influenced by the increase in medium-sized companies balance, while loans to large corporates grew by R$826 million in the period.

Breakdown of Loans by Activity Sector

In the breakdown of loan portfolio by activity, the private sector reached 99.7% of loan assets in December 2014. The loan portfolio by activity is chiefly composed of individuals (38.4% of the total) and industry (17.8% of the Bank’s loan assets by activity). Compared to December 2013, we point out the expansion of the loan operations to individuals and the housing, industry and rural sectors.

Breakdown of Loans by Portfolio

The breakdown by portfolio shows free funds invested in loan assets. Commercial portfolio, leasing, credits restricted to operations acquired through assignment and the public sector are originated from free resources from deposits and equity capital, and accounted for 70.0% of total loan portfolio in December 2014. Long-term loan, rural, real estate and foreign exchange portfolios mostly derive from specific sources of funds, comprising directed credit and accounted for 30.0% of the amount invested in December 2014.

Commercial portfolio totaled R$20,189 million in December 2014 or 66.2% of the Bank's total loan balance, accounting for 43.2% of the increase in total loan assets in twelve months.

In relation to commercial loan breakdown, the individuals segment corresponded to 53.1% of the commercial portfolio balance and 35.1% of the Bank's total loan operations in December 2014. The corporate segment accounted for 46.9% of the commercial loan balance and 31.1% of total loan in 2014.

The mortgage portfolio totaled R$3,280 million in December 2014, 21.0% up or an increase of R$569 million in 12 months. Mortgage accounted for 10.8% of the Bank's credit assets in December 2014. The mortgage amount includes R$67 million referring to the mortgage assignment operation with co-obligation.

Rural loan balance totaled R$2,750 million in December 2014, 24.4% or R$540 million up on December 2013, and accounted for 9.0% of the Bank's loan portfolio in December 2014. Rural loan performance was favored by the Bank's participation in several fairs in 2014.

Long-term loan totaled R$2,372 million in December 2014, an increase of 26.7% or R$500 million in 12 months, chiefly due to financing with fund onlendings.

Foreign exchange portfolio totaled R$739 million in December 2014, 3.6% or R$25 million above December 2013.

Breakdown of Loan by Rating

Usual risk loan operations rated from AA to C, pursuant to Resolution 2,682/99 of the Brazilian National Monetary Council, accounted for 91.3% of loan portfolio in December 2014. The index had an increase of 1.8 pp. year-on-year.

<u>Provision for Loan Operations</u>

Provisions for loan operation losses totaled R$1,694 million in December 2014 or 5.6% of the loan portfolio. This index reduced by 0.4 pp. year-on-year. The variation in the balance of provisions for loan operations reflects the expansion of loan portfolio and credits classified into regular risk.

In December 2014, provision for loan losses had the following breakdown, pursuant to Resolution 2,682/99 of the Brazilian National Monetary Council and additions:

(I) R$830 million for operations with amounts overdue by more than 60 days;

(II) R$772 million for falling due agreements or with amounts overdue by less than 60 days;

(III) R$93 million referring to the provision exceeding the minimum required by Resolution 2,682/99 of the Brazilian National Monetary Council, recorded due to a periodical analysis of the client's quality conducted by the Management, aiming at covering any events not mentioned in clients' rating model.

<u>Asset Management</u>

Asset management totaled R$48,065 million in December 2014, 13.3% or R$5,645 million up on December 2013, mainly due to the expansion of deposits balance and assets under management.

Demand Deposits

Demand deposits totaled R$3,281 million in December 2014, 3.4% or R$117 million down on 2013.

Savings Deposits

Savings deposits totaled R$7,762 million in December 2014, 11.0% or R$771 million above December 2013, accompanied by saving account holders' preference for this product.

Time Deposits

Time deposits are the Bank's main funding instrument, reaching R$22,523 million in December 2014, 13.2% or R$2,619 million up on December 2013.

Financial Bills

The balance of financial and mortgage bills totaled R$2,838 million in December 2014, 13.2% or R$332 million up on 2013.

Subordinated Debt

Subordinated debt totaled R$2,223 million in December 2014, 19.4% or R$361 million above 2013.

Asset Management

Asset management totaled R$8,869 million in December 2014, an increase of 19.7% or R$1,461 million year-on-year.

Shareholders' Equity

Banrisul's shareholders' equity totaled R$5,671 million in December 2014, 10.1% or R$522 million up on December 2013, due to the inclusion of results, less payment of dividends and interest on equity, and the reassesment of actuarial by updating the premises of post-employment benefit plans, adjusted by the tax effect.

Fiscal Year Ended December 31, 2013 compared to the Fiscal Year Ended December 31, 2012

Total Assets

Total assets totaled R$53,211 million in December 2013, composed of (i) 50.1% of loan operations, (ii) 35.5% of marketable securities and short-term interbank investments, (iii) 9.1% of interbank and interdepartmental accounts and (iv) 5.3% of other assets. The 13.8% or R$6,467 million increase in assets balance on December 2012 is mainly due to the R$3,898 million increase in deposits, the R$2,593 million increase in repo operations (even if offset by the R$4,575 million decrease in the balance of financial and development funds, due to a withdrawal by the State recorded in April/2013, pursuant to Law no. 12,069, which enables the utilization of escrow deposits by third parties up to a limit of 85% of balance, amount of which was transferred to the Integrated System for Unified Cash Management (SIAC) of the State of Rio Grande do Sul, the R$2,190 million increase in financial bills, R$703 million increase in subordinated debts and R$232 million increase in loans and onlendings. Funds raised were partially invested in loan portfolio, which went up 9.6% or R$2,325 million, in marketable securities added to short-term interbank investments, which increased by 11.4% or R$1,937 million, and interbank and interdepartmental accounts, which went up 31.3% or R$1,154 million.

Securities

Investments in securities, including derivative financial instruments and added to short-term interbank investments, totaling R$14,687 million in December 2013, 4.3% or R$656 million down on the volume recorded in December

2012. The amount deducts repo operations. The variation in 12 months is due to a change in profile of funding lines.

Interbank and Interdepartmental Accounts

Interbank and interdepartmental accounts totaled R$4,839 million in December 2013, an increase of 31.3% or R$1,154 million year-on-year. In the annual comparison, interbank and interdepartmental accounts balance increased mainly due to the growth of loans linked to reserve requirements at the Brazilian Central Bank by 37.2% or R$1,070 million.

Loan Operations

Banrisul loan portfolio totaled R$26,652 million in December 2013, an increase of 9.6% or R$2,325 million year-on- year. Considering the balance of the expanded loan portfolio, which includes co-obligation and risks in collaterals tendered, the variation grew by 10.2% or R$2,564 million.

Breakdown of Loans by Company Size

The corporate segment loan operations totaled R$12,870 million in December 2013 or 48.3% of total loan portfolio. The balance of corporate operations went up 10.4% year-on-year. In 12 months, the most relevant variation occurred in loan for micro companies and SMEs, with an increase of 9.3% or R$634 million, accounting for 57.9% of total corporate segment and 28.0% of the Bank's total loans.

Breakdown of Loans by Activity Sector

In the breakdown of loan portfolio by activity, the private sector increased 9.7% or R$2,339 million in 12 months or 99.6% of loan assets in December 2013. The most representative sectors in December 2013 were individuals, 38.9% of total portfolio; industry, 18.3%, services and others, and 13.2% of Banrisul's loan portfolio. Compared to December 2012, we point out the R$684 million or 7.1% increase in loan operations to individuals, 20.7% or R$465 million increase in housing, 15.0% or R$457 million increase in services and others, 21.2% or R$384 million increase in the rural segment, 5.5% or R$252 million increase in industry and 3.5% or R$97 million increase in commerce.

Breakdown of Loans by Portfolio

The breakdown by portfolio shows free funds invested in loan assets. Commercial portfolio, leasing, credits restricted to operations acquired through assignment and the public sector are originated from free resources from deposits and equity capital and in December accounted for 71.8% of total loan portfolio. Long-term loan, rural, real estate and foreign exchange portfolios mostly derive from specific sources of funds, comprising directed credit and in December 2013 accounted for 28.2% of the amount invested.

Commercial portfolio totaled R$18,532 million in December 2013 or 69.5% of the Bank's total loan balance. Compared to December 2012, the commercial portfolio went up 4.7% or R$834 million. In relation to loan breakdown, the individuals segment corresponded to 53.5% of the commercial portfolio balance and 37.2% of the Bank's total loan operations in December 2013. The corporate segment accounted for 46.5% of the commercial loan balance and 32.3% of total loan in 2013.

The mortgage portfolio totaled R$2,711 million in December 2013, 20.7% up or an increase of R$465 million in 12 months. The Bank's performance in mortgage portfolio in 2013 was influenced by the maintenance of several agreements, loan granting programs for state government employees, participation in the sector's events, in addition to the lengthening of home mortgage term to 35 years, and until 90% of the property's value can be financed. The mortgage amount includes R$84 million referring to the mortgage assignment operation with co-obligation.

Rural loan balance totaled R$2,209 million in December 2013, 21.9% up or R$398 million above December 2012.

Long-term loan totaled R$1,872 million in December 2013, 42.7% up or an increase of R$560 million in 12 months.

Foreign exchange portfolio totaled R$713 million in December 2013, 10.1% up or R$65 million above December 2012.

Breakdown of Loan by Rating

Usual risk loan operations rated from AA to C, pursuant to Resolution 2,682/99 of the Brazilian National Monetary Council, accounted for 89.5% of loan portfolio in December 2013. The index recorded is the same of December 2012.

Provision for Loan Operations

Provisions for loan operation losses totaled R$1,586 million in December 2013 or 6.0% of the consolidated loan portfolio. This index reduced by 0.5 p.p. year-on-year. The variation in the balance of provisions was mainly due to improved compliance in the client rating system process, by implementing a new centralized system, minimizing the need of provision due to the growth of loan portfolio and the increase in the number of operations in arrears.

In December 2013, provision for loan losses had the following breakdown, pursuant to Resolution 2,682/99 of the Brazilian National Monetary Council and additions:

(i) R$635 million for operations with amounts overdue by more than 60 days;
(ii) R$824 million for falling due agreements or with amounts overdue by less than 60 days;

(iii) R$128 million referring to the provision exceeding the minimum required by Resolution 2,682/99 of the Brazilian National Monetary Council, recorded due to a periodical analysis of the client's quality conducted by the Management, aiming at covering any events not mentioned in clients' rating model.

Asset Management

Asset management totaled R$42,420 million in December 2013, 20.0% up or an increase of R$7,062 million on December 2012, mainly due to the expansion of deposits balance.

Demand Deposits

Demand deposits totaled R$3,398 million in December 2013, with relative stability, with a decrease of 0.1% or R$3 million year-on-year.

Savings Deposits

Savings deposits totaled R$6,991 million in December 2013. Savings balance grew by 19.8% or R$1,155 million year- on-year. In line with the record net funding of the market in 2013, the growth in the period reflects saving account holders' preference for this product, despite the change in the remuneration rule and Selic interest rate fluctuations.

Time Deposits

Time deposits are the Bank's main funding instrument, reaching R$19,904 million in December 2013, 16.5% up or an increase of R$2,814 million year-on-year. The launching of time deposits with special fee and term to investors who have a considerable volume of cash equivalents and the reduction of minimum amounts for automatic investment influenced the growth time deposits in the period.

Financial Bills

In August 2013, Banrisul concluded the first issue of financial bills, totaling R$1,600 million. The issue was held in three series: the first series totaling R$700 million and two-year term, the second series totaling R$870 million and three-year term, and the third series totaling R$30 million and four-year term. This operation represented a better positioning of the Bank in the fixed income market, in addition to creating opportunity of future transactions with lengthened terms. As a result, financial bills grew by R$2,191 million year-on-year.

Subordinated Debt

Subordinated debt totaled R$1,861 million in December 2013, an increase of R$703 million year-on-year. In the annual comparison, the variation was influenced by Brazilian Central Bank's recognition of the second tranche in November 2012 as Tier II capital, in December 2012.

Asset Management

Asset management totaled R$7,408 million in December 2013, an increase of 3.8% or R$270 million year-on-year.

Shareholders' Equity

Banrisul's shareholders' equity totaled R$5.150 million in December 2013, 11.1% up or R$513 million above December 2012, due to the inclusion of results of the last 12 months, less payment of dividends and interest on equity, besides the event related to the accounting recognition, pursuant to CPC 33-R1 (approved by CVM Resolution 695) of actuarial imbalance in the main supplementary private pension plan of Fundação Banrisul's employees, in the amount of R$433 million, with effects on income and social contribution taxes credits of R$173 million and impact on shareholders' equity, in the net amount of R$260 million.

10.2 – Operational and financial result

10.2.The executive officers must comment on:

a. results from operations of the issuer, especially:

i. description of any relevant revenue component

Most of the revenues arise from:

- Revenues from financial intermediation: it includes revenues from loan and leasing operations, and the sale or transfer of financial assets, income from securities and derivatives operations, income from reserve requirements funds at the Brazilian Central Bank and income from foreign exchange operations;

- Fee income and commissions: they comprise revenues from bank fees and services, such as income from acquiring businesses, vouchers and insurance, private pension and savings bonds, income from current account bank fees, income from asset management, income related to the collection of securities and income from consortium management fee, among others;

- Other operating revenue: it is composed of revenues from sundry card income, from recovery of charges and expenses, revenue from anticipated performed operations related to acquiring business and income from the escrow deposit reserve fund, among others.

Total Revenue Breakdown

Table 8 shows total revenue breakdown for the years ended December 31, 2015, 2014 and 2013.

Table 8: Total revenue breakdown

R$Million

Total Revenue	2015		2014		2013		Change	
	R$	%	R$	%	R$	%	2015/2014	2014/2013
Revenue from financial intermediation	10,804	84.0%	8,197	84.4%	6,573	84.1%	31.8%	24.7%
Revenue from loan and leasing operations	6,461	50.2%	5,242	53.9%	4,604	58.9%	23.3%	13.8%
Income from securities operations	2,336	18.2%	1,829	18.8%	1,439	18.4%	27.7%	27.1%
Other financial revenue (1)	2,008	15.6%	1,126	11.6%	530	6.8%	78.3%	112.5%
Fee income and commissions	1,445	11.2%	1,196	12.3%	983	12.6%	20.8%	21.6%
Other recurring operating revenue (2)	619	4.8%	324	3.3%	256	3.3%	18.3%	104.3%
Total Revenue	**12,868**	**100.0%**	**9,717**	**100.0%**	**7,812**	**100.0%**	**29.8%**	**26.9%**

(1) It includes income from foreign exchange operations, income from reserve requirements funds, income from derivative instruments and sale or transfer of financial assets.
(2) It includes Other Recurring Operating Revenue and Income from Interest in Subsidiaries and Associated Companies.

Commercial Loan Breakdown By Product – Balance, Revenue And Fee

Table 9 shows the breakdown of the commercial loan portfolio, the main revenue item, on December 31, 2015, 2014 and 2013 by product type.

Table 9: Commercial loan breakdown by product in 2015, 2014 and 2013

R$Million, except when indicated otherwise.

	2015			2014			2013		
	Balance(1)	Revenue(2)	Fee(3)	Balance(1)	Revenue(2)	Fee(3) (4)	Balance(1)	Revenue(2)	Fee(3)
Individual	**11,879**	**3,293**	**2.63%**	**10,711**	**2,848**	**2.40%**	**9,916**	**2,617**	**2.40%**
Personal loan - payroll-deductible loan	8,255	1,785	1.97%	7,861	1,568	1.86%	7,269	1,405	1.89%
Acquisition of goods - payroll-deductible loan	55	12	1.46%	75	13	1.46%	93	23	1.46%
Acquisition of goods - other goods	5	1	2.38%	5	1	2.06%	3	1	1.71%
Acquisition of goods - vehicles	58	13	1.68%	73	14	1.67%	79	18	1.60%
Overdraft facility	539	727	10.17%	536	631	9.05%	546	610	7.71%
Instant credit (“Crédito 1 Minuto”)	412	199	4.16%	399	154	3.52%	359	133	3.21%
Automatic personal loan	220	124	4.61%	255	117	4.00%	274	110	3.68%
Personal loan – not deductible from payroll	1,444	220	2.69%	578	182	2.56%	499	170	2.56%
Credit card	117	100	10.10%	100	70	8.63%	81	56	8.51%
Other - Individual	775	111	1.25%	827	96	1.09%	712	91	1.16%
Corporate	**9,467**	**2,028**	**1.84%**	**9,478**	**1,564**	**1.51%**	**8,616**	**1,352**	**1.37%**
Acquisition of goods - other goods	22	5	1.67%	32	6	1.64%	31	8	1.59%
Acquisition of goods - vehicles	44	9	1.73%	50	9	1.69%	44	9	1.76%
Working capital- CEB	5,669	1,008	1.55%	5,567	778	1.31%	4,992	644	1.15%
Working capital – CGB	1,301	297	1.73%	1,501	259	1.50%	1,540	241	1.26%
CDCI	13	5	3.11%	16	6	3.25%	18	7	2.76%
Compror	84	23	1.45%	161	19	1.24%	113	14	1.04%
Security debit account - CCC	246	65	2.04%	306	53	1.69%	242	36	1.45%
Current account overdraft	824	422	4.44%	734	286	3.47%	570	264	3.40%
Receivables discounting	286	109	2.15%	368	90	1.79%	316	81	1.68%
Vendor	68	16	1.46%	89	13	1.21%	83	12	1.08%
Credit in foreign country	270	13	-	199	9	-	170	6	-
Other - Corporate	641	55	0.94%	455	37	0.64%	497	32	0.89%
Total	**21,346**	**5,321**	**2.26%**	**20,189**	**4,412**	**2.00%**	**18,532**	**3,969**	**1.93%**

(1) Balance on the last day of the year.
(2) Year-to-date revenue.
(3) Average price of the average debtor balance.
(4) Restated for adjustment to criteria for reporting revolving products fees.

Comparative Commercial Loan by Product 2015 and 2014 - Balance, Revenue and Fees

Commercial Loan

Personal commercial loan totaled R$11,879 million in December 2015, 10.9% or R$1,168 million up on December 2014.

The expansion of personal commercial loan year-over-year was due the increase in personal credit facilities representing R$866 million, especially given 13th salary advance granted to state public servants in December/2015, in addition to an increment of payroll-deductible loans in the amount of R$373 million. The payroll-deductible loans totaled R$8,310 million in December 2015, amounting to 70.0% of the personal commercial portfolio and 38.9% of commercial loan, with an increase of 4.7%, or R$373 million, in 12 months. Added to transfers of assets in the amount of R$713 million, recorded pursuant to Circular Letter No. 3.543 of March 26, 2012 of the Central Bank of Brazil in loans linked to operations received as assignment, it reached R$9,023 million in December 2015.

Among the payroll-deductible facilities, R$4,901 million corresponds to the balance generated in Banrisul network, which increased by 4.4%, or R$206 million, in 12 months. The balance of loans originated by

correspondents, representing 39.5% of the Bank's payroll-deductible loans, reached R$3,285 million in December 2015, up by 8.0%, or R$243 million, in 12 months. Loans with co-obligation reached R$837 million in December 2015, a decrease of R$356 million in 12 months.
Corporate loans totaled R$9,467 million in December 2015, showing relative stability or a decrease of R$11 million against December 2014. The corporate commercial loans portfolio comprises primarily working capital lines, accounting for 73.6% of corporate commercial loans and 32.7% of total commercial loans.

Commercial loan to legal entities was influenced by the policy on reduction of credit exposure, given the increase in late payments, primarily in the corporate segment. Accordingly, the increment in debt renegotiation lines and overdraft accounts was partly mitigated by a drop in the balance of the working capital and factoring lines.

Commercial Loan Revenues

In 2015, revenues generated by commercial loan totaled R$5,321 million, 20.6% or R$909 million above 2014. Revenues were favored by the increase in the balance of commercial portfolio and higher benchmark interest rates (Selic), with direct effect on corporate segment revenues, mostly characterized by floating transactions.

The growth of personal commercial loan revenue year-over-year was chiefly due to income from payroll-deductible loans and overdraft facility. Referring to income from corporate segment commercial loan, the increase was mainly due to higher income from working capital lines and overdraft accounts, associated with an increase in the effective Selic Rate.

Commercial Loan Fees

Commercial loan monthly average fees were up by 0.26 p.p. in 2015 versus 2014. Corporate commercial loan products went up 0.33 p.p. in the average monthly rate, and the average monthly rates for personal commercial loans increased 0.23 p.p. in the same period.

The average monthly rates of corporate commercial loan are mainly influenced by the trend of benchmark interest rate (Selic) and by competitiveness conditions, while the average monthly rates for individuals bear the fixed operations inventory effect.

<u>Comparative Commercial Loan by Product 2014 and 2013 - Balance, Revenue and Fees</u>

Commercial Loan

Personal commercial loan totaled R$10,711 million in December 2014, an increase of 8.0% or R$795 million on December 2013.

The expansion of personal commercial loan year-over-year was chiefly due to the increase in the balance of payroll- deductible loan portfolio, which accounted for 72.4% of this portfolio's growth in the period.

Payroll-deductible loan totaled R$7,937 million in December 2014, accounting for 74.1% of the personal commercial portfolio and 39.3% of commercial loan, an increase of 7.8% or R$575 million in 12 months. Among payroll-deductible loan lines, R$4,694 million correspond to the balance generated at the Banrisul network, which increased 7.7% or R$337 million in 12 months. The balance originated through the payroll-deductible loan platform for non-account holders, accounting for 38.3% of the Bank's payroll-deductible loan, came to R$3,042 million in December 2014, increasing by 24.2% or R$593 million in 12 months. The remaining amount, R$200 million, corresponds to portfolios acquired with co-obligation.

Payroll-deductible loans plus asset transfers, in the amount of R$993 million, recognized pursuant to Brazilian Central Bank Circular Letter 3543 of March 26, 2012 as loans related to acquired assignment operations, totaled R$8,930 million in December 2014. Out of this amount, the credit acquired with co-obligation came to R$1,193 million in December 2014, a R$198 million increase in 12 months, due to the acquisition of payroll-deductible loan portfolios due to changes in the reserve requirements rules.

Corporate loans totaled R$9,478 million in December 2014, 10.0% or R$862 million up on December 2013. The commercial portfolio of the corporate segment is mainly composed of working capital lines, accounting for 74.6% of corporate commercial loans and 35.0% of total commercial loans.

Commercial loan to legal entities was mainly influenced by the increase of working capital lines and current account overdrafts, accounting for, respectively, 62.3% and 19.0% of the increase in the commercial portfolio of the corporate segment year-on-year.

Commercial Loan Revenues

In 2014, revenues generated by commercial loan totaled R$4,412 million, 11.2% or R$443 million above 2013. Revenues were favored by the increase in the balance of individuals and legal entities and higher benchmark interest rates (Selic), with direct effect on corporate segment revenues, mostly characterized by floating transactions.

The growth of personal commercial loan revenue year-over-year was chiefly due to income from payroll-deductible loans, which accounted for 66.4% of higher income from personal commercial loan portfolio in the period. Referring to income from corporate segment commercial loan, comparing 2014 and 2013, the increase was mainly due to higher income from working capital lines, which accounted for 72.2% of the increase in this portfolio in the period.

Commercial Loan Fees

Commercial loan monthly average fees were up by 0.07 p.p. in 2014 versus 2013. Corporate commercial loan products went up 0.14 p.p. in the average monthly rate in 12 months, while monthly average rates of personal commercial loan remained flat in the same period. The average monthly rates of corporate commercial loan are mainly influenced by the trend of benchmark interest rate (Selic) and by competitiveness conditions, while the average monthly rates for individuals bear the fixed operations inventory effect.

Treasury

Income from results in the twelve months of 2015 in relation to the twelve months of 2014 were influenced by an increase in the effective Selic Rate (10.90% in 2014 to 13.27% in 2015), as well as by the growth in volume of treasury securities. In relation to other financial revenues in Table 8, income from derivative financial instruments increased as a result of the early settlement of part of the subordinated debt and the corresponding swap agreements, in addition to effects of foreign exchange variation and marking to market of subordinated debt; as to revenues on compulsory investment, the increase reflects the change in tax rate to 25% on the compulsory payment; on the other hand, income from foreign exchange was affected by currency devaluation (13.39% in 2014 and 47.01% in 2015).

Composition of Revenues from the Provision of Services and Bank Fees

The table below shows the composition of revenues from the provision of services and bank fees for the years ended December 31, 2015, 2014 and 2013.

Table 10: Composition of Revenues from Provision of Services and Bank Fees

R$Thousand

	2015	2014	2013	Change	
				2015/2014	2014/2013
Funds Management	84,279	82,751	71,535	1.8%	15.7%
Credit Card	29,277	23,586	17,501	24.1%	34.8%
Account debits	41,847	37,975	72,711	10.2%	-47.8%
Return of Checks	19,299	14,803	15,617	30.4%	-5.2%
Acquisition Network and Vouchers ¹	497,321	355,245	174,187	40.0%	103.9%
Revenues from Collection and Custody Services	58,833	55,414	50,831	6.2%	9.0%
Revenues from Purchasing Pool Management Fee	40,621	35,224	28,686	15.3%	22.8%
Tax Collection Services	176,988	149,816	115,072	18.1%	30.2%
Bank Fees from Current Accounts	400,738	359,918	328,756	11.3%	9.5%
Transactions with Checks	16,775	13,647	13,504	22.9%	1.1%
Bank Guarantee Fees	12,307	7,874	7,056	56.3%	11.6%
Other Revenues	66,345	60,045	87,984	10.5%	-31.8%
Total Revenues from Services and Fees	**1,444,630**	**1,196,298**	**983,440**	**20.8%**	**21.6%**

(1) Pursuant to an Operating Agreement entered into between Banrisul S.A. and Banrisul Cartões S.A, revenues from bank fees have been recognized by Banrisul Cartões since November 2013.

Revenues from the provision of services and bank fees were positively influenced, especially by Banrisul Cartões performance. Revenues from acquisitions and vouchers accounted for 34.4% of revenues from fees and services in 2015 and 29.7% in 2014. Such revenues increased by R$142,1 million in 2015.

Other Operating Revenue Breakdown

The table below shows the breakdown of other operating revenue for the years ended December 31, 2015, 2014 and 2013.

Table 11: Other operating revenues breakdown

R$Thousand

	2015	2014	2013	Change	
				2015/2014	2014/2013
Recovery of charges and expenses	39,152	48,527	55,724	-19.3%	-12.9%
Reversal of operational provisions to:					
Tax	559	10,912	-	-96.6%	100.0%
Labor	823	1,196	179	-31.2%	-
Civil	372	-	37	100.0%	-100.0%
Securitization losses	4,469	1,255	1,536	-93.9%	-18.3%
Other	76	12,288	2,211	-63.6%	-
Interbank fees	23,998	24,810	22,974	-3.3%	8.0%
Forex adjustments – premises abroad	98,956	34,300	21,623	188.5%	58.6%
Credit instruments receivable	7,457	6,243	6,020	19.4%	3.7%
Reserve fund - Judicial deposits - Law 12,069	47,031	30,862	14,859	52.4%	107.7%
Commission and management fee on insurance	22,736	8,700	8,286	161.3%	5.0%
Sundry card revenue	68,111	55,812	41,791	22.0%	33.6%
Profit from the sale of assets	7,869	13,787	5,986	-42.9%	130.3%
Reversal of provisions for payment	10,061	6,140	47,115	63.9%	-87.0%
Fundação Banrisul – actuarial migration result(1)	-	83,628	-	-100.0%	100%
Acquiring business revenue – Prepayment of performed operations	57,638	34,243	7,397	68.3%	-
Revenue from the insurance distribution agreement(2)	22,521	115,000	-	-80.4%	-
Gains on early settlement of subordinated debt	173,768	-	-	100.0%	-
Other operating revenue	49,802	32,220	18,853	54.6%	70.9%
Total	**635,399**	**519,923**	**254,591**	**22.2%**	**104.2%**

(1) Refers to recognition of the effect on the deficit existing in the PBI Benefit Plan in the portion under the responsibility of the Sponsor in relation to participants migrating to the Settled Benefit Plan and FBPREV II Benefit Plan under CPC 33 and CVM Resolution No. 695/12.

(2) Refers to a supplementary amount regarding the agreement entered into between Banrisul and Icatu Seguros for distribution, under exclusivity for a period of 20 years, of Personal Insurance and Pension Plans products through Banrisul channels. The payment was made and the agreement was executed on December 11, 2014, after being approved by CADE and the Central Bank.

ii. factors that materially affected operating results

Delinquency in Loan Operations

In addition to the rate variation, discussed in the performance of commercial loan above, late payments in 2015 affected the results of the institutions. The increase in the level of default in the loan portfolio may result in higher losses from loans transactions, and adversely affect the results of operations and financial condition. The default rate at Banrisul reached 5.00% in December 2015, an increase of 1.17 p.p. in 12 months. In the same comparison, the balance of loans in arrears increased 37.0%, reaching R$1,601 million in December 2015.

Banrisul follows the criteria defined by the Central Bank for classifying loan transactions by levels of risk and rules for establishing provisions for doubtful accounts. In 2015, normal credit risk transactions accounted for 90% of the total balance of Banrisul's loan transactions. Loan transactions written-off at a loss totaled R$992 million, an increase of R$326 million in relation to the previous year. Expenses with provisions totaled R$1,551 million, an increase of R$767 million in 12 months.

Reserve Requirements

Revenues and expenses from financial brokerage are also affected by the volume of interest-bearing assets and liabilities, which may be affected by changes imposed by the Central Bank as a mechanism to control liquidity of the Brazilian financial system, through compulsory deposits.The compulsory deposits enforceability incurs on the volume of deposits, at rates established by applicable rules, and proceeds deriving therefrom are deposited at the Central Bank, earning interest rates (except for demand deposits). On December 31, 2015 we had R$8,339 million compulsorily collected deposits, in cash or through federal government bonds to the Brazilian Central Bank, with a R$2,680 million increase in relation to the year 2014, partly affected by the change in the tax rate on the compulsory payment on time resources. The result of the mandatory investment increased by R$211 million in 2015 in comparison to 2014, also positively affected by an increase in the effective Selic rate.

Amendments to the Tax Laws

Furthermore, results are influenced by amendments to tax laws and tax regimes affecting the operations and clients businesses. These amendments include changes in tax rates and levy of temporary taxes, the proceeds of which are earmarked for specific purposes. Law No. 13169, of October 2015, changed the tax rate for Social Contribution on Net Income for the financial industry, raising it from 15% to 20% in the period from September 1st, 2015 to December 31, 2018. Under the new rules, although the increase in tax rate generates increased expenses, the immediate effect is the updating of tax stock for amounts of intertemporal additions that will become deductible by 2018, calculated based on the new tax rate and resulting in a tax gain of R$106 million in 2015.

b. revenue variations attributable to changes in prices, foreign exchange rates, inflation, volume and introduction of new products and services.

Interest Rates

Overall, higher interest rates result in higher revenues from loan operations due to higher spreads. Nevertheless, higher interest rates may negatively affect results and loan portfolio by reducing demand for credit and increasing client delinquency risk.

On the other hand, lower interest rates reduce revenues from loan operations due to lower spreads. Thus, lower interest rates may result in a reduction in revenues and, accordingly, worsen results. This revenue decline may eventually be offset by a loan volume growth, due to a higher demand for credit, provided that there is funding and capital to meet said demand without significantly increasing the delinquency levels of operations.

According to data from the Brazilian Central Bank, in December 2013, 2014 and 2015, the average spread in loan operations carried out by financial institutions in Brazil stood at 13.80 percentage points, 14.90

percentage points and 18.60 respectively, while at the end of 2013, 2014 and 2015 the effective SELIC rate stood at 8.22%, 10.90% and 13.27% respectively.

Inflation

Net income can be adversely affected by higher inflation rate in Brazil, which can result in higher costs and reduce operating margins, if inflation is not followed by an increase in interest rates. Moreover, inflation may contribute to increase market volatility, due to economic uncertainties, lower expenditures by population, lower growth of real income and reduced consumer's confidence, factors that may have a negative impact over operating results.

The inflation calculated by IGP-M (General Market Price Index) was 5.53% in 2013, 3.67% in 2014 and 10.54% in 2015. Prices, on the other hand, when calculated by IPCA, went up 5.91% in 2013, 6.41% in 2014 and 10.67% in 2015.

Spread

The operating result can be affected by changes in spread, as seen in Table 11, where revenues from interest-bearing assets in relation to interest-bearing liabilities expenses, which represent the funding, are stated. In 2015, spread came to 6.93% versus 6.57% in 2014 and 7.16% in 2013.

The factors that may influence spread include: an increase/decrease in borrowing costs due to variation in the benchmark interest rate, stiff competition among financial institutions and delinquency arising from periods of crisis or economic growth.

Foreign Exchange

The foreign exchange operations solely aims at meeting clients' needs in products, services and credit for import and export operations. For these operations, we raised funds with international financial institutions. Therefore, assets and liabilities denominated in foreign currency are similar, providing us with a natural hedge. Except for capital of branches abroad, totaling US$79 million, foreign exchange rate exposure was not maintained with own funds and no leveraged operations were carried out in foreign currency.

c. impact of inflation, price variation in main inputs and products, foreign exchange and interest rates, operating results and the issuer's financial result, when relevant.

The analytical margin presented herein was determined based on average balances of assets and liabilities, calculated from 12-month closing balances comprising periods analyzed.

Loan operations include advances from foreign exchange contracts and leasing operations, which are stated at present value, net of leasing agreements. Income from loan operations overdue by more than 60 days, regardless of their risk level, are only recognized as revenue when effectively received.

Average balances of liquidity interbank investments, funds applied or raised in the interbank market, correspond to the redemption amount, less unearned revenues or unexpired expenses corresponding to future periods.

Average deposit balances, open market operations, borrowings and onlendings include charges payable until the closing date of financial statements, recognized on a pro rata die basis. Referring to expenses related these items, those referring to deposits include expenses for contributions to Credit Guarantee Fund – FGC.

Table 12 shows assets generating revenue and interest-bearing liabilities, related financial intermediation revenue amounts over assets and financial intermediation expenses over liabilities, as well as effective average rates in 2015, 2014 and 2013.

Margin on income-bearing assets increased in 2015 in relation to 2014. The average income-bearing assets grew by 9.7% and income-bearing liabilities by 10.4% in 2015 against 2014. The margin in the year 2015 increased by 16,5%, and the relative margin increased by 0.45 p.p. in relation to 2014. This was due to the a higher increase in revenues generated by an increase in fees and volumes of income-bearing assets increased than in expenses incurred as a result of the variation in balances and prices of interest-bearing liabilities, in a scenario of rising basic interest rates, currency depreciation and increase in late payments.

The increase in the effective Selic rate during the period reflected the increased rates of profitable assets and burdensome liabilities. In addition to base interest rates referencing the operations in the financial sector, the structure of assets and liabilities and also contractual terms are decisive factors composing the margin earned in each period.

Credit assets percentage in total average profitable assets decreased 0.3 p.p. in 2015 in comparison to 2014, reaching 51.9%. The share of treasury transactions in total interest-bearing assets increased by 0.3 p.p., from 34.3% in 2014 to 34.6% in 2015. Compulsory payments increased their share in total interest-bearing assets by 0.3 p.p., reaching 12.1% in 2015.

Referring to interest-bearing liabilities, the average balance of time deposits accounted for 50.0% of these liabilities in 2015, versus 47.1% in 2014. Savings deposits reduced its percentage over interest-bearing liabilities by 1.1 p.p. to 15.4% in 2015. Open market funding accounted for 10.8% of onerous liabilities in 2015, 2.2 p.p. down year-on-year. Among other onerous liabilities, acceptance and issue of securities declined by 1.0 p.p. to 5.2% in 2015.

All these changes resulted in an increase of 0.36 p.p. in spread, reaching 6.93% in 2015.

Table 12: Analytical Margin

R$Million

	2015			2014			2013		
	Average balance	Revenue Expense	Average rate	Average balance	Revenue Expense	Average rate	Average balance	Revenue Expense	Average rate
Profitable assets	**57,374**	**10,804**	**18.83%**	**52,315**	**8,197**	**15.67%**	**47,137**	**6,573**	**13.94%**
Loan operations	29,762	7,004	23.53%	27,312	5,487	20.09%	24,374	4,808	19.73%
Resale commitments	554	65	11.66%	226	33	14.67%	2,401	202	8.39%
Securities and derivative financial instruments	19,299	2,894	15.00%	17,741	2,036	11.48%	16,036	1,232	7.68%
Interbank deposits	7	0	3.39%	134	10	7.45%	92	7	7.88%
Other profitable assets	7,751	841	10.85%	6,903	630	9.13%	4,234	324	7.66%
Reserve requirements	6,961	774	11.12%	6,153	571	9.28%	3,526	266	7.55%
Other	790	67	8.50%	750	59	7.93%	709	58	8.18%
Unprofitable assets	**6,323**	**-**	**-**	**5,370**	**-**	**-**	**4,037**	**-**	**-**
Total assets	**63,697**	**10,804**	**16.96%**	**57,685**	**8,197**	**14.21%**	**51,174**	**6,573**	**12.84%**
Interest-bearing liabilities	**49,588**	**(6,390)**	**12.89%**	**44,904**	**(4,407)**	**9.81%**	**39,475**	**(2,906)**	**7.36%**
Interbank deposits	886	(86)	9.67%	434	(39)	8.93%	373	(24)	6.32%
Savings account	7,644	(576)	7.53%	7,412	(494)	6.66%	6,415	(374)	5.83%
Time deposits	24,815	(2,762)	11.13%	21,161	(1,924)	9.09%	18,823	(1,320)	7.01%
Open market operations	5,363	(680)	12.67%	5,857	(619)	10.58%	4,976	(420)	8.43%
Subordinated debt	2,385	(961)	40.31%	1,948	(514)	26.38%	1,790	(212)	11.84%
Borrowings and onlendings	4,458	(817)	18.33%	3,710	(371)	10.01%	3,044	(242)	7.95%
In the country	2,800	(133)	4.74%	2,430	(103)	4.22%	1,932	(87)	4.50%
Abroad	1,658	(684)	41.26%	1,281	(269)	20.99%	1,113	(155)	13.93%
Other	4,037	(509)	12.61%	4,382	(446)	10.19%	4,055	(315)	7.77%
Non-interest bearing liabilities	**8,167**	**-**	**-**	**7,433**	**-**	**-**	**6,761**	**-**	**-**
Shareholders' Equity	**5,942**	**-**	**-**	**5,348**	**-**	**-**	**4,938**	**-**	**-**
Liabilities and Shareholders'equity	**63,697**	**(6,390)**	**10.03%**	**57,685**	**(4,407)**	**7.64%**	**51,174**	**(2,906)**	**5.68%**
Spread			**6.93%**			**6.57%**			**7.16%**
Margin		**4,414**	**7.69%**		**3,790**	**7.24%**		**3,667**	**7.78%**

10.3 – Events with relevant effects, accurred and expected, in the issuer's financial statemants

10.3. The Executive officers must comment on the relevant effects caused or expected to be caused by the events below in the issuer's financial statements and results:

a. introduction or sale of operating segment.

b. creation, acquisition or disposal of corporate interest.

Historically, the Company's engagement in the insurance market was Banrisul's commercial area focus. Since 2011, the insurance segment was subject of study aiming to increase revenue. After four years seeking a partner company, the Institution decided to sign an agreement with Icatu Seguros at the end of 2014 to exclusively distribute life insurance and pension plan products through Banrisul's channels for a 20-year term.

In August 2015, the holding company Banrisul Icatu Participações S.A., in which Banrisul holds an equity interest of 49.9%, was completed. This is a partnership that represents an evolution in the business model followed by the Bank. The insurance company Rio Grande Seguros e Previdência S.A. is a member of the economic group, and will have exclusiveness in the sale of personal insurance and pension plan products through the Bank's distribution channels.

The successful changes occurred in Brazil's insurance market, the permanence of banks as strong distributors and the potential absorption of insurance by the Bank's clients were the reasons that lead to this negotiation.

c. non-recurring events or operations.

<u>Processing of the State of Rio Grande do Sul Payroll</u>

On January 14, 2014, State Law No. 14837 was enacted and, among other provisions, authorizes the Executive Branch of the State of the Rio Grande do Sul ("the State") to assign for consideration its payroll to Banrisul (Material Fact published on January 19, 2016). The Entity received, on February 15, 2016, a letter issued by the State, by means of which Agreement No. 1202/2012 was terminated, and Banrisul was given a deadline to express its interest in negotiating the new terms and conditions for assignment of the payroll (Material Fact published on February 17, 2016). Banrisul expressed its interest in negotiating the new agreement and took the measures required to conduct the process on an impartial and duly substantiated basis, having formed a Special Committee to assist and prepare recommendations to Bansirul's Board of Directors regarding negotiations with the State. It also engaged consultants to assess the transaction (Material Fact published on February 26, 2016).

2015

<u>Subordinated Debt</u>

In the last quarter of 2015, a transaction for repurchase of subordinated debt issued in 2012 in the amount of US$775 million was carried out in two tranches - US$500 million in February and US$275 million in December 2012, for a period of 10 years. The partial settlement aimed to reduce the funding cost, in an environment of restricted spreads, and to provide liquidity to the notes given the scenario of currency devaluation and expansion of country risk. The partial repurchase transaction reached US$251,8 million and generated revenues of R$174 million.

<u>Termination due to Retirement Plan</u>

Early in the second half of 2015, Banrisul implemented a plan to encourage termination of employees entitled to government and supplementary retirement, with the purpose of reducing relevant administrative expenses. The Termination due to Retirement Plan - PDA received 501 applications from July 27, 2015 to September 25, 2015. Taking into account withdrawals, terminations totaled 471 employees. The costs paid and provisioned under PDA totaled R$48,5 million. Net of tax benefits, PDA expenses affected income by R$28,8 million.

2014

Plan Restructuring - Fundação Banrisul de Seguridade Social

Banrisul is the main sponsor for FBSS (Fundação Banrisul de Seguridade Social) and Cabergs (Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul) which, respectively, provide private pensions and health benefits to their employees. The accounting recognition of post-employment benefit-related commitments, at Banrisul, is made pursuant to CVM Resolution 695/12, effective as of January 1, 2013.

Banrisul is the main sponsor for “defined benefit” plans (Benefit Plan I - PBI), and “variable contribution” plans (FBPREV). PBI has a historical unbalance generated by factors inherent in this type of plan, such as changes in the longevity profile, economic factors, future salary growth, in addition to lawsuits. To balance the deficit, the Bank signed a conduct adjustment agreement in May 2013, which includes the creation of new benefit plans. With PREVIC’s approval of the new benefit plans at the end of 2013, Fundação Banrisul started, on February 3, 2014, the voluntary and incentivized migration of PBI’s participants and beneficiaries to: (i) Plano Saldado, based on the Defined Benefit model, in which the amount accumulated by all participants remains in a collective account, and (ii) FBPREV II Plan, based on the variable contribution model, the contribution is defined upon accumulation of reserve and benefit defined during payment of the lifetime benefit.

In 2014, nearly 90% of active employees and 25% of the beneficiaries migrated their mathematic reserves to the new plans. The expenses from the incentive to the migration to the Bank’s Settled Benefit Plan (Plano Saldado) and the FBPREV II Benefit Plan came to R$288 million. Additionally, the recognition of the effect in the existing PBI Benefit Plan deficit in the Sponsor’s liability portion corresponding to the beneficiaries who migrated to the Settled Benefit Plan and FBPREV II Benefit Plan, as per CPC 33 and CVM Resolution 695/12, generated revenue of R$84 million.

With the application of the accounting rules provided for in CPC 33 (R1), the restructuring added higher balance to post-employment benefit plans, remaining a liability of R$72 million in 2015 (R$118 million in 2014), recognized in Banrisul’s equity.

After restructuring the Plan, the remaining portion of the debt, in the amount of R$71 million as at December 31, 2015 (2014 – R$67 million), was distributed as follows: Benefit I Plan (PBI), totaling R$40 million, Settled Benefit Plan (PBS) totaling R$18 million and and FBPREV II Benefit Plan, totaling R$13 million, recorded in Other Liabilities. The debt incurs 6% p.a. interest, adjusted by the variation of the General Price Index – Internal Availability – (IGP-DI), through updates and monthly payments, with final term in 2028.

The Bank’s benefit plans were based on the respective Plan Regulations, which comprise all rights and obligations of participants and sponsors, the actuarial costing plan, legal terms, form of payment of monthly contributions and benefits, minimum contribution term and other parameters necessary for actuarial measuring. The Rules are approved by the internal legal management authorities, the sponsor(s) and federal oversight and regulation authorities as per the effective law.

Regarding actuarial risks, Banrisul and FBSS can conduct asset/liability comparison studies to seek transactions in the capital and insurance markets aiming to reduce or eliminate the Plans’ actuarial risks. Through its defined benefit plans, Banrisul is exposed to a number of risks, the most significant being: asset volatility, variation in securities profitability, inflation risk and life expectancy.

The recent changes brought by the creation of two new plans generated structural changes that are being permanently assessed, from the financial standpoint, through governance mechanisms, which comprise forums that monitor the economic impacts from the alternatives created.

Incentivized Retirement Plan

Following the restructure of post-employment benefit plans, Banrisul launched in January 2014, the Incentivized Retirement Plan (PAI), which provides better employment termination conditions to employees who have qualified for official and complementary retirement in 2014. Employees could adhere to the Plan until March and employment terminations occurred until June 2014. The Plan was created to preserve the Bank's equity structure and meet the employees' expectations regarding post-employment benefits. 554 employees adhered to PAI and 510 employment terminations were carried out. Incentives provisioned and paid within the PAI scope totaled R$64 million.

2013

Banrisul Cartões S.A.

Banrisul Cartões S.A. ("Banrisul Cartões" or "Company"), a Banrisul subsidiary, previously called Banrisul Serviços Ltda., was incorporated on July 2, 1969 and underwent a major reorganization in 2013. On October 3, 2013, the company changed its type, from limited liability to privately held, and its corporate name.

In November 2013, Banrisul Cartões S.A., through the onerous assignment of rights and obligations, acquired from Banrisul the operations of the acquiring network, Rede Banricompras. In this transaction, assets totaling R$908 million were assigned, of which R$117 million in Receivable Advance recorded at the carrying amount, which did not impact equity, as well as Liabilities totaling R$810 million; the R$98 million difference was settled on November 1, 2013. Therefore, Banrisul Cartões concentrates and includes in its corporate purpose, in addition to the management of products acting as means of payment related to benefit and service cards (Food, Meal, Benefit, Gift, Fuel, Salary and Fleet Maintenance System), the management of the operations of the acquiring network, with the accreditation of establishments and the capture and processing of data related to transactions arising from the use of credit and debit cards.

Due to the restructuring, the Company entered into an Operational Agreement with Banrisul, effective for thirty (30) years, which establishes the rules governing the transfer of Rede Banricompras' management activities to Banrisul Cartões, comprising, among others, the division of responsibility by costs, the transfer of Bank employees, the license to use the brands, the use of the bank's distribution network as a sales channel for Banrisul Cartões' businesses, and compensation for the services provided.

Issue of Financial Bills

In August 2013, Banrisul concluded the first issue of financial bills totaling R$1,600 million, in three series: the first totaling R$700 million and with a two-year term, the second totaling R$870 million and with three-year term, and the third totaling R$30 million and with a four-year term. Interest on financial bills will be paid semi-annually. The operation improved the Bank's position in the fixed income market and created opportunities for future operations with longer terms.

10.4 - Relevant changes in the accounting practices - Qualifications and emphases in the opinion of the Auditor

10.4. Officers must comment on:

a. relevant changes in the accounting practices.

2015

Correspondents' Remuneration Payment and Accounting

In 2015, the amendments introduced by Central Bank Resolution 4294/13, governing the manner for paying remuneration when contracting domestic correspondents, and by Central Bank Circular 3738/14, which establishes the procedures for booking the remuneration of domestic correspondents, came into effect as per section 1 described in the next paragraph:

§ 1 The option exists to record under Assets: (i) up to two-thirds of the remuneration concerning origination that took place in 2015, while the remaining portion must be booked as an expense for the period; and (ii) up to one-third of the expense referring to origination that took place in 2016, while the remaining portion must be booked as an expenses for the period.

§ 2 Commencing January 1, 2017, the remuneration must be booked in full as an expense.

§ 3 The amounts recorded as assets, based on the option contemplated in § 1, must be fully amortized using the straight-line method, within a maximum of 36 months from the date they are recorded as assets, or immediately when the operation is liquidated or written down for whatever reason.

§ 4 Commencing January 1, 2020, all outstanding amounts recorded as assets, involving remuneration of domestic correspondents, must be immediately written down against the appropriate expense account for the period, and it is forbidden to record or maintain any additional amounts of this nature under assets.

Beginning in fiscal year 2015, Banrisul has opted to adopt the amendments enacted by the normative instruments mentioned.

2013

Post-employement benefits

In relation to post-employment benefits, including through FBSS - Fundação Banrisul de Seguridade Social, as provided for CVM Resolution 695/2012, as of January 1, 2013, actuarial gains/losses arising from adjustments based on experience and changes in actuarial premises are now directly recorded in the Shareholders' Equity, under other comprehensive income, when incurred.

b. material effects of changes in the accounting practices.

Correspondents' Commpensation Payment and Accounting

Transactions closed using the Bem Promotor de Vendas e Serviiços S.A. channel, in 2015, at the time under the rules issued by the normative instruments mentioned above, generated expenses of R$30 million recorded under other administrative expenses, while R$30 million still remain to be deferred, booked as assets, referring to these same transactions.

Post-employement benefits

The effect of adopting such standard in Banrisul negatively affected the Shareholders' Equity at R$323 million in December 2013, adjusted by tax credits in the amount of R$129 million. The balances of the comparison period, 2012, were restated based on the same criteria for comparison purposes.

In 2015, the effect of applying CPC 33 (R1) had a positive effect on shareholders' equity of R$17 million, net of tax effects amounting to R$18 million.

c. independent auditors' qualified report or emphasis of matter.

There is no qualified opinion or emphasis of matter on the Auditor's report of 2015.

There is no qualified opinion or emphasis of matter on the Auditor's report of 2014.

In 2013, the Independent Auditors' Report on Banrisul's Financial Statements, signed by Ernst & Young, had the following emphasis of matter.

"Emphasis of matter:

Restatement of corresponding amounts - As mentioned in Note 3, due to the change in the accounting policy for recording Employee Benefits, amended by CPC 33 (R1), effective as of January 1, 2013, the corresponding individual and consolidated amounts relating to the balance sheets of January 1 and December 31, 2012 and the corresponding accounting information related to the statement of changes in equity for the year ended December 31, 2012, presented for comparison purposes, were adjusted and are being restated as provided for in CPC 23 – Accounting Policies, Estimate Changes and Error Rectification and CPC 26(R1) – Presentation of Financial Statements. Our opinion does not include changes on this matter."

10.5 - Critical accounting policies

10.5. Officers must indicate and comment on critical accounting policies adopted by the issuer, mainly exploring the accounting estimates made by management on uncertain and relevant issues to describe the financial conditions and results requiring subjective or complex judgments, such as provisions, contingencies, revenue recognition, tax credits, long- lived assets, useful life of non-current assets, pension plans, foreign currency translations adjustments, environmental recovery costs, assets impairment test criteria and financial instruments.

The parent company and consolidated financial statements were prepared in accordance with the Brazilian Corporation Law, the rules and instructions of the Natinal Monetary Council – CMN, Brazilian Central Bank – Bacen and the Securities and Exchanges Commission – CVM, including accounting practices and estimates referring to the recording of provisions and calculation of certain amounts of assets composing its Securities, Derivative Financial Instruments and Deferred Tax portfolio. Thus, results verified may differ from those estimated upon the effective financial settlement of these assets and provisions.

Banrisul's financial statements include its operations in Brazil, as well as the consolidation of its premises abroad (Miami and Grand Cayman). The foreign exchange variation effects on foreign operations are distributed in the statement of income according to the nature of corresponding assets accounts. When preparing the consolidated financial statements, consolidated intercompany interest, the balances of balance sheet and transaction results were eliminated, and amounts of income for the year and shareholders' equity referring to minority interest were highlighted.

The preparation of these financial statements necessarily involves assumptions and estimates extracted from past results and factors considered reasonable and relevant. The factors affecting Management's estimates in relation to financial statements are uncertain, per se. Note 3 to the consolidated financial statements for the fiscal year ended December 31, 2015 includes a summary of the main accounting practices and relevant methods adopted when preparing the consolidated financial statements.

Securities and Derivative Financial Instruments

Pursuant to Bacen Circular Letter 3068/01 and supplementary regulation, the following securities are classified and measured in three specific categories, in compliance with the accounting criteria:

- Trading Securities - these include securities acquired to be frequently and actively traded and measured by the market value, gains and losses are recognized in the income for the year.

- Available-for-Sale Securities - these include securities used as part of the strategy to manage the interest rate variation risk and may be traded as a result of these variations, due to changes in payment conditions or other factors. These securities are adjusted by market value and their yields are recognized in profit or loss. Unrealized gains and losses deriving from market value variations are recognized in a specific shareholders' equity account, less related tax effects, where applicable, referred to as "Equity Valuation Adjustments" until their realization through sale. Realized gains and losses will be recognized on the trade date in the statement of income against the same specific shareholders' equity account, less related tax effects, where applicable.

- Held-to-Maturity Securities – these include securities to which Management has the intention and the financial capacity to held them to maturity, recorded at the acquisition cost, as long as there are no permanent losses, restated pro rata temporis against the income for the year. The financial capacity is defined in cash flow projections, excluding the possibility of selling these securities.

- Derivative Financial Instruments – these are classified, on their acquisition date, according to the Management's intention of using them as a hedge instrument or not, pursuant to the Circular Letter 3082/02 of the Brazilian Central Bank. Derivative operations carried out as requested by clients, on their own account, or not complying with the hedge criteria (mainly derivatives applied to manage the global risk exposure), are recorded at the market value, with realized and unrealized gains and losses, directly recognized in the statement of income.

Firstly, derivatives are recognized by fair value on the date a derivative agreement is executed and, subsequently, re-measured at their fair value. The method to recognize the resulting gain or loss depends if the derivative is designated or not a hedge instrument, in cases of adopting the hedge accounting. If this is the case, the method depends on the nature of item that has been hedged. Banrisul adopts the hedge accounting and designates derivatives to hedge against subordinated debt as fair value hedge of recognized assets or liabilities or firm commitment (market risk hedge).

When the operation starts, Banrisul documents the relation between hedge instruments and hedged items, as well as the risk management goals and strategy for several hedge operations. Banrisul also documents its evaluation, both in the beginning of hedge and continuously that derivatives used in hedge operations are highly effective to offset variations at fair value or at cash flows of hedged items.

The total fair value of a hedge derivative is classified as non-current asset or liability, when the remaining maturity of hedged item exceeds 12 months, and as current asset or liability when the remaining maturity of hedged item is lower than 12 months.

Market Risk Hedge – Derivative financial instruments destined to offset risks arising from the exposure to market value variation of hedged item are classified into this category.

Banrisul considered in this category derivatives contracted aiming at hedging the foreign currency variation deriving from the issue of debt denominated in U.S. dollars totaling US$523.185 million, maturing on February 2, 2022. On December 31, 2015, the sole derivatives effective refer to swaps.

The variations in derivatives fair value designated and qualified as market risk hedge are recorded in the statement of income, with any variations in the fair value of hedged assets or liabilities, attributable to the hedged risk. Gain or loss related to this operation is recognized in the statement of income as “Gross Profit from Financial Intermediation”.

Loan, Leasing Operations and Other Receivables

All loan and leasing operations have their risks classified according to the Management’s judgment, taking into account the market conditions, past experience and specific risks in relation to operations, debtors and guarantors, observing the parameters set forth by Resolution 2,682/99 of Brazilian National Monetary Council - CMN, which requires a periodic portfolio analysis and their classification into nine risk levels, from AA to H.

Loan and leasing operations are recorded at present value, calculated pro rata die based on the index and interest rates, adjusted until the 60th day in arrears. After this term, revenue is recognized in profit or loss when the operations are effectively received.

The risks of renegotiated asset operations are defined according to criterion of CMN Resolution 2,682/99, i.e., remain in the same rating they were before renegotiation and loan operations renegotiations which were previously written- off against provisions, which were recorded in memorandum accounts, are classified level H. Eventual gains deriving from renegotiation only will be recognized as revenue when effectively received.

Other Receivables – Credit Card Operations

Unbilled amounts are represented by amounts receivable from credit card users for the utilization of cards at merchants accredited by Banricompras, Visa and MasterCard brands. These amounts are recorded under securities and receivables, without credit feature and the installments where Banrisul is the issuer and the outstanding balance of operations whose payments were made by the minimum invoice amount (revolving credit), are reclassified to Loan Operations.

Provision for Loan Operations Losses, Leasing and Other Receivables

Recorded in an amount deemed as sufficient to cover any losses, supported by client's risk rating, in view of the periodic analysis of client's quality and not only based on minimum accrual percentages required by CMN Resolution 2,682/99, in the event of delinquency.

On December 31, 2015, the total amount of provision for loan operations losses, leasing and other receivables exceeds the minimum amount that would be required only considering the rating of operations and based on the number of days in arrears, as provided for in CMN Resolution 2,682/99. This procedure has been adopted by Management since the edition of said rule in order to deal with possible events not mentioned in clients' rating model based on the respective overdue periods.

Permanent Assets

These are stated at the acquisition cost, considering the following aspects:

- Measurement of investments in subsidiaries and affiliates through the equity method, based on the financial statements drawn up and observing the same accounting practices of the controlling shareholder, i.e., the accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Brazilian Central Bank. Other investments are recorded at their cost and, where applicable, they are adjusted by provisions for losses;

- Goodwill – it corresponds to the surplus amount paid on the acquisition of investments deriving from the expected future profitability and has indefinite useful life and is submitted to annual asset impairment test;

- Depreciation of property and equipment by the straight-line method, according to the goods estimated economic useful life, considering the annual minimum rates disclosed in Note 10 to the Financial Statements; and

- The intangible assets are mainly composed of investments whose benefits will occur in future years. This group is represented by bank service agreements and software acquisition. The amortization is calculated through the straight-line method at the rates disclosed in Note 10 to the Financial Statements.

Banrisul annually revises if there is any evidence of impairment. Any losses, when identified, are recognized in profit or loss. During the fiscal year ended December 31, 2015, the Financial Institution did not verify any indication that certain permanent assets could be above the recoverable value, therefore, no provision for asset impairment was recognized.

Foreign-Currency Denominated Assets and Liabilities

The assets and liabilities balances of premises abroad, as well as other assets and liabilities denominated in foreign currency arising from operations carried out by Banrisul and its subsidiaries, were translated by the exchange rate in force on the closing date of the financial statements.

Deposits, Open Market Operations, Borrowings and Onlendings and Financial and Development Fund

These are stated by liabilities amounts, including charges payable up to the date of the financial statements, recognized on a pro rata die basis.

As enacted by Laws 12,069/04 and 14,738/15 of the State Government of Rio Grande do Sul, 95% of the balance of amounts deposited in court in Banrisul by third parties, when requested, must be made available to the State of Rio Grande do Sul and the remaining balance is held at Banrisul for fund purposes. The amounts transferred to the state government are controlled in memorandum account and the retained amount is recorded in Other Liabilities, as per Note 23 to the Financial Statements. Charges expenses over remaining balance are recorded under Loan, Assignment and Onlendings Expenses.

Provisions, Contingent Assets and Liabilities and Legal, Tax and Social Security Obligations

Provisions, contingent assets and liabilities and legal obligations are recognized, measured and disclosed according to the criteria defined by CPC 25, which was approved by CMN Resolution 3,823/09.

Contingent Assets - these are not recognized in the financial statements, except when there is evidence ensuring their realization over which appeal no longer applies. No contingent assets were recognized on the books and there are no on-going cases where earnings are probable.

Provisions and Contingent Liabilities - the provision for contingent liabilities is shown in the financial statements when, based on the opinion of legal counsels and Management, the risk of loss of a legal or administrative proceeding is deemed as probable, and probable outflow to settle the obligations and when the amounts involved are measurable with sufficient security.

The contingent liabilities classified as possible losses are not recognized on the books, and must only be disclosed in the Notes, while those where the losses are remote require neither provisions nor disclosure.

Banrisul and its subsidiaries, in their normal course of business, are parties to judicial and administrative tax, labor law and civil proceedings.

The provisions were constituted based on the opinion of our legal advisors, through models and criteria allowing their measurement, despite the uncertainty inherent to their term and closure of the case. Banrisul makes full provision for the amount of the lawsuits whose assessment is classified as probable.

Management understands that the provisions constituted are sufficient to cover any losses arising from legal proceedings.

Tax Lawsuits

(i) Provisions for tax contingencies mainly refer to tax liabilities whose legality or constitutionality is purpose of administrative or judicial objection, whose probability of loss is deemed as possible, and provisions are recorded by full amount of the claim. For claims with escrow deposits, the amounts involved are not updated. Upon issuance of the authorization for withdrawal, when the ruling is in our favor, the amounts are restated and redeemed.

The main tax claim refers to Income tax and social contribution on the deduction of expense arising from the payment of actuarial deficit with Fundação Banrisul de Seguridade Social (Banrisul Social Security Foundation), challenged by the Internal Revenue Service for the period between 1998 and 2005, in the amount of R$484 million. Banrisul, through its legal counsels, has been discussing this issue in court and recorded provision for contingencies in the estimated loss amount.

(ii) Tax notice of outstanding debits with the FNDE - The National Education Development Fund, referring to educational allowances classified as probable by our advisors, and provisioned in the amount of R$7 million.

There are also tax contingencies which, according to their nature, are deemed as possible loss, totaling R$107 million. According to the accounting practices, no provision for contingencies has been recorded.

Labor claims

Arise from labor law proceedings usually filed by employees, former employees, employees of outsourced companies, associations, unions and the office of the public prosecutor, alleging violation of labor rights.

The provision is recorded for labor claims filed against Banrisul upon legal notice and when the risk of loss is deemed as probable. The provision amount is calculated according to our Management's estimate of disbursement, periodically revised based on our legal counsels' subsidies and adjusted at the execution deposit amount, when required. Out of referred provision, the amount of R$114million is deposited in court. Additionally, the amount of R$34 million was requested as procedural resources.

There are also labor contingencies that are deemed as possible losses, amounting to R$948 million, that, according to the nature of these proceedings, refer mainly to overtime, reinstatement and salary equalization claims. According to the accounting practices, no provision for contingencies has been recorded.

Civil lawsuits

Lawsuits of a compensatory nature refer to the indemnification due to property damage and/or pain and suffering, referring to the consumer relationship, mainly addressing issues related to credit cards, consumer direct credit, current accounts, collection and loans.

They record the provision at the time the initial service of process is received and are monthly adjusted by intended indemnity in the evidence submitted and in the legal counsel's evaluation, which takes into account former court decisions, factual background information, evidence produced in case records and court decisions to be rendered in the lawsuit, as to the lawsuit's loss risk level. Of the provision mentioned, the amount of R$96 million was deposited in court.

The amount of R$1,673 million refers to lawsuits filed by third parties against the Financial Institution, whose nature refers mainly to savings accounts, pain and suffering, recovery of undue payment and real estate financing. The company's legal counsel classifies them as possible losses, therefore, they were not accrued.

Other Lawsuits

On September 29, 2000, Banrisul received a an assessment imposed by the Central Bank of Brazil in connection with administrative proceedings filed by the Monetary Authority involving alleged irregularities committed in foreign exchange transactions between 1987 and 1989. An administrative ruling at the second level determined that Banrisul pay a penalty equivalent to 100% of the amount of the allegedly irregular transactions, which decision is being challenged through the courts by the management who, out of precaution and complying with the requisites of the Central Bank, decided to constitute a provision for possible losses, amounting to R$139 million.

Legal, Tax and Social Security Liabilities – These are recorded as liabilities regardless of evaluation as to the probability of losses.

Other Long-Term Current Assets and Liabilities

These are stated by realization amounts and/or liabilities, including earnings and charges incurred up to the balance sheet closing date, calculated pro rata die and, where applicable, the effect of adjustments to reduce the cost of assets to their market or realization value. Realizable balances and liabilities within 12 months are classified under current assets and liabilities, respectively.

Income Tax and Social Contribution

These taxes are calculated by applying effective rates as follows: 15% until August 2015, 20% in the period between September 1, 2015 and December 31 2018, and 15% commencing January 1, 2019 in the case of social contribution tax for finance and similar companies and 9% for the other companies. In the case of Income Tax on taxable Earnings, the rate is 15% (plus 10% as per legislation) ascertained during the period, adjusted by permanent differences.

Deferred income tax and social contribution were calculated based on effective rates on the date of the financial statements, and on the prospects for the estimated realization of these credits during the effectiveness period of those rates over temporary differences and recorded under Other Receivables, against the income for the year. These tax assets will be realized upon the realization of temporary differences and related provisions.

Long-Term Post-Employment Benefit Obligations

Retirement Obligations - Banrisul sponsors the FBSS - Fundação Banrisul de Seguridade Social (Banrisul Social Security Foundation) and Cabergs – Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul (Employee Assistance Fund of the Bank of the State of Rio Grande do Sul) which, respectively, ensure the supplementary retirement and health insurance benefits to its employees.

(i) Private Pension Plans - Banrisul sponsors “defined benefit” and “variable contribution” plans.

A defined benefit plan is different from a defined contribution plan. Usually, defined benefit plans establish the retirement benefit that employees will receive when they retire, normally depending on one or more factors, including age, time of service and compensation.

Liabilities recognized in the balance sheet related to defined benefit pension plans correspond to the present value of the defined benefit liabilities on the balance date less the fair value of the plan’s assets. Defined benefit liabilities are calculated by independent actuaries annually using the Projected Unit Credit Method. The present value of defined benefit liabilities is determined by discounting future estimated cash outlays, using interest rates compatible with market yields, which are denominated in the currency in which the benefits will be paid and whose terms are close to those of the respective private pension plan obligation.

The actuarial evaluation is prepared based on assumptions and interest rates, inflation projections, benefits increase, life expectancy, and the effect of any cap on the employer’s portion of the cost of future benefits, employee or third-party contributions that reduce the final cost of these benefits for the entity, etc. The actuarial evaluation and its assumptions and projections are updated yearly, at the end of each fiscal year. Actuarial gains and losses arising from adjustments based on experience and changes in actuarial premises are directly recorded in equity, under other comprehensive income, when incurred.

The cost of benefits granted by defined benefit plans is established separately for each plan, through the Projected Credit Unit Method. Past cost of services, when occur, is recognized immediately in profit or loss.

Variable contribution plans comprise defined contribution benefits, which include regular retirement, early retirement and funeral grant. In this case, Banrisul does not have additional payment obligations once the contribution is made. Contributions are recognized as employment benefit expenses, once they are due. Early contributions are recognized as asset as cash refunds or reduction in future payments are available. Additionally, there are defined benefits, including disability retirement, proportional benefit, illness benefits, annual allowance, minimum benefit and pension due to death.

(ii) Health Plans – these benefits are ensured by Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul – Cabergs, which offers general medical assistance benefits and whose funding is established through adhesion agreement.

The Bank also offers post-employment medical assistance benefit to its employees. The costs expected from these benefits are accumulated during the employment period using the same accounting technology applied to defined benefit pension plans. Actuarial gains and losses arising from adjustments based on experience and changes in actuarial premises are debited or credited to equity, under Equity Valuation Adjustments. hese obligations are annually assessed by qualified independent actuaries.

The plan assets are not available to Banrisul’s creditors and cannot be directly paid to it. The fair value is based on information about market price and, in the case of quoted securities, in the market quotes. The value of any defined benefit asset recognized is restricted to the sum of any past cost of service not yet recognized and at present value of any economic benefit available as reduction in future employer contributions to the plan.

(iii) Retirement Bonus - retired employees receive a retirement premium proportional to their fixed monthly compensation in effect at the time of retirement.

Additionally, the result of the actuarial assessment may generate an asset to be recognized, which is recorded by the Institution only when:

- it controls a resource, which is the capacity to use the surplus to generate future benefits;

- this control is the result of past events (contributions paid by the Institution and services provided by the employee); and

- future economic benefits are available for the institution as a reduction of future contributions or cash reimbursements, either directly to the Institution or indirectly to offset any deficit in another post-employment benefit plan (pursuant to the applicable law).

Commitments related to these three types of post-employment benefits are assessed and reviewed by qualified independent actuaries every year.

10.6 - Relevant items not mentioned in the issuer’s financial statements

10.6. Officers must describe relevant items not mentioned in the issuer’s financial statements, indicating:

a. assets and liabilities held by the issuer, directly or indirectly, not mentioned in the balance sheet (off- balance sheet items).

Judicial Deposits

On April 22, 2004, the State Law 12,069 was enacted, amended by Law 14,738/15, by means of which, Banrisul, when requested, shall make available to the state of Rio Grande do Sul up to 95% of judicial deposits raised by Banrisul (except for those the litigant is the Municipality). The amount not available shall create a reserve fund destined to ensure the refund of referred judicial deposits. On December 31, 2015, the judicial deposits made by third parties in Banrisul, adjusted by benchmark interest rate (TR) plus interest rates of 6.17% p.a. until the balance sheet date totaled R$10,317 million, R$9,665 million of which was transferred to the state government, upon request and written-off from related equity accounts. Prior to the amendment arising from Law 14.738, the percentage to be made available to the state, at its request, was up to 85%. On December 31, 2014, the judicial deposits made by third parties in Banrisul, adjusted by benchmark interest rate (TR) plus interest rates of 6.17% p.a. until the balance sheet date totaled R$9,687 million (2013 - R$8,324 million), of which, R$7,708 million (2013 - R$7,058 million) was transferred to the state government. The remaining balance, which represents the funds available, previously mentioned, managed by Banrisul, is recorded under Financial Funds and Development Liabilities.

Sureties and Guarantees

Sureties and guarantees tendered to clients totaled R$1,349 million in 2015 (2014 -R$1,249 million), are subject to financial charges and rely on beneficiaries’ guarantees.

b. other off-balance sheet items.

There are no other relevant off-balance sheet items.

10.7 - Comments on items not included in the financial statements

10.7. In relation to each off-balance sheet item indicated in item 10.6, Officers must comment on:

a. how such items change or are likely to change revenues, expenses, operating result, financial expenses or other items of the issuer's financial statements.

b. nature and purpose of operation.

c. nature and amount of obligations assumed and rights generated in favor of the issuer as a result of the operation.

Judicial Deposits

Given the amendment to the legislation, as commented in section 10.6, in 2015, the representativeness of the balance held in the judicial deposits reserve fund stood at 6.3% (in 2014, the proportion was 20.4%).

Sureties and Guarantees

Guarantees and sureties granted produce economic effects that are booked as provisions in the Bank's liabilities, as determined by the normative instructions of the Central Bank. In the event of any requirement to honor any sureties or guarantees, the event will create a credit with the debtor, who will be subject to the collection policy and supplementary provisions.

10.8 – Business Plan

10.8. Officers must indicate and comment on the main elements of the issuer's business plan, specifically exploring the following topics:

a. investments, including:

i. quantitative and qualitative description of on-going and projected investments.

ii. sources of financing for the investments.

iii. relevant on-going and projected divestments.

In 2015, priority was given to enhancing processes and to investments in technology to make our branches and service outlets increasingly agile. Back-office routines were upgraded by implementing or continuing with projects such as Digitalized Document Management, Corporate TV, Accesssibility, the Branch Operational Model and the implementation of the Electronic DAD. The Institution's data center have been the target for improvements in infrastructure and process, with the emphasis on energy efficiency and the availability of the environments. In the year, R$335 million were invested in the technological expansion and modernization, renovation and remodeling of branches.

Technological Expansion/Modernization

To offer customers more secure products and services, and in seeking to expand the electronic service channels, Banrisul has invested in improving its IT infrastructure by renovating and expanding the air conditioning structure, monitoring generators and no-breaks and keeping operating risks to a minimum. Moreover, in order to implement the new Data Center, the legal instances concluded and approved the Data Center Complex Project. The Project will commence in 2016, and is in line with the best practices and standards involving security, disponibility and integrity, sustainable buildings, energy efficiency and Green IT.

In the case of IT security, Banrisul has sought re-certification from the PCI (Payment Card Industry) for the "Rede Vero" environment, so as to ensure services with a high degree of requirements in terms of protection and availability of information in relation to the network that transacts credit/debit cards and vouchers. We also expanded the security tools on the Internet Banking and Mobile Banking channels, work that received market recognition and the 2015 "Bank Report" award in the security category. In addition, the eighth edition of the Banrisul IT International Forum was held, providing opportunities for around 3,000 people, national and international panels about the way forward for technology.

With a focus on bank automation, several new or expanded banking products and services were launched. A series of improvements in systems were implemented, of which we can mention: the setting up of a multidimensional monitoring panel for the Rede Vero network, designed to monitor performance using a pro-active approach; the implementation of an integrator system for manage and communicate with non-account holders; automated closure of branches' cash systems, so as to be more agile while enhancing operations and security; technical adaptation of the Banrisul Brazilian Payments System, so as to postpone the cut-off time of the STR; and the creation of a structure to make Banrisul applications available on smartphones by virtualizing the card, as well as integrating the Mobile x Branch x DG platforms using NFC (Near Field Communication) technology om mobile devices and ATMs, so as to support and expand the use of mobile devices as a customer service channel.

Renovation of Customer Service Network

In 2015, Banrisul invested R$35.5 million in network renovations and expansions, including the renovation of sites and new facilities, with wider and modern structures within accessibility standards. Banrisul network comprises 98.5% of Rio Grande do Sul's population, besides rendering services in several other Brazil's states, especially in Santa Catarina and Paraná.

At the end of December 2015, Banrisul customer service network totaled 1,277 service points, distributed in 534 branches, of which 489 are located in the state of Rio Grande do Sul, 30 in the state of Santa Catarina, 13 in other Brazilian states and two abroad, 202 banking service points and 541 ATMs. During 2015, eight new Banrisul branches were opened, of which seven in Rio Grande do Sul and one in Santa Catarina. To implement the investments mentioned above, the Institution uses own funds obtained from statutory and expansion reserves. The Bank's Bylaws provide for the recognition of a reserve for technologic modernization, which has been fully recorded based on 25% of net income. The Bank also records an expansion reserve, which is demonstrated in the capital budged, a document presented together with the financial statements made available to the regulatory authorities, as provided for the Brazilian Corporation Law.

b. provided already disclosed indicate the acquisition of plants, equipment, patents or other assets that should materially affect the issuer's production capacity.

In August 2015, the constitution of the Banrisul Icatu Participações S.A., holding company was finally concluded, in which Banrisul holds 49.9% of the equity. The creation of Rio Grande Seguros e Previdência S.A., which is part of the group, represents an evolution in the Bank's business model, which henceforth incorporates part of the income generated by the operation. The insurance company has exclusive rights on commercializing life insurance and private pension products through the Banrisul distribution channels, for which condition Icatu disbursed R$115,0 million in 2014. By constituting the, a Icatu Seguros S.A. injected R$22,5 million in Banrisul in 2015.

c. new products and services indicating:

i. the description of researches in progress already disclosed.

ii. total amounts spent by the issuer in researches for development of new products or services.

iii. projects under development already disclosed.

iv. total amounts spent by the issuer in the development of new products or services.

Regarding new product research and development and improvements to existing products, Banrisul has been conducting several projects to incorporate new technological innovations, whereby in 2015 we booked an amount of approximately R$6.6 million considering only the value of research and development labor realted to IT personnel. Banrisul has been investing in loans, insurance, portability, card network and processing, rewards program, mobile banking, internet banking, other technologies related to bank security, data center efficiency and customer relations, among others.

10.9 - Other factors with significant influence

10.9. Comment on other factors significantly impacting the operating performance and neither identified nor commented in other items of this section.

There are no other factors which significantly impacted the Company's operational performance and which have neither been identified nor commented in other items of this section "10".

11.1 - Disclosed projections and assumptions

ITEM 11 – PROJECTIONS

The words “believe”, “can”, “may”, “shall”, “aims”, “estimates”, “continues”, “foresees”, “intends”, “expects”, “potential” and other similar words contained herein aim at identifying future estimates and outlook. Future projections and outlook include information relating to results, strategy, financing plans, competitive position, sector environment, potential growth opportunities, future regulation effects and competition effects. These future projections and outlook only refer to the date when these were expressed.

Given the risks and uncertainties described herein, projections may not materialize, therefore, they do not guarantee performance in the future. In addition, Banrisul’s future results and performance may substantially differ from those estimated, due to, including, but not limited, the risk factors mentioned in this Reference Form many of them go beyond the Bank’s control or estimate capacity. Additionally, these estimates are based on assumptions that may not materialize. Considering these uncertainties and limitations, investors should not make their investment decisions solely based on the future estimates and outlook contained herein.

11.1. The projections must identify:

a. purpose of the projection.

Since 2008, we have been disclosing the following growth estimates to the market:

Loan: growth percentage expected in the year from total loan, personal and corporate commercial loan and mortgage portfolios.

Loan portfolio provisioning levels: percentage expected from loan provision expense/portfolio average balance ratio and the loan provision/loan portfolio balance ratio at the end of the period.

Funding: growth percentage expected in the year in total funding and time deposits.

Profitability: percentage expected from dividing net income for the period by average shareholders’ equity.

Efficiency: percentage expected from the sum of personnel and other administrative expenses, divided by net interest income plus fee and other operating revenue, less other operating expenses, accumulated in twelve months.

Margin: percentage expected from dividing net interest income (gross income from financial intermediation plus provision expenses) by average profitable assets.

b. period projected and projection validity.

Projections indicate amounts expected for current year. Indicators expected for the following year are disclosed in each year’s earnings results release (last quarter of each year). Revised projections are released on a quarterly basis.

c. projection assumptions, pointing out which of them may be influenced by the issuer’s Management and those beyond its control.

Among the assumptions beyond the issuer’s control, we mention the following macroeconomic assumptions: the Selic rate, long-term interest rate (TJLP), benchmark interest rate (TR), price indexes, foreign exchange variation and default levels, variables the trend of which does not rely on the issuer’s intervention, but prospective evolution is assessed by the Bank by means of trend studies developed by Banrisul’s specialized technical area and supported by external advisors.

The assumptions influenced by the issuer's action are: equity volumes (growth), asset and liability prices (rates), spread, default levels (maximum limits in relation to the portfolio), management of revenue and expenses, variables the evolution of which is subject to the Bank's Management. Renovation and enlargements are also assumptions adopted in volume and/or expense projections estimated for technological expansion and/or upgrade, as well as distribution network expansion (capital budget – fixed investments).

d. guidance.

Guidance	2016				2017
	Expected [1]	1H16 Revised	9M16 Revised	Performed	Expected
Credit Portfolio	0% to 4%	-4% to 0%	-4% to 0%	-2.6%	3% to 7%
Non-direct Lending - Individuals	0% to 4%	4% to 8%	4% to 8%	17.2%	5% to 9%
Non-direct Lending - Companies	0% to 4%	-19% to -15%	-19% to -15%	-19.6%	-2% to 2%
Real Estate Loans	4% to 8%	1% to 5%	1% to 5%	1.1%	1% to 5%
Allowance for Loan Losses Expenses/Credit Portfolio	3.5% to 4.5%	3.5% to 4.5%	4.5% to 5.5%	5.5%	4.5% to 5.5%
Allowance for Loan Losses Balance/Credit Portfolio	6.5% to 7.5%	7.5% to 8.5%	7.5% to 8.5%	8.7%	8.5% to 9.5%
Funding	10% to 14%	10% to 14%	10% to 14%	10.3%	10% to 14%
Recurring Return on Average Shareholders' Equity	14% to 17%	11% to 15%	9% to 12%	10.3%	9% to 12%
Efficiency Ratio	49% to 53%	49% to 53%	49% to 53%	52.1%	49% to 53%
Net Financial Margin / Interest-Earning Assets	7.5% to 8.5%	7.5% to 8.5%	7.5% to 8.5%	8.7%	7.5% to 8.5%

11.2 - Monitoring and changes in disclosed projections

11.2. If the issuer disclosed, over the last three fiscal years, its indicators growth projections:

a. inform which projections have been replaced by new ones included in the form and those repeated in the form.

2016 projections include the same indicators provided and monitored over the past three years, published for the first time together with the financial statements for the fourth quarter of 2015.

2016 guidance for loan losses provisions expenses in relation to the credit portfolio and the ROAE was altered. The guidance for credit and funding growth has not changed, as well as that for total provisions/credit portfolio ratio, efficiency ratio and net interest margin.

The review of the indicators for provision expenses and ROAE was due to the persistence of non-performing loans, within the corporate segment in particular, which is facing difficulties to recover its payment capacity due to restrictions imposed by the economic cycle. The improvement of confidence levels perceived throughout 2Q16 was not sufficient to deliver recurring recovery indicators within the local economy.

Total credit portfolio and non-direct lending (individuals and companies) objectives are based on the implementation of the policy of maximum credit risk exposure per customer, especially in the corporate segment. Favorable funding performance reflects the trust that customer have in the Bank. NIM and efficiency indicators, although in a restrict business environment, have been performing as expected during the year.

Regarding 2015, projections were disclosed in the financial statements for 4Q14 and revised in June and September 2015.

b. regarding projections for periods already elapsed, compare projected data with indicators effective performance, clearly indicating the reasons for deviations in projections.

Guidance 2015

Banrisul Outlook	2015	Disclosed 2015
Total Loan Portfolio	**5.0%**	**7% to 11%**
Personal Commercial Loans	7.6%	8% to 12%
Corporate Commercial Loans	-0.1%	6% to 10%
Mortgages	16.7%	9% to 13%
Loan Provision Expenses/ Loan Portfolio	4.8%	3.5% to 4.5%
Provision Balance / Loan Portfolio	7.0%	6% to 7%
Total Funding	**10.8%**	**10% to 14%**
Return on Average Equity	12.8%	14% to 17%
Efficiency Ratio	50.2%	52% to 56%
Net Interest Income on Profitable Assets	7.7%	7% to 8%

Loan Portfolio

Total loan portfolio, in the broad sense, i.e., including the guarantees provided, increased by 5.1% in the last twelve months. The balance of loan operations, less co-obligation of provided guarantees, moved up by 5.0%. The growth in commercial credit transactions intended for private individuals arose primarily from the increase in personal loans. The reduction in the business loan portfolio reflected the Bank's strategy of reducing its exposure to credit, with a special focus on the corporate segment.

Growth of the personal loan, business loan and overall portfolio fell short of what had been envisaged for 2015. Personal loans, after stripping out credits obtained in assignments, grew by 10.9%, within the interval envisaged for 2015.

The real estate credit portfolio stood at R$3.829 million in 2015, growth of R$549 million or 16.7% over 2014, and above the estimate for 2015. The highlight among the steps taken over the twelve-month period were the adoption of a professional certification policy for real estate correspondents and the employees engaged in the business, adjustments to product policy in the light of changes in the market, as well as the adaptation to Central Bank Circular 3.757 dealing with the allocation of the mandatory reserve requirement on savings account deposits.

Portfolio Quality

The roll-over of credit transactions, especially in the corporate segment, at higher rating levels mirrored the higher balance and flow of PDD in proportion to the portfolio in 2015. The inventory of loan loss provisions came to R$2,252 million in December 2015, representing 7.0% of the consolidated loan portfolio, a 1.4 p.p. increase over December 2014. The indicator of the balance of provisions in proportion to the portfolio converged to the ceiling of the interval envisaged in the guidance.

Loan provision expenses totaled R$1,551 million in 2015. The flow of provision expenses increased 97.8% or R$767 million over the previous year. The performance of credit transactions rolled over, especially in the corporate segment, at higher rating levels mirrored the higher balance and flow of PDD in proportion to the portfolio in 2015. The behavior of the provisions flow in relation to the percentage of the portfolio frustrated the expectation signaled to the market in September 2015.

Funding

Deposits and managed funds stood at R$47.650 million in December 2015, a balance of 10.8% or R$4,645 million over the figure for the same month of the previous year, growth explained primarily by the higher balance of deposits. Guidance on deposits and investment funds was achieved. Bearing in mind the funds in notes and subordinated debt, the balance stood at R$51,990 million, 8.2% or R$3.925 million over the figure for 2014.

Funding through time deposits grew from R$4,685 million or 20.8% in twelve months, becoming the main instrument for increasing funding.

Profitability, Efficiency and Margin Indicators

The return on average shareholders' equity stood at 12.8% in 2015, below the expectation disclosed to the market, a reduction of 1.1 pp. over 2014, influenced by the higher expenses with credit provisions, notwithstanding the favorable performance of the net interest margin, revenues from tariffs and services and the trend in administrative expenses.

Recurring income of R$759 million in 2015 was 0.7% above the figure for 2014. Accumulated net income of R$849 million reflects the following exceptional events: (i) creation of the Plan for Dismissal through Retirement - PDA, implemented to facilitate the dismissal of employees close to retirement by December 31, 2015; (ii) capital injection by Icatu Seguros S.A. as part of the paid-up capital of the holding company Banrisul Icatu Participações S.A; (iii) an increase of 5 pp. in the rate of Social Contribution Tax on Net Income (CSLL); and (iv) the tax effects of non-recurring events. Added together, these events produced a positive net effect of R$90 million in earnings for the period.

The cost/income ratio in December 2015 stood at 50.2%, 5.1 pp. lower than the ratio for December 2014 and below the guidance interval, which denotes a favorable performance. The improvement in the ratio can be explained by the favorable performance of the net interest margin, revenues from services and tariffs, the positive effect of the partial repurchase of subordinated debt and exchange rate variance, which offset the higher administrative expenses.

The net interest margin on earning assets stood at 7.7% in 2015, within the projected interval, and 0.5 pp. higher than in 2014. The higher net interest margin on earning assets reflects the contribution from revenues generated by higher rates and volumes of earning assets exceeding expenses incurred by the variance in the balances and prices of interest-bearing liabilities in a context of higher basic interest rates, currency depreciation and higher arrears.

Guidance 2014

Banrisul Outlook	**2014**	**Disclosed 2014**
Total Loan Portfolio	**14.4%**	**10% to 14%**
Personal Commercial Loans	13.0%	12% to 16%
Corporate Commercial Loans	10.0%	6% to 9%
Mortgages	21.0%	9% to 13%
Loan Provision Expenses/ Loan Portfolio	2.6%	2.5% to 3.5%
Provision Balance / Loan Portfolio	5.6%	6% to 7%
Total Funding	**13.0%**	**10% to 14%**
Time Deposits	13.2%	10% to 14%
Return on Average Equity	13.9%	13% to 16%
Efficiency Ratio	55.3%	53% to 58%
Net Interest Income on Profitable Assets	7.2%	7% to 8%

Loan portfolio

Total loan portfolio, in the broad sense, i.e., including the guarantees provided, increased by 14.6% in the last twelve months. The balance of loan operations, less co-obligation of provided guarantees, moved up by 14.4%, above the 14% guidance floor. Loan increase especially from commercial portfolio and due to credit incentives granted by the Brazilian Central Bank, in accordance with Circular Letters 3.712 of 07/24/2014 and 3.715 of 08/20/2014 (acquisition of payroll-deductible loan portfolios with co-obligation from eligible banks) and Circular Letter nº 3.723 of 10/15/2014 (working capital), policies adopted to minimize the impact of a reduction in the remuneration on reserve requirements with the Brazilian Central Bank.

By the end of December 2014, the mortgage portfolio totaled R$3,280 million, 21% or R$569 million up on the previous year. Among the period's highlights are the renewal of the Coopercon agreement for 2015, the launch of a web-based mortgage assessment system and the implementation of mortgage portability.

Portfolio Quality

The flow and inventory of provisions as a share of the loan portfolio were below the interval projected for 2014. The inventory of loan loss provisions came to R$1,694 million in December 2014, representing 5.6% of the consolidated loan portfolio, a 0.4 p.p. reduction over December 2013.

Loan provision expenses totaled R$784 million in 2014. The flow of provision expenses increased 18.7% or R$123 million over the previous year. The increase in loan provision expenses, in the last twelve months, is the result of portfolio balance growth.

Funding

Funds raised and managed totaled R$48,065 million by the end of December 2014, 13.3% or R$5,644 million up on the same period the previous year, mainly due to the increase in deposits balance.

Time deposit funding moved up by 13.2% in twelve months, representing the main driver of funding growth.

Profitability, Efficiency and Margin Indicators

Return on average equity stood at 13.9% in 2014, in line with expectations disclosed to the market, 2.3 p.p. down in the year, influenced by the increase in loan provision expenses, in administrative expenses including payroll expenses, financial margin growth, increase in revenue from services and fees and by the improvement of other operational revenue.

Recurring income of R$753 million in 2014 was 4.9% down on 2013. Accumulated net income of R$691 million reflects the following non-recurring events: (1) a commitment to executing an agreement for exclusive distribution of life insurance products and pension plans through Banrisul network; (2) the restructuring of Fundação Banrisul de Seguridade Social post-employment benefit plans, structured and approved by Previc by the end of 2013; (3) the launch of the PAI (Incentivized Retirement Plan), implemented to favor the resignation of employees who have qualified for official and complementary retirement; (4) tax effects on non-recurring events. Added together, these events had a net negative impact of R$62 million on the income for the period.

In December, 2014, efficiency ratio stood at 55.3%, 2.4 p.p. up on December 2013 and within the projected interval. The ratio’s trajectory can be explained by lower financial margin generation, impacted by the deceleration in loan operation revenues, added to an increase in administrative expenses, due to higher expenses related to the Bank’s expansion strategy.

Net interest income on profitable assets came to 7.2% in 2014, within the projected interval, and 0.6 p.p. on down the previous year. It was affected by the slowdown of upturn or revenue on profitable assets and higher expenses with onerous liabilities, due to the Selic rate increase.

Guidance 2013

Banrisul Outlook	**2013**	**Disclosed 2013**
Total Loan Portfolio	**10.2%**	**11% to 16%**
Personal Commercial Loans	7.2%	12% to 17%
Corporate Commercial Loans	2.0%	4% to 8%
Mortgages	20.7%	15% to 20%
Loan Provision Expenses/ Loan Portfolio	2.6%	3% to 4%
Provision Balance / Loan Portfolio	6.0%	6% to 8%
Total Funding	**20.0%**	**13% to 18%**
Time Deposits	16.5%	18% to 23%
Return on Average Equity	16.2%	15% to 19%
Efficiency Ratio	52.9%	47% to 51%
Net Interest Income on Profitable Assets	7.8%	8% to 9%

Loan Portfolio

The total loan portfolio, in the broad sense, i.e. including the guarantees provided, increased by 10.2%. The balance of loan operations moved up by 9.6% in the last twelve months, below the 11% guidance floor. Loan growth, especially in the corporate segment, slowed down in 2013, particularly in the second half, impacted by a bank workers' strike and the migration of part of the receivable prepayment operations to Banrisul Cartões.

Commercial loans recorded a moderate growth pace, due to the deceleration of payroll-deductible loan purchases in the individual segment, the write-off of defaulting operations from the corporate portfolio, and the migration (R$116.5 million) of receivable prepayment operations to the new company.

By the end of 2013, the mortgage portfolio came to R$2,711 million, 20.7% or R$465 million up on the previous year. The performance was impacted by the maintenance of several partnerships, programs to grant loans to state civil servants, participation in industry events, as well as the extension of mortgage terms to 35 years, with the possibility of financing up to 90% of the property's value. The mortgage amount includes R$84 million referring to mortgage assignment operations with co-obligation.

Portfolio Quality

The flow and inventory of provisions as a share of the loan portfolio were below the interval projected for 2013. The inventory of loan loss provisions came to R$1,586 million in December 2013, representing 6.0% of the consolidated loan portfolio, a 0.5 p.p. reduction over December 2012.

Loan provision expenses totaled R$661 million in 2013. The flow of provision expenses fell by 22.5% or R$191 million over the previous year. The twelve-month reduction in loan provision expenses was due to the implementation of the client rating system, which improved compliance.

Funding

Funds raised and managed totaled R$42,420 million at the end of December 2013, 20.0% or R$7,062 million up on the same period the previous year, mainly due to the deposit balance expansion.

Time deposit funding, however, moved up by 16.5% in 2013, below the 18% guidance floor. The successful financial bill funding in August 2013 softened the funding policy mainly focused on time deposits. On the other hand, bank workers' strikes in September and October 2013 impacted the expected fund volume.

Profitability, Efficiency and Margin Indicators

Return on average equity stood at 16.2% in 2013, in line with the expectations disclosed to the market, 1.9 p.p. down in the year, influenced by the reversal in the Selic rate trajectory and stable average loan rates, which reduced spreads, as well as the favorable effect of the increase in revenue from other services and the resulting upturn in administrative expenses associated with business expansion.

The R$792 result in 2013 reflects the year-on-year slowdown in revenue, higher interest and administrative expenses, the upturn in revenue from services and bank fees and the favorable performance of other revenue and other operating expenses.

In December 2013, the efficiency ratio stood at 52.9%, 5.4 p.p. up on December 2012 and above the projected interval. This indicator's trajectory in the last twelve months was due to the decline in net interest income, impacted by the interest rate decrease, and higher administrative expenses, following initiatives related to the Company's expansion strategy, such as the workforce increase and the service channel expansion and improvement, which were partially offset by the increase in revenue from service and bank fees, fueled by growth in other services (insurance, pension plan, savings bonds and acquiring), and by the favorable variation in other operating expenses/income, influenced by the reduction in expenses with provisions for civil and labor claims.

Net interest income on profitable assets came to 7.8% in 2013, below the projected interval. The net interest income trajectory was affected by the lower generation of interest revenue compared with the acceleration of interest expenses, both of which impacted by the Selic rate trajectory, the mark-to-market of subordinated debt and the corresponding swap contracts and balance expansion.

c. as to projections related to periods still in progress, inform if projections remain valid on the delivery date of this reference form and, where applicable, explain why projections were removed or replaced.

The 2016 Guidance was included herein and represents current projection for the period in progress.

12.1 - Description of the administrative structure

12.1. Describe issuer's management structure as set forth in its bylaws and Internal Rules and Regulations.

As provided for in Chapter IV of the Bank's Bylaws, the Board of Directors and the Executive Board are responsible for the management of Banco do Estado do Rio Grande do Sul S/A.

a. duties of each body and committee, identifying whether they have their own internal rules and regulations.

a.1 - Board of Directors

The Bank's Board of Directors is composed of at least five and at most nine members, who shall be elected for a unified term of two years, with the possibility of reelection, by the Annual General Meeting, which may remove them at any time.

Members of the Board of Directors shall be elected without specific designation and the controlling shareholder, the state of Rio Grande do Sul, shall name, among others, the Chairman, who must be the State Finance Secretary or the Deputy State Finance Secretary, and the Vice-Chairman.

In accordance with Article 27 of the Bank's Bylaws, the Board of Directors is responsible for:

1. appointing the Company's Executive Officers and conferring on them their respective duties in accordance with the provisions of this Bylaws;

2. removing the Company's Executive Officers, following the recommendations of the controlling shareholders, the State of Rio Grande do Sul;

3. laying down the general business guidelines of the Company, in compliance with the governmental strategy of the controlling shareholder;

4. monitoring the activities of the Executive Officers, examining at any time the Company's books and documents, requesting information about contracts signed or which are about to be signed, and any other acts;

5. deciding on convening the Shareholders' Meeting when they deem convenient, or, in the case of Article 132 of the Brazilian Corporation Law;

6. issuing an opinion on the Management's Report and the Executive Board's accounts, approving the allocation of profit;

7. issuing an opinion on the provision of guarantees by the Company, when the amount exceeds five percent (5%) of the Company's shareholders' equity as determined in the latest semiannual balance sheet;

8. annually establishing the amount of subsidies and grants to be distributed by the Executive Board, in compliance with the provisions of this Bylaws;

9. approving the plans and promotional budgets of the Company and its subsidiaries;

10. appointing and removing the Independent Auditors, in compliance with this Bylaws;

11. organizing and amending the bylaws of the Board of Directors;

12. determining the maximum debt per client, including economic group, as a percentage of the Bank's shareholders' equity, while the Executive Board may approve credit transactions and risk limits up to a percentage of 3% of aforementioned shareholders' equity;

13. authorizing the Company to buy back its shares under the terms of Article 6 of the Bylaws, for cancellation or to be held in treasury for subsequent sale;

14. establishing the annual marketing budget based on technical market criteria, monitoring and control and focused on the marketing and institutional strategy and on building closer relationships with customers and the community;

15. elect and dismiss the members of the Audit Committee and of the Compensation Committee;

16. approve the operational rules of the Audit and Remuneration committees, as amended, and be aware of the activities of the committees through their reports; and

17. establish management compensation.

In association with Risk Management, the Board of Directors shall have the following duties:

1. approving the recommendations of the executive officer responsible and the risk management organizational structure;

2. approving Banrisul's Risk Management Policies following the Executive Board's proposal, in accordance with the statutory duty thereof and pursuant to the bylaws of these collective decision-making bodies;

3. issuing an express opinion on the actions to be taken for the timely correction of the deficiencies pointed out in the reports about the risk management structure addressed in the Policies;

4. taking responsibility for the information disclosed in open access reports containing the description of the risk management structures; and

5. ensuring the compliance with the requirements of Regulatory and Overseeing Agencies.

a.2 – Board of Executive Officers

The Company has an Executive Board, with executive duties, composed of a Chief Executive Officer, a Vice-President and up to six executive officers, shareholders or not, resident in Brazil, who meet the requirements of Article 15 of the Bylaws.

The Executive Board's resolutions are taken collectively, and the areas are distributed among the Executive Officers for purposes of administrative organization.

One of the Executive Officers shall be exclusively in charge of the Asset Management Department, pursuant to the regulations of the National Monetary Council and the Brazilian Securities and Exchange Commission, and shall not be accountable for other activities affecting the Department.

The Chief Executive Officer, the Vice-President and other members of the Executive Board shall be elected or reelected by the Board of Directors for a term of three years.

The Chief Executive Officer and the Vice-President shall necessarily be chosen among the Directors.

One of the members of the Executive Board shall be selected from among employees with more than ten years of service provided directly to the Bank and who meet the requirements of the Bylaws.

The positions of Vice-President and Director may be accumulated with the duties of the Executive Board.

Pursuant to Article 35 of the Bank's Bylaws, the Executive Board's responsibilities and duties are:

1. complying with and ensuring that the Bank's fundamental laws and the decisions of the Shareholders' and the Board of Directors' meetings are complied with;

2. proposing to the Board of Directors the general direction of the Bank's businesses and operations;

3. organizing the Bank's internal service regulations and amending them when convenient;

4. authorizing the provision of guarantees, the sale of assets and the transfer or waiving of rights, subject to the applicable provisions of this Bylaws;
5. establishing general and uniform norms for the appointment, promotion, punishment, dismissal, leaves, absences, salaries, bonuses and other benefits for employees who do not occupy positions of trust, delegating the authority for execution of these norms;

6. creating, changing and removing positions of trust, determining the amounts of their respective commissions and benefits, and appointing, punishing, dismissing, granting leave to the holders of such positions;

7. distributing and investing the profits earned, respecting, within the limits of each half-year's earnings, the compulsory requirement for distribution of fixed and minimum dividends set forth by these Bylaws and the other legal norms and regulations about dividends in kind;

8. creating and removing agencies and representations in any location in the country and abroad; and

9. annually preparing and reviewing the strategic plan, indicating the main guidelines about the management policy, human resources, investments and technology, products and services.

Control and Risk Executive Officer

Regarding Risk Management, the Control and Risk Executive Officer is responsible for the following activities:

1. ensuring the risk management process that will determine, monitor and control the risks to which the Financial Conglomerate and the Economical-Financial Consolidated Group are exposed, communicating it to the senior management and regulatory agencies;

2. ensuring that the guidelines of the Risk Management institutional policies are applied; and

3. complying with the Regulatory Agency in what regards the specific resolutions of the National Monetary Council (CMN).

a.3 – Fiscal Council

The Bank shall have a permanent Fiscal Council composed of five members and an equal number of alternate member members elected annually by the Annual General Meeting, pursuant to Chapter VII of the Bylaws.

The Fiscal Council, in addition to the duties and powers assigned thereto by the Brazilian Corporate Law, must meet when convened by the Board of Directors or the Executive Board and submit a report on the matters submitted thereto.

a.4 – Audit Committee

The company will have a standing Audit Committee in compliance with the requirements of the Central Bank of Brazil, consisting of 03 (three) members appointed by the Board of Directors at the first meeting to be held after the Annual Shareholders' Meeting, with a 2 (two) year term of office, and who can be removed from office at any time, as well as being re-elected insofar as legally permitted.

The Audit Committee must report directly to the Board of Directors.

Appointment to membership of the Audit Committee is open to individuals resident in Brazil, with a higher education qualification and technical training compatible with the attributions of the position, in addition to fulfilling the conditions for holding office on statutory bodies of financial institutions and other institutions authorized to function by the Central Bank of Brazil. - At least one member of the Audit Committee must have proven knowledge of accountancy and auditing that qualify him/her for the position.

The workings of the Audit Committee will be governed by its internal rules and regulations, with due regard for the fact that the Audit Committee will convene, at least on a quarterly basis, with the institution's Board of Executive Officers, independent auditors and the Internal Audit Department for the purpose o verifying compliance with their recommendations or queries, including with regard to the planning of the respective audit work, formalizing the content of such meetings in minutes.
Pursuant to Section 56 of the Bank's bylaws, it is the remit of the Audit Committee to:

I- establish the rules under which it functions, which must be approved by the Board of Directors, formalized in writing and made available to the shareholders;

II- prepare an annual work plan, containing activities script, defining the nature and extent of the information needed to conduct the work and performance of activities;

III- issue technical opinions to the Bank's management about the entity to be hired for providing independent audit services, and to recommend the substitution of that service provider id the need arises, with due regard for the legal tenets governing the company's hiring's;

IV- review, prior to publication, the quarter and half-year accounting statements, including the notes, the management reports and the report of the independent auditor;

V- evaluate the effectiveness of the independent and internal audits, including in regard to verifying compliance with the legal provisions and rules applicable to the institution, in addition to the internal regulations and codes;

VI- evaluate compliance by the Bank's management with the recommendations made by the independent and internal auditors;

VII- establish and publish the procedures for receiving and dealing with information about non-compliance with legal provisions and rules applicable to the Bank, as well as the internal regulations and codes, and which shall also contemplate specific procedures for protecting the person providing the information and the confidentiality thereof;

VIII- recommend to the Bank's Executive Board corrections or enhancements to the policies, practices and procedures identified within the scope of its terms of reference;

IX- meet at least quarterly with the Executive Officers of the Bank, with the Independent Audit and the Internal Audit to verify compliance with its recommendations or inquiries, including with regard to the planning of the respective audit work, formalizing, in minutes , the contents of such meetings;

X- meet with the Fiscal Council and the Board of Directors, at their request, so as to discuss the policies, practices and procedures identified within the scope of its respective competencies;

XI – invite to attend its meetings, members of management, employees, service providers or other employees who hold relevant information or whose constant topics on the agenda are relevant to their area;

XII – annually evaluate the performance and the overall effectiveness of the Committee through self evaluation, forwarding the result of this work to the Board of Directors, e

XIII- other attributions determined by the Central Bank of Brazil.

a.5 – Compensation Committee

The Compensation Committee, which is appointed by the Board of Directors of the Bank, will consist of three (3) members, individuals who are resident in Brazil, with a graduate professional background and technical qualification that is compatible with the attributions of the job, in addition to fulfilling the conditions for performance in positions of statutory bodies of financial institutions and other that are authorized to operate by the Central Bank of Brazil, with a term of office of three (3) years, subject to removal from office at any time, yet eligible for reappointment up to the maximum legally permitted period.

Pursuant to Article 67 of the Bylaws of the Bank, it is incumbent upon the Compensation Committee:

a) to develop the compensation policy of the Management of the Bank and of the subsidiaries, proposing to the Boards of Directors of the Bank and of its subsidiaries the various forms of fixed and variable compensation, in addition to benefits and special recruitment and termination programs;

b) to supervise the implementation and operation of the compensation policy of the Management of the Bank and of its subsidiaries;

c) to review annually the compensation policy of the Management of the Bank and of its subsidiaries, recommending to the relevant Boards of Directors their correction or enhancement;

d) to propose to Boards of Directors of the Bank and of its subsidiaries the overall amount of compensation of the management to be submitted to the relevant Shareholders' Meetings, on the terms of Article 152, of Law No. 6404, of 1976;

e) to assess the future scenarios, both internal and external, and their possible impacts on the compensation policy for the Management of the Bank;

f) to analyze the compensation policy for the Management of the Bank and of its subsidiaries in relation to the market practices, aiming at identifying significant discrepancies versus congenerous corporations, proposing the necessary adjustments;

g) to care that the compensation policy for the Management of the Bank and of its subsidiaries is permanently compatible with the risks management policy, with the targets and the current and expected financial situation for the institutions;

h) to request clarifications to the Executive Boards of the Bank and of the subsidiaries or to any one of their members;

i) to call upon employees that have proven is experience in the year to provide additional clarifications; and

j) to perform other attributions determined by the Central Bank of Brazil.

a.6 – Internal Audit

Regarding Risk Management, the Internal Audit is responsible for the following activities:

1. assessing the risk management process at least yearly;

2. ascertaining whether the risk management policies are being complied with.

a.7– Committees

The Bank has 16 statutory Committees acting as a collective decision-making body, which assist the Executive Board in the manners set forth in Chapter XII of the Bylaws (Article 77 through 80), whose duties and composition are established by internal resolution. They are the following: a) Banking Management Committee; b) Economic Management Committee; c) Commercial Management Committee; d) Administrative Management Committee; e) Internal Control Management Committee; f) Information

Technology Management Committee; g) Credit Committee; h) People Management Committee; i) Marketing Management Committee; j) Acquirers and Cards Committee; k) Asset Pricing Committee; l) Social and Environmental Management Committee; m) Investment Committee; n) Corporate Risk Committee; o) Treasury Committee, and p) Credit Restructuring Management Committee.

Each Committee shall have a minimum of four (4) and a maximum of twelve (12) members. Generally speaking, members of the Committees will be the heads of the Superintendence of the Unit, Superintendence of the Advisory Services, Regional Superintendent Offices, Executive Secretary of the Banking Management Committee and the General Manager of the Central Office, appointed by the Executive Board itself, and career employees from Banrisul S.A. The Banking Management Committee shall be composed of Executive Officers and Coordinators of the other Committees.

The Committees may be subdivided into groups based on the Executive Board's interests and service needs. Each Committee or group shall have a permanent Coordinator who, in case of impediment, may be replaced by a Coordinator to be appointed by members of the Committee, recorded in writing. It is the responsibility of the Committee's Coordinator to call and chair over his or her respective body.

Subject to the Executive Board's regulations, each Committee provided for in these Bylaws shall opine on matters pertaining to its area, subsequently submitting said matters to the Executive Board, which may grant powers to the Committees up to a limit within which they shall have decision-making power. The Coordinators of the Committees and the Groups, if any, shall be appointed by the Executive Board and be represented at the monthly meetings of the Executive Board.

Pursuant to Article 5 of the Committees' Bylaws, these meetings shall ordinarily be held weekly, biweekly, or within other periods that may be established, and, extraordinarily, whenever called by the Coordinator. The quorum for the meeting shall be half the members thereof plus one. In order for the Banking Management Committees' meeting to be called to order, its Coordinator plus a minimum of three Executive Officers must be present. The Committees must set forth procedures to hold meetings resulting from emergency situations.

Pursuant to Article 6 of the Committees' Bylaws, the Committees' resolutions shall be approved by the simple majority of attending members. The Committee's Coordinator exercises his or her voting rights as do the Committee's other members, and, should there be a draw, the Coordinator has the casting vote. The Committee member who does not agree with the resolution taken must record his or her position in the meeting's minutes. The absence of one member to the meeting called regularly does not exempt said member from responsibility over the resolution taken in that meeting. Regarding the Banking Management Committee, these Bylaws apply to each of its multidisciplinary presiding board when they meet to resolve on a matter within its specific jurisdiction.

Banking Management Committee

The Banking Management Committee is subdivided into three groups: Business Composition, Technology Composition and Administrative Composition.

This committee holds weekly ordinary meetings, and extraordinary meetings whenever called by its Coordinator, and its main duties are the following:

1. consolidating the Bank's global strategic vision, which involves the business, administration, risk, information technology, internal control and other aspects;

2. consolidating, adjusting and resolving on the proposals of the several different Committees, converging these proposals with the Bank's strategic view, and, regarding the Executive Board's exclusive powers set forth in the Bylaws or in Resolution 4273, recommending them to the Executive Board in the form of Policies or Guidelines;

3. monitoring and following up on the actions proposed and carried out as to their compliance with the guidelines established by the Executive Board; arbitrating over diverging positions among the other Committees;

4. approving the amount determined for payment of Variable Compensations RV1, RV2 and RV4 and setting the dates for disclosure and payment thereof;

5. determining and proposing to the Executive Board the guidelines of the Commercial Model and the Variable Compensations 1, 2, 3 and 4;

6. resolving on the proposals for Commercial Target, in the retail and corporate segments, and for Expense Target;

7. resolving on the determination and publication of the outcome from the Commercial Target and the Branch Certification;

8. determining the policy for expansion of the Bank's points of sale – Branch Network;

9. resolving on investments related to the Bank's Expansion Program, in accordance with the strategic guidelines set forth by the Executive Board;

10. assessing, recommending and proposing to the Executive Board measures to be adopted regarding the issues analyzed that are beyond its jurisdiction and/or power;

11. arbitrating over diverging positions from the other Committees; and

12. performing the other acts and exercising the other duties assigned thereto by the Executive Board.

Business Composition:

- Commercial Officer, who shall be the Coordinator of the Committee and this Composition.
- Financial Officer.
- Credit Officer.
- Distribution Officer.
- Coordinator of the Economic Management Committee.
- Coordinator of the Commercial Management Committee, in the Market Composition.
- Coordinator of the Internal Controls Management Committee.
- Executive Secretary of the Banking Management Committee.

Technology Composition:

- Information Management Officer, who shall be the Coordinator of this Composition.
- Commercial Officer.
- Financial Officer.
- Credit Officer.
- Coordinator of the Economic Management Committee.
- Coordinator of the Administrative Management Committee.
- Coordinator of the Information Technology Management Committee.
- Executive Secretary of the Banking Management Committee.

Administrative Composition:

- Administrative Officer, who shall be the Coordinator of this Composition.
- Commercial Officer.
- Financial Officer.
- Distribution Officer.
- Coordinator of the Economic Management Committee.
- Coordinator of the Administrative Management Committee.
- Coordinator of the Internal Controls Management Committee.
- Executive Secretary of the Banking Management Committee.

Economic Management Committee

- Executive Superintendent of the Financial Unit, who shall be the Coordinator of the Committee.
- Executive Superintendent of the Credit and Risk Analysis Policy Unit.
- Executive Superintendent of the Controllership Unit.
- Executive Superintendent of the Accounting Unit.

This committee holds weekly ordinary meetings, and extraordinary meetings whenever called by its Coordinator; its main duties are the following: conducting the liquidity strategic management; analyzing, with the aim of subsidizing the Banking Management Committee's decisions, whether the commercial strategy meets the economic requirements, including: The volume/price, price/risk and banking and bank funding/institutional funding ratios, and the indicators that characterize the Bank's building blocks (liquidity, solvability, leverage, etc.); that the recommendations to the Banking Management Committee are necessarily preceded by economic studies that will subsidize the analysis conducted in association with the Economic Management Committee. The aforementioned economic studies shall be conducted in association with the Operational Center by the Economic Study Board, as determined by Resolution 4282; resolving on the matters that fall under its jurisdiction in the management processes set forth by Resolution 4275 and other resolutions, and performing the other acts and exercising the other duties assigned thereto by the Executive Board.

Commercial Management Committee

This Commercial Management Committee holds weekly ordinary meetings, and extraordinary meetings whenever called by its Coordinator, and its main duties are the following:

Market Composition:

- Executive Superintendent of the Retail Commercial Unit, who shall be the Coordinator of the Committee.
- Executive Superintendent of the Corporate Commercial Unit.
- Executive Superintendent of the Government Commercial Unit;
- Executive Superintendent of the Credit and Risk Analysis Policy Unit.

Product Composition:

- Superintendent of the Credit Operationally Unit, who shall be the Coordinator of this Composition.
- Executive Superintendent of the Financial Unit.
- Executive Superintendent of the Development Unit.
- Executive Superintendent of the Foreign Exchange Unit.
- Executive Superintendent of the Credit Recovery Unit.
- Executive Superintendent of the Rural Business Unit.

This Composition's main duty involves: Equalizing the compositions' positions and proposing the Bank's commercial strategy involving market and products, which include product mix, commercial target and policies (credit, services, prices, recovery, tariff and others. The main duty of the Market Composition, in turn, involves: Proposing the Bank's commercial strategy. Lastly, the main duty of the Product Composition involves: Developing and technically analyzing a product and service structure that enables the commercial policy.

Acquirers and Cards Committee

- Executive Superintendent of the Credit and Debit Card Unit, who shall be the Coordinator of the Committee.
- Representative of Banrisul Serviços Ltda.
- Executive Superintendent of the Service Unit.
- Executive Superintendent of the System Development Unit.
- Executive Superintendent of the Technology Infrastructure Unit.
- Executive Superintendent of the Banricompras Network Unit.

This committee holds weekly ordinary meetings, and extraordinary meetings whenever called by its Coordinator, and its main duties are the following: Assisting the Executive Board in its decision-making process regarding the guidelines and strategies involving cards and acquirers; proposing policies that involve card issuances and capture of transactions by the Banricompras Network; establishing, monitoring and following up on marketing actions of all the products involving card issuances and capture of transactions by the Banricompras Network, as well as products and services associated with payment means, and resolving on all the strategic projects that focus on cards and acquirers.

Administrative Management Committee

- Executive Superintendent of the Corporate Management Unit, who shall be the Coordinator of the Committee.
- Executive Superintendent of the People Management Unit.
- Executive Superintendent of the Infrastructure Unit.
- Executive Superintendent of the Service Unit.
- Executive Superintendent of the Legal Counsel.
- Controller (who shall coordinate specifically the current expense budgetary process).

This committee holds weekly ordinary meetings, and extraordinary meetings whenever called by its Coordinator, and its main duties are the following: Resolving on the matters associated with the People Management, Infrastructure, Service, Corporate Management (only regarding administrative activities) and Controllership (only regarding payment and contract activities) Units; promoting the conduction of the current expenses budgetary process through a previous consultation, twice a year; analyzing and consolidating proposals and recommending logistics strategies and investments involving equipment, safety, human resources, and material resources, except those associated with the Information Technology Management Committee; proposing policies for the Bank's material investments, except those associated with the Information Technology Management Committee; analyzing the need, opportunity and convenience of the acquisition and sale of assets; Coordinating actions aiming at adapting the material means, infrastructure and supply, except in what regards Information Technology, to the need for preserving the Service Network's operational quality; criticizing the monthly increase of Administrative Expenses and the need for adjustment thereof; assessing, under the viewpoint of excellence of the Human Resources management, the internal environment and conjuncture; analyzing the need for and the urgency of actions promoting the development of the workforce and measuring their impacts on the businesses of the Bank and its subsidiaries; defining and proposing projects involving the Human Resources department's actions, such as: Personnel Policy, Career and Salary Policy, Regulatory Promotion Policy, Commissioning Policy, Personnel Development and Training Policy, among others; assessing the initiatives of human resources management of the Bank and its subsidiaries; assessing the need to recruit, select, move and dismiss employees, in order to ensure the effective allocation and management of human resources, by interacting with the responsible body; assessing and recommending acts and facts involving employees to the application of the disciplinary provisions in the Bank's Personnel Regulations that are beyond the jurisdiction of the Human Resources Department; optimizing, whenever applicable, the actions of the Permanent Disciplinary Commission; analyzing the appeals filed by employees and assist the Executive Board in its decision-making process.

Information Technology Management Committee

- Executive Superintendent of the System Development Unit, who shall be the Coordinator of the Committee.
- Executive Superintendent of the Technology Infrastructure Unit.
- Executive Superintendent of the Technology Information Security Unit.

This committee holds weekly ordinary meetings, and extraordinary meetings whenever called by its Coordinator, and its main duties are the following: Creating and proposing the Information Technology policy based on the guidelines proposed by the Banking Management Committee (Technology Composition) and approved by the Executive Board.

Credit Committee

- Superintendent of the Credit Unit - Coordinator.
- Superintendent of the Credit and Risk Analysis Policy Unit.

- Superintendent of the Retail Commercial Unit.
- Superintendent of the Corporate Commercial Unit.
- Superintendent of the Foreign Exchange Unit.

This committee holds weekly ordinary meetings, and its main duties are the following: Analyzing and issuing an opinion about the credit policies that are submitted thereto; analyzing and proposing credit proposals, within the limits of its decision-making jurisdiction and the technical parameters established by the Risk Analysis and Policy Unit, with due regard for the operational provision, security, liquidity and profitability established by the general resource allocation policy approved by the Executive Board; proposing an action plan with the aim of carrying out the guidelines of the credit recovery policy; obtaining from the several credit management areas the necessary data and the services so that the decision-making flow of loan proposal may proceed smoothly; preparing studies or presentations for the Executive Board on issues related to the granting of credit operations; submitting to the Executive Board as an opinion the proposals for operations that are beyond its jurisdiction; maintaining contacts with representatives of Regional Superintendences, Branch Network, and Executive Board units regarding the issues associated with its duties.

People Management Committee

- Executive Superintendent of the People Management Unit (Coordinator).
- Executive Superintendent of the Legal Counsel.
- Executive Superintendent of the Corporate Management Unit.
- Head of Internal Audit.
- Controller.

This committee holds weekly ordinary meetings, and extraordinary meetings whenever called by its Coordinator, and its main duties are the following: resolving on matters associated with the People Management Unit; resolving on matters within its jurisdiction in the management processes set forth in Resolution 4275, published on April 24, 2007, and in other resolutions, and perform the other acts and exercise the other duties assigned thereto by the Executive Board; assessing, under the viewpoint of excellence in the management of Human Resources, the internal environment and conjunctures; assessing the need for and urgency of the actions that promote the development of the workforce and measuring their impacts on the businesses of the Bank and its subsidiaries; determining and proposing projects involving the initiatives taken by the Human Resources Area, such as: Personnel Policy, Career and Salary Policy, Regulatory Promotion Policy, Commissioning Policy, Personnel Development and Training Policy, among others; assessing the initiatives of human resources management of the Bank and its subsidiaries; assessing the need to recruit, select, move and dismiss employees, in order to ensure the effective allocation and management of human resources, by interacting with the responsible body; assessing and recommending acts and facts involving employees to the application of the disciplinary provisions in the Bank's Personnel Regulations that are beyond the jurisdiction of the Human Resources Department; optimizing, whenever applicable, the actions of the Permanent Disciplinary Commission; analyzing the appeals filed by employees and assist the Executive Board in its decision- making process.

The Company also has the Asset Pricing and the Corporate Responsibility Committees, created recently by Resolutions 4378 e 4427, as follows:

Corporate Risk Committee

- Executive Superintendent of the Corporate Risk Management Unit - Coordinator.
- Controller.
- Executive Superintendent of the Accounting Unit.
- Executive Superintendent of the Credit Unit.
- Executive Superintendent of the Credit and Risk Analysis Policy Unit.
- Executive Superintendent of the Credit Recovery Unit.
- Executive Superintendent of the Technology Information Security Unit.
- Executive Superintendent of the Financial Unit.

Its main duties are:

1. approving methodologies applied to risk measurement;

2. ensuring the correct application of credit, market, liquidity and operational risk management policies;

3. approving the limit of risk-weighted exposures;

4. communicating the Bank's risk positions and capital allocation to the Executive Board and the Board of Directors;

5. assessing and monitoring the Institution's tendency toward risk in relation to its strategic goals, thus ensuring that both are aligned;

6. determining the mechanisms for continuous improvement of the risk culture;

7. conducting the strategic management of credit, market, liquidity and operational risk;

8. systematically monitoring the Institution's default levels and proposing changes to the risk and credit policies whenever necessary; and

9. the specific duty of resolving on the credit, market, liquidity and operational risk management policies, performing the other acts and exercising the other duties assigned thereto by the Executive Board.

The Corporate Risk Committee must submit the proposals to the analysis and approval of the applicable management committees, the Banking Management Committee, the Executive Board and the Board of Directors, as per the resolutions of the regulatory body, and complying with the Bylaws of the Management Committees, as per Attachment I hereto, of Resolution 4471 of December 7, 2010.

Marketing Management Committee

- Executive Superintendent of the Marketing Unit - Coordinator.
- Executive Superintendent of the Retail Commercial Unit.
- Executive Superintendent of the Distribution Unit.
- Executive Superintendent of the Legal Counsel.
- Executive Superintendent of the Operational Center.
- Media Relations Representative.

This committee holds weekly ordinary meetings, and extraordinary meetings whenever called by its Coordinator, and its main duties are analyzing and consolidating the proposals and recommending marketing strategies; assessing the need for, and the opportunity and convenience of implementing marketing actions; resolving on the marketing actions, contingent upon the jurisdiction set forth in a specific resolution; monitoring the conduction of the marketing strategy determined by the senior management; analyzing positioning of Banrisul's marketing campaigns, taking into account the Bank's main competitors, and performing the other acts and exercising the other duties assigned thereto by the Executive Board.

Internal Controls Management Committee

- Controller - Coordinator.
- Head of Internal Audit.
- Executive Superintendent of the Legal Counsel.
- Executive Superintendent of the Corporate Risk Management Unit.
- Executive Superintendent of the Technology Information Security Unit.
- Ombudsman.

This committee holds weekly ordinary meetings, and extraordinary meetings whenever called by its Coordinator, and its main duties are the following: drafting the internal controls and the logical and physical security policies, in addition to the short- and medium-term action plans; coordinating actions to establish operational risk management mechanisms.

The Internal Controls Management Committee has the following duties and powers: Supporting proposals for the drafting of guideline policies to be reviewed by the Banking Management Committee and the Executive Board; drafting and proposing the internal controls and the logical and physical security policies, in addition to the short- and medium-term action plans; resolving on the guidelines for the 1, 2, 3 and 4 variable compensations; recommending and proposing to the Executive Board measures addressing the issues analyzed that are beyond their jurisdiction and/or powers; resolving on the compliance policy in the process of determining the results from the Branch Certification; resolving on the previous consultations guided/requested by the units and/or bodies associated with issues within its jurisdiction, checking whether said issues are in compliance with the Executive Board's guidelines and the policies in effect, and performing the other acts and exercising the other duties assigned thereto by the Executive Board.

Social and Environmental Management Committee

- CEO of the Bank - Coordinator.
- Representative of the Strategic Group for Social and Environmental Management.
- Controller.
- Executive Superintendent of the Commercial and Marketing Unit.
- Executive Superintendent of the Corporate Management Unit.
- Executive Superintendent of the People Management Unit.
- Executive Superintendent of the Rural Business Unit.
- Superintendent of the Department of Investor Relations, Capital Markets and Corporate Governance.

The main duties of the Social and Environmental Management Committee are: Aligning the social and environmental responsibility actions with the institutional policies and guidelines, inserting them into all the Bank's product and service creation, development and marketing; assessing and proposing innovative and creative corporate responsibility practices, identifying efficient opportunities and methods for social and environmental projects; analyzing opportunities for institutional participation in disclosing social and environmental initiatives, strengthening Banrisul's social pillar both internally and externally; evaluating mechanisms for controlling and monitoring the Bank's social and environmental projects and programs; monitoring the public policies and social and environmental programs outside the Bank, aiming to maintain partnerships or associations with social relevance; implementing corporate instruments for rationalization and optimization of natural resources; prioritizing, in the Bank's relationships with third parties, the establishment of business partnerships with companies that value social and environmental responsibility practices; evaluating and promoting, in relationships with suppliers, the establishment of business partnerships that comply with the laws, ethical management processes, training and adaptation to the social responsibility criteria; ensuring that the Bank's social responsibility actions are ethical and transparent, and performing the other acts and exercising the other duties assigned thereto by the Executive Board.

Investment Committee

- Executive Superintendent of the Asset Management Unit.
- Executive Managers of the Asset Management Unit.

The Investment Committee shall meet ordinarily every fifteen (15) days, and extraordinarily whenever necessary, upon call notice issued by its Coordinator; The Committee's duties are the following: Submitting the investment policy, the fund allocation policy and the securities portfolio's risk limits to the Asset Management Executive Board for resolution and decision-making; complying with the regulations in force and the rules set forth in each of the portfolios; conducting a previous analysis of the investment proposals, and, in the case of private securities, submitting them to the Bank's department responsible for assessing the risk limit; monitoring and evaluating the portfolios' performance and proposing the creation, amendment or extinction of investment funds and the improvement of existing investments.

Asset Pricing Committee.

- Executive Superintendent of the Asset Management Unit.
- Executive Superintendent of the Financial Unit.
- Executive Superintendent of the Credit and Risk Analysis Policy Unit.
- Controller.

The Asset Pricing Committee shall meet ordinarily every month, and extraordinarily in cases of crisis or significant increase in the local or global financial market's volatility, or in case there should be substantial changes in the risk, credit and/or liquidity of the assets held in the managed portfolios or in the investment fund portfolios, upon a call notice issued by its Coordinator.

The duties of the Asset Pricing Committee are the following: evaluating and validating the method that will be used in the pricing of the assets comprising the managed portfolios and the investment fund portfolios; evaluating and validating the source of rates/price curves of the assets comprising the managed portfolios and the investment fund portfolios in order to price said assets; determining the operational processes used in pricing the assets comprising the managed portfolios and the investment fund portfolios and establishing the asset pricing methodology in unusual market conditions, such as in cases of crisis or significant increase in the financial market's volatility, change in the issuer/issue's risk rating, default, stress events in which prices/rates/curves are not made public/transparent or do not adequately reflect the asset's mark-to-market; revising/determining the provisions for assets with private credit risk; assessing the private credit portfolio's share of the managed and investment fund portfolios, either globally or individually, as to the concentration by sector, rating, issuers and issues; conducting a systematic revision of the process and methodology for pricing assets in the managed and investment fund portfolios so as to comply with the best market practices; submitting the Asset Pricing Committee's resolutions to the Asset Management Executive Board.

Treasury Committee

- Executive Superintendent of the Financial Unit.
- Executive Managers of the Financial Unit.

The Treasury Committee is responsible for analyzing and proposing to the Executive Board for decision-making: Studies and proposals for liquidity management; strategies for correcting an eventual unbalance between negotiable assets and current liabilities (mismatches between payments and receipts) that may affect the Bank's financial capacity, taking into account the operations' different currencies, rates, indices and terms; own portfolio's management strategies so as to minimize the liquidity and market risks, complying with the reports prepared by the Corporate Risk Management Unit; strategies for management of investments in securities so as to increase the asset's profitability, complying with the limits established by the Credit Policy and Risk Analysis Unit; investment proposals, in the case of private securities with risk limit previously approved by the Credit Policy and Risk Analysis Unit; the conduction of a liquidity contingency plan; the rating (banking book and trading book) of assets acquired; the limit established for the Minimum Cash, and other resolutions in association with the treasury and liquidity management operations.

Credit Restructuring Management Committee

- Executive Superintendent of the Financial Unit.
- Executive Managers of the Financial Unit.

The Committee analyzes and propose to the Board, for decision-making: analyze and decide on the plans of companies in judicial and extrajudicial recovery and extrajudicial liquidation; analyze and decide on agreements with obligors of operations with companies in judicial recovery; analyze and identify business opportunities for Banrisul aiming to act as Lender Partner / Strategic in the Judicial Recovery Plan; obtain of the various administrative areas of credit, the data and opinions to the normal progress of the decision-making flow of the operations in question; analyze the economic and financial situation, for the purpose of establishing the risk limits, as to grant new credit, if applicable; analyze the commercial viability of recovery of these companies; examine the possibility of Banrisul maintain business relationships with these companies; analyze the creditors framework of these companies to identify the position of the Bank in this framework; decide as to strategies for Banrisul's performance after Upheld the Judicial Recovery from the analyzes; support and decide how to vote in the Bank

Creditors' Meetings, subject to the levels of Appeals; submit to the Board, on advice, operation propositions and judicial recovery plans that escape its influence, and analyze and act on the proposals, included by the branches, of companies forwarded to the credit restructuring.

b. fiscal council installation date, in case it is not permanent, and committees' creation date.

The Institution's Fiscal Council is permanent.

Committees' creation date

Acquirers and Cards Committee (10/10/2011)

Credit Committee (04/27/1983)

Administrative Management Committee (04/23/2007)

Banking Management Committee (04/23/2007)

Commercial Management Committee (04/23/2007)

Internal Controls Management Committee (04/23/2007)

Marketing Management Committee (09/28/2010)

People Management Committee (05/14/1987)

Information Technology Management Committee (04/23/2007)

Economic Management Committee (04/23/2007)

Social and Environmental Management Committee (11/03/2011)

Investment Committee (03/21/2012)

Asset Pricing Committee (03/12/2010)

Corporate Risk Committee (10/10/2011)

Treasury Committee (06/20/2011)

Credit Restructuring Management Committee (03/28/2016)

c. mechanisms for evaluation for the performance of each body or committee and of its members, identifying the method used.

There are no mechanisms for evaluating bodies or Committees.

d. in regard to the members of the executive board, their individual duties and powers.

The Executive Board, responsible for managing the business, is composed of the Chief Executive Officer, the Vice- President and the Executive Officers.

Is it incumbente upon the CEO:

1. coordinating the Executive Board meetings, exercising, in addition to his vote, the casting vote in case of a tie in decisions;

2. ensuring that the decisions taken in Shareholders', Board of Directors' and the Executive Board's meetings are carried out, and ensuring that the Bank's basic principles are complied with;

3. representing the Bank, both actively and passively, in court or in its relations with third parties, in order to contract loans, sell assets and properties, waive and renounce rights;

4. constituting the Bank's attorneys-in-fact, specifying in the instrument the actions or operations they can practice and the duration of such power of attorney which, in case of judicial power of attorney, may be for an indefinite period;
5. appointing the Bank's representatives;

6. submitting to Shareholders' Meetings the annual report on the Bank's operations and the Executive Board's management, evidenced by the respective financial statements, after consulting the Board of Directors on such documents;

7. exercising other duties assigned thereto by the Board of Directors;

8. appointing and removing the Ombudsman.

According to the Bylaws, case of vacancy, absence or temporary impediment of the Chief Executive Officer, the Vice- President shall replace the former, in which case the latter shall validly perform the aforementioned acts.

When the Vice-President is unable to replace the Chief Executive Officer, any of the Executive Officers, whether or not these have a specific designation, shall temporarily or permanently replace the Chief Executive Officer, in which case the Executive Officer shall validly perform the acts under the replaced Executive Officer's responsibility.

The vacancy, absence or temporary impediment referred to in the Bylaws do not depend on notice or notification to third parties and may be characterized by the replacement's simple signature in the acts under the replaced Executive Officer's responsibility.

The Bylaws do not assign individual duties and powers to the remaining Executive Officers.

12.2 - Rules, policies and practices regarding shareholders' meetings

12.2.Describe the rules, policies and practices regarding Shareholders' Meetings, showing:

2015

TYPE	DATE	NEWSPAPERS IN WHICH PUBLISHED
Notice to the Shareholders – availability of the Financial Statements	-	Publication waived on the terms of Article 133, Paragraph Five of Law No. 6404/76
Call Notice for Annual Shareholders' Meeting - examination of the Financial Statements	April 11, 12 and 13, 2016	Official Gazette of the State of Rio Grande do Sul, Zero Hora and Valor Econômico
Minutes of the Annual Shareholders' Meeting - Examination of the Financial Statements	Ratified by the Central Bank of Brazil on July 20, 2016	Official Gazette of the State of Rio Grande do Sul, Zero Hora and Valor Econômico
Financial Statements	February 17, 2016	Official Gazette of the State of Rio Grande do Sul, Zero Hora and Valor Econômico

2014

TYPE	DATE	NEWSPAPERS IN WHICH PUBLISHED
Notice to the Shareholders – availability of the Financial Statements	-	Publication waived on the terms of Article 133, Paragraph Five of Law No. 6404/76
Call Notice for Annual Shareholders' Meeting - examination of the Financial Statements	April 13, 14 and 15, 2015	Official Gazette of the State of Rio Grande do Sul, Zero Hora and Valor Econômico
Minutes of the Annual Shareholders' Meeting - Examination of the Financial Statements	Ratified by the Central Bank of Brazil on June 30, 2015	Official Gazette of the State of Rio Grande do Sul, Zero Hora and Valor Econômico
Financial Statements	February 12, 2015	Official Gazette of the State of Rio Grande do Sul, Zero Hora and Valor Econômico

2013

TYPE	DATE	NEWSPAPERS IN WHICH PUBLISHED
Notice to the Shareholders – availability of the Financial Statements	-	Publication waived on the terms of Article 133, Paragraph Five of Law No. 6404/76
Call Notice for Annual Shareholders' Meeting - examination of the Financial Statements	April 14, 15 and 16, 2014	Official Gazette of the State of Rio Grande do Sul, Zero Hora and Valor Econômico
Minutes of the Annual Shareholders' Meeting - Examination of the Financial Statements	July 18, 2014	Official Gazette of the State of Rio Grande do Sul, Zero Hora and Valor Econômico
Financial Statements	February 17, 2014	Official Gazette of the State of Rio Grande do Sul, Zero Hora and Valor Econômico

a. call notice period.

The Company's Shareholders' Meetings are called at least fifteen (15) days prior to the meeting at first call and eight (8) days prior to the meeting at second call, pursuant to the Brazilian Corporate Law.

b. powers.

The powers comply with the legal requirements.

c. addresses (physical or electronic) in which the documents regarding the Shareholders' Meetings will be available to shareholders.

The documents regarding the meetings' Agenda shall be made available to Shareholders at Banrisul's Head office and on its IR website, at www.banrisul.com.br/ri – Corporate Governance - Meetings of Statutory Bodies – Meetings – AGM/EGM, as well as on BM&FBovespa's (www.bmfbovespa.com.br) and CVM's (www.cvm.gov.br) websites.

d. identification and management of conflicts of interests.

The Company does not adopt a specific mechanism to identify conflicts of interest in Shareholders' Meetings, in which case the rules set forth in the Brazilian legislation are applied.

e. request of powers of attorney by the management for exercising voting rights.

Not applicable, inasmuch as Banrisul does not make public requests, pursuant to Normative Ruling 481/2009 of the Brazilian Securities and Exchange Commission (CVM).

f. formalities needed to accept the powers of attorney granted by shareholders, indicating whether the issuer requires or waives notarized signature, consular certification and sworn translation and whether the issuer admits powers of attorney granted by shareholders via electronic means.

In accordance with Paragraph 1 of Article 126 of Law 6404/76, shareholders may be represented by their respective attorneys-in-fact. Aiming to organize the Shareholders' Meeting, the power of attorney and the other corporate acts, duly certified, with notarized signature, subject to sworn translation, if applicable, evidencing that the representation is regular may, at the shareholder's discretion, be deposited at the Company's head office, located at Rua Capitão Montanha, 177, 4o andar - Secretaria Geral, in this capital city, preferably within forty-eight (48) hours prior to the date when the Shareholders' Meeting is expected to be held.

g. necessary formalities for acceptance of the absent vote bulletin, when sent directly to the company, designating if the issuer requires or waives signature certification, notarizing and consular certification.

Shareholders will be entitled to exercise their voting rights at the Annual Shareholders Meetings in 2017 through distance voting, according to CVM Instruction No. 481/09 and amendments.

To exercise their right distance voting rights and submit the distance vote bulletin directly to the Company, shareholders must use the following documents:

a) Remote Ballot Paper Form: available in print version on the Investor Relations website (http://banrisul.com - Corporate Governance – Shareholders Meetings), which must be dully filled in, with all pages initialed and the last page signed by the Shareholder or its legal representative(s), with the signature of the signatory duly recognized in a notary's office; and

b) Identification and/or Representation Documents: corporate shareholders must send certified copies of the latest consolidated versions (and subsequent amendments, as the case may be) of their agreement, bylaws or regulation, of the proof of election of the administrators or managers, as the case may be, and of the photo identification document of their legal representatives. Individuals must send a certified copy of the photo identification document of the shareholder. Documents produced abroad must be consularized and accompanied by the respective sworn translation.

All documents referred above must be sent to the Company (address below) and received until April 21, 2017 (inclusive), so that the votes are considered valid.

Banco do Estado do Rio Grande do Sul
Unidade de Relação com Investidores
Rua Caldas Junior, 108, 7º andar, Centro Histórico
Porto Alegre - RS - Brasil - CEP 90018-900

Once the documents referred in items "a" and "b" above have been received, the Company will notify the shareholder of their receipt and acceptance, as the case may be, pursuant to CVM Instruction No. 481/09, as amended, through the electronic address indicated on the voting bulletin.

The Bulletin received by the Company that is not fully and regularly filled in and/or is not accompanied by the identification documents and proof of representation regularity described above will be disregarded.

Information on possible disregard of the Bulletin and related documents will be sent by the Company through the electronic address provided by the shareholder in the Bulletin, along with the necessary guidelines for its correction. In this case, the altered Bulletin and the pertinent documentation shall also be received by the Company until April 21, 2017 (inclusive).

h. if the company makes available an electronic system of receipt of the bulletin.

The Company will not provide an electronic bulletin receiving system.

i. instructions for the shareholders or group of shareholders to include resolution proposals, platforms or candidates to be members of the board of directors and of the Audit Committee in the absent vote bulletin.

From the fiscal year of 2017, the indication of candidates or inclusion of proposals in the ballot paper will occur under the terms of articles 21-L to 21-K of CVM Instruction No. 481/09 and amendments, observing the percentages provided for in the tables in Annex 21-L-I and 21-L-II of said Instruction.

The request for inclusion of candidates or proposals will be received by the Investor Relations officer in writing, within the due legal deadlines, and must be accompanied by the documents cited in article 21-M, II, of CVM Instruction No. 481/09 and amendments.

The request for inclusion may be revoked at any time up to the date of the Shareholders Meetings, by means of a written communication from the respective proposers addressed to the Investor Relations Officer of the Company, and the votes that have already been conferred upon disregarded.

Additionally, shareholders wishing to nominate candidates to the Boards must present at the Meetings the necessary proof of compliance with the minimum eligibility requirements applicable to the position, as provided for in current legislation and regulations.

j. if the company makes available forums and pages on the internet aimed at receiving and sharing shareholders' comments on the Shareholders' Meetings' agendas.

No.

k. Others information that is necessary for absent participation and for the exercise of absent voting.

For the Shareholders Meetings of the fiscal year of 2017, shareholders who choose to exercise their right to vote remotely must sent the Ballot Paper dully filled out to the Bookeeping Agent, the Custodian, or directly to the Company, as per instructions contained in the Manual for Participation, available at the following websites: Banrisul (http://banrisul.com – Corporate Governance – Shareholders Meetings), BM&FBOVESPA (http://www.bmfbovespa.com.br), and CVM (http://www.cvm.gov.br/).

12.3 - Rules, policies and practices regarding the Board of Directors

12.3.Describe the rules, policies and practices regarding the Board of Directors, showing:

a. number of meetings held in the last fiscal year, discriminating between number of annual and special meetings.

18 meetings were held, of which: 12 were annual and 6 were special.

b. provisions of the shareholders' agreement, if any, which establish a limitation to or condition for exercising the directors' voting rights.

There is no shareholders' agreement for Banrisul.

c. rules for identifying and managing conflicts of interest.

Within the ambit of the Board of Directors, the Bank identifies and manages the conflicts of interest basing itself on its internal rules so that each operational area must observe the compliance with what is provided in the Bylaws of the Bank.

12.4 - Description of the commitment clause for conflict resolution through arbitration

12.4. The commitment clause, if any, included in the Bylaws for resolution of conflicts between shareholders and between the latter and the issuer by means of arbitration.

The commitment clause is provided for in the Bylaws of Banco do Estado do Rio Grande do Sul, as follows:

Chapter XIV

Sole Section

Arbitration

Article 96 - Disputes related to Regulations of Level 1 Corporate Governance Practices, these Bylaws, any shareholders' agreements filed at the Company's head office, provisions of Law 6404/76, norms of the National Monetary Council, Brazilian Central Bank, the CVM, regulations of the BOVESPA and other norms relating to the functioning of the capital markets in general, or arising from such norms, shall be resolved by means of arbitration held according to the Regulation of the Market Arbitration Panel instituted by the BOVESPA.

12.5/6 - Composition and professional experience of the management and of the fiscal council

Name Individual Taxpayer's ID (CPF) Other jobs or positions in the issuer	Date of birth Profession	Organ Position Description of other position / function	Election Date Investiture Date	Term of office Elected by the controller	Number of Consecutive Mandates Percentage of participation In meetings
JULIO FRANCISCO GREGORY BRUNET	07/17/1956	Belongs only to the Executive Board	05/09/2016	Until the 1st BDM to be held following the ASM of 2019.	1
291.549.870-91	Economist	19 – Other Officers	08/09/2016	Yes	0.00%
No.		Planning and Service Channels Officer			
JORGE FERNANDO KRUG DOS SANTOS	03/26/1959	Belongs only to the Executive Board	05/09/2016	Until the 1st BDM to be held following the ASM of 2019.	1
395.712.110-87	Systems Analyst	19 - Other Officers	08/09/2016	Yes	0.00%
No.		Information Technology Officer			
OBERDAN CELESTINO DE ALMEIDA	01/15/1959	Belongs only to the Executive Board	05/09/2016	Until the 1st BDM to be held following the ASM of 2019.	1
210.989.210-20	Economist	19 - Other Officers	08/09/2016	Yes	0.00%
No.		Credit Officer			
SUZANA FLORES COGO	10/18/1969	Belongs only to the Executive Board	05/09/2016	Until the 1st BDM to be held following the ASM of 2019.	1
538.611.830-72	Attorney	19 - Other Officers	08/09/2016	Yes	0.00%
No.		Chief Administrative Officer			
JORGE LUIZ OLIVEIRA LOUREIRO	08/13/1957	Belongs only to the Executive Board	05/09/2016	Until the 1st BDM to be held following the ASM of 2019.	1
250.281.030-20	Economist	19 - Other Officers	08/09/2016	Yes	0.00%
No.		Asset Management Officer			
RICARDO RICHINITI HINGEL	02/14/1957	Belongs only to the Executive Board	05/09/2016	Until the 1st BDM to be held following the ASM of 2019.	1
238.182.470-72	Economist	12 - Chief Investor Relations Officer	08/09/2016	Yes	0.00%
Chief Financial Officer.					
Osmar Paulo Vieceli	09/29/1958	Belongs only to the Executive Board	11/07/2016	Until the 1st BDM to be held following the ASM of 2019.	0
267.411.800-87	Economist	19 – Other Officers	12/05/2016	Yes	0.00%
No.		Chief Commercial Officer			
JOÃO CARLOS BRUM TORRES	10/31/1945	Belongs only to the Board of Directors	04/28/2017	Until investiture of the members elected in the ASM to be held in 2017	1

Name	Date of birth	Organ	Election Date	Term of office	Number of Consecutive Mandates
Individual Taxpayer's ID (CPF)	**Profession**	**Position**	**Investiture Date**	**Elected by the controller**	**Percentage of participation In meetings**
Other jobs or positions in the issuer		**Description of other position / function**			
142.916.650-91	Attorney	22 - Board of Directors (Sitting member)		Yes	75.00%
No. Awaiting approval by the Central Bank.					
JOÃO VERNER JUENEMANN	02/16/1940	Belongs only to the Board of Directors	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019	1
000.952.490-87	Accountant	22 - Board of Directors (Sitting member)		Yes	75.00%
Audit Committee. Awaiting approval by the Central Bank.					
CARLOS ANTONIO BÚRIGO	07/05/1964	Belongs only to the Board of Directors	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019	1
400.828.570-91	Accountant	22 - Board of Directors (Sitting member)		Sim	88.00%
No. Awaiting approval by the Central Bank.					
Flávio Pompermayer	07/08/1965	Belongs only to the Board of Directors	04/30/2015	Until investiture of the members elected in the ASM to be held in 2017	0
447.089.800-78	Economist	27 – Independ. Board of Directors (Sitting member)	07/01/2015	No	100.00%
No.					
Luiz Antônio Bins	06/28/1959	Belongs only to the Board of Directors	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019	1
296.207.240-20	State Public Employee	20 - Chairman of the Board of Directors		Yes	100.00%
No. Awaiting approval by the Central Bank.					
DÍLIO SÉRGIO PENEDO	07/05/1942	Belongs only to the Board of Directors	04/30/2015	Until investiture of the members elected in the ASM to be held in 2017	1
024.211.787-20	Engineer	27 - Independ. Board of Directors (Sitting member)	07/01/2015	No	89.00%
No.					
JOÃO GABBARDO DOS REIS	12/21/1955	Belongs only to the Board of Directors	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019	1
223.127.490-68	Physician	22 - Board of Directors (Sitting member)		Yes	88.00%
No. Awaiting approval by the Central Bank.					

Name	Date of birth	Organ	Election Date	Term of office	Number of Consecutive Mandates
Individual Taxpayer's ID (CPF)	**Profession**	**Position**	**Investiture Date**	**Elected by the controller**	**Percentage of participation In meetings**
Other jobs or positions in the issuer		**Description of other position / function**			
LUIZ GONZAGA VERAS MOTA	12/13/1958	Belongs to the Executive Board and Board of Directors	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019.	1
287.319.640-87	Economist	31 - Vice Pres. B.D. and CEO		Yes	100.00%
CEO elected on 05/09/2016 until investiture of the members elected in the ASM of 2019. Awaiting approval by the Central Bank.					
IRANY DE OLIVEIRA SANT'ANNA JÚNIOR	02/24/1960	Belongs to the Executive Board and Board of Directors	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019.	1
339.511.440-68	Economist	34 – Member (Sitting Member) and Vice Pres. Officer		Yes	91.00%
Vice President of the Institution elected on 05/09/2016 until investiture of the members elected in the ASM of 2019. Awaiting approval by the Central Bank.					
CLÁUDIO MORAIS MACHADO	09/13/1943	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019.	2
070.068.530-87	Accountant	40 – Pres. F.C. Elected by Controller		Yes	100.00%
No. Awaiting approval by the Central Bank.					
Fernando Ferrari Filho	12/08/1957	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019.	2
627.544.917-91	Economist	43 – F.C. (Sitting Member) Elected by Controller		Yes	100.00%
No. Awaiting approval by the Central Bank.					
Urbano Schmitt	02/06/1956	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019.	2
255.350.130-72	Accountant	43 – F.C. (Sitting Member) Elected by Controller		Yes	100.00%
No. Awaiting approval by the Central Bank.					

Name	Date of birth	Organ	Election Date	Term of office	Number of Consecutive Mandates
Individual Taxpayer's ID (CPF)	**Profession**	**Position**	**Investiture Date**	**Elected by the controller**	**Percentage of participation In meetings**
Other jobs or positions in the issuer		**Description of other position / function**			
Fernando Antonio Viana Imenes	07/28/1951	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2018.	2
201.365.956-34	Accountant	46 – F.C. (Alternate Memb.) Elected by Controller		Yes	0.00%
No. Awaiting approval by the Central Bank.					
Vicente Jorge Soares Rodrigues	10/16/1953	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2018.	2
172.994.110-91	Accountant	46 – F.C. (Alternate Memb.) Elected by Controller		Yes	0.00%
No. Awaiting approval by the Central Bank.					
Jorge Michel Lepeltier	09/29/1947	Fiscal Council	04/29/2016	Until investiture of the members elected in the ASM to be held in 2017.	0
070.190.688-04	Economist and Accountant	44 – F.C. (Sitting Member) Elected by preferred	07/28/2016	No	0.00%
No.					
MASSAO FÁBIO OYA	11/07/1981	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019.	1
297.396.878-06	Accountant	44 – F.C. (Sitting Member) Elected by preferred		No	0.00%
No. Awaiting approval by the Central Bank.					
JORGE IRANI DA SILVA	09/06/1955	Fiscal Council	04/29/2016	Until investiture of the members elected in the ASM to be held in 2017.	0
217.750.360-49	Accountant	45 - F.C. (Sitting Memb.) Elected by Minor. Ordin.	07/28/2016	No	0.00%
No.					
MARIA LUIZA QUEIROZ DE CAMPOS MATOS	07/06/1953	Fiscal Council	04/29/2016	Until investiture of the members elected in the ASM to be held in 2017.	0
215.950.030-53	Public Relations and Journalist	48 – F.C. (Alternate Memb.) Elected by Min. Ord.	07/28/2016	No	0.00%
No.					

Name Individual Taxpayer's ID (CPF) Other jobs or positions in the issuer	Date of birth Profession	Organ Position Description of other position / function	Election Date Investiture Date	Term of office Elected by the controller	Number of Consecutive Mandates Percentage of participation In meetings
TANHA MARIA LAUERMANN SCHNEIDER	01/12/1960	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2018.	1
297.382.370-68	Accountant	46 – F.C. (Alternate Memb.) Elected by Contr.		Yes	0.00%
No. Awaiting approval by the Central Bank.					
Marco Antônio Mayer Foletto	03/24/1970	Belongs only to the Board of Directors	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019.	0
480.083.380-91	Accountant	27 - Independ. Board of Directors (Sitting member)		No	0.00%
No. Awaiting approval by the Central Bank.					
Mateus Affonso Bandeira	06/07/1969	Belongs only to the Board of Directors	04/28/2017	Until investiture of the members elected in the ASM to be held in 2019.	0
572.483.970-91	Business Administrator	27 - Independ. Board of Directors (Sitting member)		No	0.00%
No. Awaiting approval by the Central Bank.					
Maria Carmen Westerlund Montera	01/28/1952	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2018.	0
362.882.927-53	Economist	45 - F.C. (Sitting Memb.) Elected by Minor. Ordin.		No	0.00%
No. Awaiting approval by the Central Bank.					
Juan dos Santos Teixeira	07/30/1985	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2018.	0
012.227.710-47	Attorney	48 – F.C. (Alternate Memb.) Elected by Min. Ord.		No	0.00%
No. Awaiting approval by the Central Bank.					
Maria Elvira Lopes Gimenez	05/18/1970	Fiscal Council	04/28/2017	Until investiture of the members elected in the ASM to be held in 2018.	0
136.012.018-10	Economist and Fiscal Counselor	47 – F.C. (Alternate Memb.) Elected by preferred		No	0.00%
No. Awaiting approval by the Central Bank.					

Professional Experiences / Representation of any convictions / Independence criteria

JULIO FRANCISCO GREGORY BRUNET - 291.549.870-91

Banrisul S.A: Planning and Service Channels Officer
Cabinet of the Planning and Management Office: Technical Advisory Coordinator, 2003-2007
Academic background: Graduated in Economics from the Federal University of Rio Grande do Sul and in Electric Engineering from PUCRS, with a Master's degree in Economics – Regional Development from PUCRS
Description of any one of the following events that occurred in the last 5 years: no records found.

JORGE FERNANDO KRUG DOS SANTOS - 395.712.110-87

Banrisul S.A: Information Technology Officer; Executive Superintendent of the IT Security Unit at Banrisul between 2007and 2015
Academic background: Graduated in System Analysis from the Pontifical Catholic University of Rio Grande do Sul (PUCRS), with a graduate degree in Software Engineering from the University of the State of Rio Grande do Sul
Description of any one of the following events that occurred in the last 5 years: no records found

OBERDAN CELESTINO DE ALMEIDA - 210.989.210-20

Banrisul S.A: Credit Officer; Regional Superintendent, 1988-1999 and 2003-2011.
Academic background: Graduated in Economics from Universidade de Ijuí (Unijui), with an MBA in Banking Management from the Federal University of Rio Grande do Sul (UFRGS)
Description of any one of the following events that occurred in the last 5 years: no records found.

SUZANA FLORES COGO - 538.611.830-72

Ba Banrisul S.A: Chief Administrative Officer; Executive Superintendent at the Corporate Governance Department, between April 2010 and June 2011; Legal Superintendent, between June 2010 and April 2011
Brazilian Institute of Corporate Governance: Sitting member of the Commission of Governance in Financial Institutions since 2009
Academic background: Graduated in Law from Universidade de Passo Fundo (UPF), 1993; with a graduate degree in Economic Law and Corporate Law from the Graduate School in Economics of the Getulio Vargas Foundation (2000)
Description of any one of the following events that occurred in the last 5 years: no records found.

JORGE LUIZ OLIVEIRA LOUREIRO - 250.281.030-20
anrisul S.A: Asset Management Officer
Fundação Banrisul de Seguridade Social: Chief Financial Officer
between 1999 and 2011.
Academic background: Graduated in Economics from the Pontifical Catholic University of Rio Grande do Sul (PUCRS), 1980; he holds a graduate degree in Economic Engineering and Banking Administration from FEE, 1986; a graduate degree in Banking Administration from the Brazilian Association of the Commercial State Banks (ASBACE), 1986; and a graduate degree in Strategic Management from the Social Security Affairs Development Institute (IDEAS), 2006
Description of any one of the following events that occurred in the last 5 years: no records found.

RICARDO RICHINITI HINGEL - 238.182.470-72

Banrisul S.A: Chief Financial and Investor Relations Officer
Banco BTG Pactual S.A: Regional Executive Officer (04/2010 a 12/2011)
Academic background: Graduated in Economics from the Economics School of the Federal University of Rio Grande do Sul in 1979
Description of any one of the following events that occurred in the last 5 years: no records found.

Osmar Paulo Vieceli - 267.411.800-87

Banrisul S.A.: Regional Superintendent in the Southern region, 1999 to 2011; Regional Superintendent in the Central region, 2001 to 2008; Regional Superintendent in the Serra region, from 2008 to 2016.
Academic background: Graduated in Economics from Universidade de Santa Cruz do Sul and postgraduate in MBA in Banking Services Management at Instituto Brasileiro de Gestão de Negócios (IBGEN).
Description of any one of the following events that occurred in the last 5 years: no records found.

JOÃO CARLOS BRUM TORRES - 142.916.650-91

University of Caxias do Sul: Professor in the Philosophy Department
Federal University of Rio Grande do Sul: Retired Tenured Professor acting as Lecturer in the same institution.
Academic background: Graduated in Philosophy from the Federal University of Rio Grande do Sul (1967) and in Law from the Federal University of Rio Grande do Sul (1968), he earned a master's degree from the Departement de Philosophie - Université de Paris XIII (Paris-Nord) (1974) and a PhD in Human Sciences from the University of São Paulo (1985); (2014) and a postdoctoral degree from the University of California Berkeley (2014)
Description of any one of the following events that occurred in the last 5 years: no records found.

JOÃO VERNER JUENEMANN - 000.952.490-87

Academic background: Degree in Accounting and Actuarial Sciences at PUCRS (1962) and Business Administration at UFRGS (1971), with Postgraduate Degree in Auditing by UFRGS (1965).

Juenemann & Associados: Partner. Performs activities in the areas of independent auditing, accounting expert analysis and business consulting over a period of 38 years (1977 to 2015);
Banrisul S.A: Audit Committee Coordinator (2015 to 2017) and member of the Compensation Committee (2015 to 2017); Tupy S.A.: Coordinator of the Audit and Risks Committee, since 2009; Forjas Taurus S.A.: Member of the Board of Directors and Coordinator of the Audit and Risks Committee (2015 to 2017); Saraiva S.A. Livreiros Editores (2014 to 2016, Plascar Participações Industriais (2014 to 2015) and INDG Instituto de Desenvolvimento Gerencial S.A. (Falconi Consultores de Resultado) (2011 to 2016): Fiscal Counsil member; Paquetá Calçados Ltda: Member of the Audit and Risk Committee (2016); Dimed S/A: Fiscal Counsil Member from 2009-2015;
Description of any one of the following events that occurred in the last 5 years: no records found.

CARLOS ANTONIO BÚRIGO - 400.828.570-91

General Secretary of the Government of RS
Secretary for Management and Finance of Caxias do Sul (2009-2012).
Academic background: Graduated in Accounting from the University of Vale do Rio dos Sinos – Unisinos
Description of any one of the following events that occurred in the last 5 years: no records found.

Flávio Pompermayer - 447.089.800-78

Technical Executive Officer of the Financial Coordination Board of Rio Grande do Sul
Rio Grande do Sul Public Debt Management Council – CADIP: Member of the Board of Directors
CIENTEC: Member of the Board of Directors
Empresa Gaúcha de Rodovias – EGR: Member of the Board of Directors
Academic background: Graduated in Economics from the Federal University of Rio Grande do Sul - UFRGS, with a specialization degree in Information Technology from UFRGS
Description of any one of the following events that occurred in the last 5 years: no records found.

Luiz Antônio Bins - 296.207.240-20

Deputy State Finance Secretary of the State of Rio Grande do Sul
PROCERGS: Chairman of the Board of Directors (since February/15)
Defender of the State Treasury-RS (07/2013 – 12/2014)
Academic background: Graduated in Public Administration and Business Administration from UFRGS and in Legal and Social Sciences from PUC-RS; Specialization in Economic Integration and International Fiscal Law from the Technical University of Lisbon and by the Higher School of Finance Administration (Ministry of Finance) and in Tax Law from the UFRGS.
Description of any one of the following events that occurred in the last 5 years: no records found.

DÍLIO SÉRGIO PENEDO - 024.211.787-20
Degree in Electronic and Electrical Engineering by the Polytechnic School of the Catholic University of Rio de Janeiro, with a specialization in Telecommunications by the Centre National D'Études des Télécommunications - CNET de Paris, France and by the Center of Studies of Telecommunications at PUC-RJ. He has held various positions in the public and private sector, such as engineer at Embratel (1968-1974), technical director at the Telecommunication Company of Bahia (1974-1985), vice-chairman and technical director at the Telecommunication Company of São Paulo (1985-1987), chairman at Telemulti S/A (1987-1992), superintendent-director at Nife Brasil Electrics Systems (1992-1995), superintendent-director at Indelsul-Saft Equipments Electrics Limited (1992-1995), executive chairman at Nife Argentina (1992-1995), general-manager for the South America region at SAFT-Group Alsthom (1992-1995), chairman at Embratel (1995-2000), chairman at Embratel Participators S/A (1999-2002), member of the Board of Directors at Tupy S/A (1996 2002), member of the Board of Directors of Embratel Participações e Embratel S.A. (1995-2015), member of the Board of Directors of Banrisul (2009-...) and member of the Board of Directors of Teknos S.A. - Industria e Comercio (2016-...). Decorations: Commander of the Order of Merit Armed Forces and Knight of the Legion d'Honneur (Republic of France).
Description of any one of the following events that occurred in the last 5 years: no records found.

JOÃO GABBARDO DOS REIS - 223.127.490-68

Health Secretary of Rio Grande do Sul
Heart Institute of the Federal District: Superintendent since desde 2010
Academic background: Graduated in Medicine from the Federal University of Rio Grande do Sul (1980), with a specialization degree in Pediatrics from Hospital de Clínicas of Porto Alegre from the Federal University of Rio Grande do Sul (UFRGS) (1982).
Description of any one of the following events that occurred in the last 5 years: no records found.

LUIZ GONZAGA VERAS MOTA - 287.319.640-87

Banrisul S.A: President of the Institution and Vice-Chairman of the Board of Directors
Banrisul S.A.: Chief Financial Officer, 2010- 4/2011; Executive Superintendent of the Financial Unit, 2011-2015. Also performed in the activities of Coordinator of the Economic Management Committee, Member of the Corporate Risks Committee and of the Commercial Management Committee.
Academic background: Graduated in Economic Science from the São Gabriel Educational Foundation and in Teachers Training from the São Judas Tadeu Educational Institution; postgraduate degree in Administration and Finance from the UFRGS (Federal University of Rio Grande do Sul); Specialization: in Accounting Science from the PUCRS (Pontifical Catholic University of State of Rio Grande do Sul), in Banking Administration with the Association of State Commercial Banks (Asbace) and in Marketing by the ADVB (Brazilian Association of Sales and Marketing Executives.
Description of any one of the following events that occurred in the last 5 years: no records found

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IRANY DE OLIVEIRA SANT'ANNA JÚNIOR - 339.511.440-68

Banrisul S.A: Vice-President of the Institution

Technical Manager for Banking Supervision for the South Region of the Brazil in the BACEN (Central Bank of Brazil), May/2009 to May/2013; Assistant Head of the Bank Supervision Department (SP - São Paulo), June/2013 – 2015.
Academic background: Graduated in Economics from the Federal University of Rio Grande do Sul.
Description of any one of the following events that occurred in the last 5 years: no records found.

CLÁUDIO MORAIS MACHADO - 070.068.530-87

Tupy S.A: Sitting member of the Fiscal Council since 2010
Companies of the Everest Hotel Group: member of the Audit Committee since 2010
Projeto Pescar NGO: member of the Audit Committee since 2012
Academic background: Graduated in Accounting; postgraduate degree with specialization in public, corporate/financial accounting, accounting and finance and Master's Degree in Business Sciences, the latter from the Fernando Pessoa, Porto/Portugal. Member of the Fiscal Council certified by the Brazilian Institute of Corporate Governance (IBGC)
Description of any one of the following events that occurred in the last 5 years: no records found.

Fernando Ferrari Filho - 627.544.917-91

Federal University of Rio Grande do Sul: Professor of Economics since 1987
Brazilian National Council for Scientific and Technological Development (CNPq): Researcher since 2001
Academic background: Graduated in Economics from the University of the State of Rio de Janeiro (UERJ), 1980; with a Master's degree in Economics from the Federal University of Rio Grande do Sul (UFRGS), 1983; a PhD in Economics from the University of São Paulo (USP), 1992; postdoctoral degree from the University of Tennessee, 1995-1996, and postdoctoral degree from the University of Cambridge, 2011-2012
Description of any one of the following events that occurred in the last 5 years: no records found.

Urbano Schmitt - 255.350.130-72
Municipal Management Secretary of Porto Alegre.
Academic background: Graduated in Accounting from the University of Caxias do Sul-UCS and in Legal Sciences from the Vale do Rio dos Sinos University (UNISINOS)
Description of any one of the following events that occurred in the last 5 years: no records found.

Fernando Antonio Viana Imenes - 201.365.956-34

Lecturer at the ethics, financial, negotiation, organizational and planning areas
Commercial Board of the State of Rio Grande do Sul: Member
Academic background: Graduated in Administration/Accounting and Economics from PUCMG, 1979
Description of any one of the following events that occurred in the last 5 years: no records found.

Vicente Jorge Soares Rodrigues - 172.994.110-91

Banrisul S.A: Executive Manager at the Accounting Department, between 2000 and 2015
Academic background: Graduated in Accounting and Actuarial Sciences from Faculdade Porto Alegrense/RS and technician in Accounting from Escola ACM (Associação Cristã de Moços)
Description of any one of the following events that occurred in the last 5 years: no records found.

Jorge Michel Lepeltier - 070.190.688-04

Independent consultant and service provider in the administrative, financial, corporate, and audit areas, and partner of Jorge Lepeltier Consultores Associados
Companhia Providência Indústria e Comércio e Cristal Pigmentos do Brasil S.A: Board Member
Alpargatas S.A: Fiscal Counsil Member
São Martinho S.A: Fiscal Counsil Member
TIM Participações S.A.: Fiscal Counsil Member, 2011-2012
AES Tietê S.A: Board Member, 2008-2011
Companhia Paranaense de Energia – Copel: Board Member, 2009-2011
Triunfo Participações e Investimentos S.A: Board Member, 2009-2011
Triunfo Participações e Investimentos S.A: Audit Committee Member, 2009-2011,
Positivo Informática S.A: Audit Committee Member, 2009-2011
Degree in Economics and Accounting from Pontifícia Universidade Católica de São Paulo, with the course of Environmental Management from ESALQ – Escola de Ensino Superior Luiz de Queiroz in Piracicaba.
Specialized in Capital Markets, Finance and Strategic Planning from New York University
Description of any one of the following events that occurred in the last 5 years: no records found.

MASSAO FÁBIO OYA - 297.396.878-06Partner of Solução Governança Corporativa e Consultoria Ltda, providing business advisory services in accounting, societal and corporate governance areas
Companhia de Saneamento do Estado de São Paulo – Sabesp: Sitting Board Member, since 04/2015

Companhia Paranaense de Energia – COPEL: Sitting Board member, since 04/2015
Pettenati Indústria Têxtil S.A: Sitting Board Member, since 10/2014
Companhia Providência Ind. e Com. S.A: Sitting Board Member, since 04/2014
Cristal Pigmentos do Brasil S.A: Sitting Board Member, since 04/2013
WLM Indústria e Comércio S.A: Sitting Board Member, since 10/2011
Bicicletas Monark S.A.: Sitting Board Member, since 04/2015
Companhia de Saneamento do Paraná – Sanepar: Fiscal Council Member, 04/2011 - 04/2012
TIM Participações S.A: Fiscal Council Member, 09/2011-01/2012
Banco do Estado do Rio Grande do Sul S.A: Fiscal Council Member, 01/2011-04/2011
Wetzel S.A: Fiscal Council Member, 04/2011-04/2012
Bardella S.A – Indústrias Mecânicas: Fiscal Council Member, 04/2013- 04/2015
General Shopping S.A: Fiscal Council Member, 10/2012-04/2013
Academic background: Accountant with specialization - MBA in Financial Management and Controllership
Description of any one of the following events that occurred in the last 5 years: no records found.

JORGE IRANI DA SILVA - 217.750.360-49

Banrisul Armazém Gerais S.A: Sitting Member of the Fiscal Council, since 04-2015
Banrisul Cartões S.A.: Alternate Member of the Fiscal Council, since 04-2015
Banrisul S.A. Administradora de Consórcio: Alternate member of the Fiscal Council, since 04-2015
Banco do Estado do Rio Grande do Sul: Executive Superintendent, 2011-2014
Academic background: Graduated in Accounting by PUCRS, 2009; Post-graduated in Corporate Governance and Risk Management by PUCRS, 2012.
Description of any one of the following events that occurred in the last 5 years: no records found.

MARIA LUIZA QUEIROZ DE CAMPOS MATOS - 215.950.030-53

Banco do Estado do Rio Grande do Sul: General Secretary, 2013
Academic background: Graduated in Social Media by Pontifícia Universidade Católica do Rio Grande do Sul, 1978
Description of any one of the following events that occurred in the last 5 years: no records found.

TANHA MARIA LAUERMANN SCHNEIDER - 297.382.370-68

Executive Officer of Ibracon – Independent Auditors Institute – 6th Region RS
Independent Auditor
Owner of the independent auditing company named LAUERMANN SCHNEIDER AUDITORES ASSOCIADOS SS
Member of the Continued Professional Education Commission of the Independent Auditors of Brazil - Federal Accounting Council, Period of management 2014 and 2015
Vice-President or Services of the Commercial and Industrial Association of Novo Hamburgo, Estância Velha and Campo Bom, Period of Management 2014 and 2015
Academic background: Bachelor’s degree in Accounting Sciences; postgraduate in Controllership, and Master’s Degree in Accounting sciences
Description of any one of the following events that occurred in the last 5 years: no records found.

Marco Antônio Mayer Foletto - 480.083.380-91

INDG S/A (FALCONI): Fiscal Council member since 2015
SUPERBAC BIOTECH: Chief Financial Officer, 03/2016 - 01/2017
CSN: Audit Officer, 06/2015 to 03/2016
RSB (INDIA) TRANSMISSIONS: Chief Financial Officer, 09/2014 to 05/2015
GERDAU STEEL: Member of the Executive Committee and Board of Directors, 10/2011 to 08/2014
TAM (SP): Audit Officer, 02/2009 to 09/2010
Academic background: Graduated in Accounting Sciences from the Federal University of Rio Grande do Sul (2001), postgraduate in Business Management from UFRGS; Global Business Management by IBMEC, and Strategic Management by USP.
Description of any one of the following events that occurred in the last 5 years: no records found.

Mateus Affonso Bandeira - 572.483.970-91

FALCONI - Consultores de Resultado São Paulo, SP: CEO since Jan/2011

Banco Pan (since 2011); Terra Santa Agro S/A (from Aug/2016) and PDG Realty (2012 to Nov/2016): Board of Directors elected by minority shareholders
BANRISUL S.A.: CEO and Investor Relations Officer (Mar/2010-Jan/2011)
STATE SECRETARIAT OF PLANNING AND MANAGEMENT (RS GOVERNMENT): State Secretary of Planning and Management (Jul/2008-Mar/2010)
Academic background: Graduated in Computer Science from the Catholic University of Pelotas; Post graduate with specialization in corporate finance (FGV) and in IT management (UFRGS); Master in Business Administration at The Wharton School, University of Pennsylvania and Owner/President Program at Harvard Business School. He is an IBGC Certified Management Counselor

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Maria Carmen Westerlund Montera - 362.882.927-53

BR Insurance Corretora de Seguros S.A: Member of the Audit and Risk Committee, since 01/2017
Tupy S.A.: Member of the Audit and Risk Committee, since 2009; Member of the Board of Directors, 2006-2013, and member of the Management and People and Governance Committee, 2009-2016
AES Tiête S.A: Member of the Fiscal Council, from 2015, and 2011-2013
Eletropaulo Metropolitana Eletricidade de São Paulo: Alternate Member of the Fiscal Council, since 2015, and effective member in 2011-2014
BNDESPAR: Economist of the Portfolio Management and Monitoring Department, 2005-2013
Academic background: Economist by the Faculty of Political and Economic Sciences of Rio de Janeiro Candido Mendes University and Bachelor in Letters in PUC/RJ, specialization in Capital Markets at EPGE/FGV/RJ and Executive MBA at COPPEAD/UFRJ.
Continuing Education in Corporate Governance.
Description of any one of the following events that occurred in the last 5 years: no records found.

Juan dos Santos Teixeira - 012.227.710-47

Escritório Teixeira e Franzen Advogados Associados: Partner, since 2014
Escritório de Advocacia Silva e Bertoletti: 2012- 2015
Escritório de Advocacia Carpena: 2012
Escritório de Advocacia Pimentel & Rohenkohl: 08/2011 to 01/2012
Academic background: Bachelor's Degree in Legal and Social Sciences and post-graduation in Real Estate Law - Centro Universitário Ritter dos Reis
Description of any one of the following events that occurred in the last 5 years: no records found.

Maria Elvira Lopes Gimenez - 136.012.018-10

Solução Governança Corporativa e Consultoria Ltda (Since 2013)/ Associated with Solução Governança Corporativa e Consultoria Ltda. / Jorge Lepeltier Consultores Associados, providing financial supervisory services and currently also Fiscal Council member of Open Capital Companies
Guardyannet Serviços de Traduções Ltda.: Assistant director (04/2010 - 10/2012)
General Instruments: Assistant Director (04/2008 - 02/2010)
AES Tietê Energia S.A: Fiscal Counselor (Sitting member - since April / 16)
Companhia de Saneamento do Estado de São Paulo / Sabesp: Fiscal Counselor (Alternate - since April / 16)
Cristal Pigmentos do Brasil S.A.: Fiscal Counselor (Alternate - since April / 15)
Companhia Providencia Ind. And Com. S.A.: Fiscal Counselor (Alternate - April / 2015 to March / 2016)
WLM Indústria e Comércio S.A: Fiscal Counselor (Alternate - April/2015 to April/2016)
Academic background: Bachelor's Degree in Economic Sciences by the Santanense Institute of Higher Education Uni Sant'Ana.Description of any one of the following events that occurred in the last 5 years: no records found.
Description of any one of the following events that occurred in the last 5 years: no records found.

12.7/8 – Committees composition

Name	Committee type	Position	Profession	Election Date	Term of office	Percentage of participation In meetings
Individual Taxpayer's ID (CPF)	**Other committees**	**Description of other position**	**Date of birth**	**Investiture Date**	**Number Consecutive Mandates**	
Other jobs or positions in the issuer						
ANTONINHO SCOTTÁ	Audit Committee	Sitting Member	Administrator	05/09/2016	Until the first Board of Directors' Meeting to be held following the Annual Shareholders' Meeting of 2018	100.00%
253.746.050-20			06/13/1957	12/19/2016	1	
No.						
JOAO CARLOS BONA GARCIA	Audit Committee	Sitting Member	Lawyer	05/09/2016	Until the first Board of Directors' Meeting to be held following the Annual Shareholders' Meeting of 2018	100.00%
345.333.380-20			06/03/1946	12/19/2016	1	
No.						
JOAO VERNER JUENEMANN	Audit Committee	Sitting Member	Accountant	05/09/2016	Until the first Board of Directors' Meeting to be held following the Annual Shareholders' Meeting of 2018	100.00%
000.952.490-87			02/16/1940	12/19/2016	1	
Member of the Board of Directors.						

Professional Experiences / Representation of any convictions / Independence criteria

ANTONINHO SCOTTÁ - 253.746.050-20

Graduated in Business Administration by Universidade de Caxias do Sul –UCS- 1983, by Especialization in Finance by UCS, 1994. Also had the following positions: Financial/Administrative Manager of the company Vinícola Miolo Ltda. In the period of 08/2009-2012 and Officer of the company ARS Consultoria Empresarial Ltda., since 2009.
Description of any one of the following events that occurred in the last 5 years: no records found.

JOAO CARLOS BONA GARCIA - 345.333.380-20
Retired Judge of the Military Court of the State of Rio Grande do Sul /RS
He held the following positions: Secretary of Public Works of the city of Passo Fundo/RS; Deputy Chief-of-staff for Interior Affairs of the State of Rio Grande do Sul – - Government of Pedro Simon; Professor at the University of Passo Fundo/RS; Professor at the Alto Taquari University; President of the Foundation for Human Resources Development of the Government of the State of Rio Grande do Sul; Human Resources Executive Officer of the Special and Rural Credit Programs of Banrisul; Chairman of the Amnesty of Former Political Prisoners of Rio Grande do Sul/RS; President of the Union of Rio Grande do Sul state banks; Chief of Staff of Rio Grande do Sul state - Government of Antônio Brito; President of the Court of Military Justice of Rio Grande do Sul; Former Managing, Finance and Supervision Director of the National Supply Company - CONAB; Former Financial director of the International Association of Military Justice; Former Fiscal Council member of the Companhia de Entrepostos e Armazéns Gerais of São Paulo state – CEAGESP and Former Board Member of Empresa Brasileira de Pesquisa Agropecuária – EMBRAPA
Academic background: Graduated in Law; with a postgraduate degree at the University of ParisI – Sorbonne
Description of any one of the following events that occurred in the last 5 years: no records found.

JOAO VERNER JUENEMANN - 000.952.490-87

Academic background: Degree in Accounting and Actuarial Sciences at PUCRS (1962) and Business Administration at UFRGS (1971), with Postgraduate Degree in Auditing by UFRGS (1965).
Juenemann & Associados: Partner. Performs activities in the areas of independent auditing, accounting expert analysis and business consulting over a period of 38 years (1977 to 2015);
Banrisul S.A: Audit Committee Coordinator (2015 to 2017) and member of the Compensation Committee (2015 to 2017); Tupy S.A.: Coordinator of the Audit and Risks Committee, since 2009; Forjas Taurus S.A.: Member of the Board of Directors and Coordinator of the Audit and Risks Committee (2015 to 2017); Saraiva S.A. Livreiros Editores (2014 to 2016, Plascar Participações Industriais (2014 to 2015) and INDG Instituto de Desenvolvimento Gerencial S.A. (Falconi Consultores de Resultado) (2011 to 2016): Fiscal Counsil member; Paquetá Calçados Ltda: Member of the Audit and Risk Committee (2016); Dimed S/A: Fiscal Counsil Member from 2009-2015;
Description of any one of the following events that occurred in the last 5 years: no records found.

12.9 - Inform the existence of conjugal relationship, common-law marriage, or family relationship up to the second degree between

Reason for not completing the table:

There is none.

12.10 - Relations of subordination, service provision or control maintained between managers and controled, controller and other

Identification Position / Function	Individual Taxpayer's ID (CPF)	Type of relationship with the related person	Type of related person
Fiscal Year 12/31/2015			
Issuer Administrator			
Luiz Antônio Bins	296.207.240-20	Control	Direct subsidiary
Deputy State Finance Secretary of the State of Rio Grande do Sul			
Related person			
Banco do Estado do Rio Grande do Sul S.A - Banrisul	92.702.067/0001-96		
Member of the Board of Directors			
Observation			
Issuer Administrator			
CARLOS ANTONIO BÚRIGO	400.828.570-91	Control	Indirect subsidiary
General Secretary of the Government of Rio Grande do Sul			
Related person			
Banco do Estado do Rio Grande do Sul S.A - Banrisul	92.702.067/0001-96		
Member of the Board of Directors.			
Observation			
Issuer Administrator			
JOÃO GABBARDO DOS REIS	223.127.490-68	Control	Direct subsidiary
Health Secretary of Rio Grande do Sul			
Related person			
Banco do Estado do Rio Grande do Sul S.A - Banrisul	92.702.067/0001-96		
Member of the Board of Directors.			
Observation			
Issuer Administrator			
Flávio Pompermayer	447.089.800-78	Control	Direct subsidiary
Technical Executive Officer of the Financial Coordination Board of Rio Grande do Sul			
Related person			
Banco do Estado do Rio Grande do Sul S.A - Banrisul	92.702.067/0001-96		

Member of the Board of Directors.

Observation

Identification Position / Function	Individual Taxpayer's ID (CPF)	Type of relationship with the related person	Type of related person

Fiscal Year 12/31/2014

Issuer Administrator

CARLOS ANTONIO BÚRIGO	400.828.570-91	Control	Indirect subsidiary
General Secretary of the Government of Rio Grande do Sul.			

Related person

Banco do Estado do Rio Grande do Sul S.A - Banrisul	92.702.067/0001-96
Member of the Board of Directors.	

Observation

Issuer Administrator

JOÃO GABBARDO DOS REIS	223.127.490-68	Control	Direct subsidiary
Health Secretary of Rio Grande do Sul			

Related person

Banco do Estado do Rio Grande do Sul S.A. - Banrisul	92.702.067/0001-96
Member of the Board of Directors.	

Observation

Issuer Administrator

Flávio Pompermayer	447.089.800-78	Control	Direct subsidiary
Technical Executive Officer of the Financial Coordination Board of Rio Grande do Sul			

Related person

Banco do Estado do Rio Grande do Sul S.A. - Banrisul	92.702.067/0001-96
Member of the Board of Directors.	

Observation

Issuer Administrator

Luiz Antonio Bins	296.207.240-20	Control	Direct subsidiary
Deputy State Finance Secretary of the State of Rio Grande do Sul			

Related person

Banco do Estado do Rio Grande do Sul S.A. - Banrisul 92.702.067/0001-96

Member of the Board of Directors.

Observation

12.11 - Agreements, including insurance policies, that provide for the payment or reimbursement of expenses made by the managers

12.11. Describe the provisions of any agreements, including insurance policies, that provide for the payment or reimbursement of expenses made by the managers, in the exercise of their duties, to remediate any damages caused to third parties or the issuer, penalties enforced by state authorities, or any covenants intended to close administrative or judicial actions.

The Bank contracts civil liability insurance of Board members, Executive Officers and/or Managers, pursuant to the information below:

- Insurance Company: XL Seguros Brasil S.A. – SUSEP Process: 15414.002296/2012-51 – insurance policy no.: 03.10.1.000322

- Insurance policy's effectiveness period: from 03/09/2016 (12 p.m.) to 03/09/2017 (12 p.m.)

- Liability limit: R$ 50,000,000.00

- Premium: 720,000.01

- Guarantees and Conditions:

a) Insured(s)/Borrower: Banco do Estado do Rio Grande do Sul – CNPJ 92.702.067/0001-96;

b) Companies: Banco do Estado do Rio Grande do Sul S.A.

Banrisul S/A Corretora de Valores Mobiliários e Câmbio

Banrisul S/A Administradora de Consórcios

Banrisul Armazéns Gerais S.A.

Banrisul Cartões S.A.

and its subsidiaries;

c) Geographic Environment Coverage: worldwide;

d) Retroactivity limit: unlimited;

e) Date of previous or pending proceedings: from 03/09/2015 (12 p.m.);

f) Additional Term: 3 years;

g) Supplementary term:

12 months: 75% of the net premium

24 months: 100% of the net premium

36 months: 115% of the net premium;

h) Guarantees: payment to the insured person;

i) Deductibles: payment to the insured person and reimbursement to the company: no;

j) coverage and maximum compensation of the insurance policy:

Main coverage –civil liability insurance for Directors, Officers and/or Administrators – maximum compensation - R$ 50,000,000.00;

Basic Coverage – agreements, including the Conduct Adjustment Term and Commitment Agreement – maximum compensation - 100% maximum guarantee;

Extensions - current account lockout (online seizure) – maximum compensation R$ 1,000,000.00

- notifications clauses (cover for sinister expectation) - 100% maximum guarantee

- coverage for the spouse, estate, heirs and legal representatives - 100% maximum guarantee

k) Conditions of the Policy

General Conditions of Civil Liability Insurance for Directors, officers and/or Administrators of specified coverage

l) Particular clause of coverage exclusion for claims of the State Court of Auditors - ECA

In view of the premium paid, it is hereby understood and agreed that in Section 5. Coverage Exclusions of the general conditions of the policy will be added to the "Insurer shall not be liable for any payment related to any claim filed by the State Court of Auditors - ECA against insured persons. All other terms and conditions remain unchanged.

m) Particular clause coverage exclusion for claims of the General Controller and Auditor of the State

In view of the premium paid, it is hereby understood and agreed that in Section 5. Exclusions Coverage of the general conditions of the policy will be added to the "Insurer shall not be liable for any payment related to any claim filed by the General Conptroller and Auditor of the State against insured persons. All other terms and conditions remain unchanged.

n) Particular clause fines of exclusion and other penalties

In view of the premium paid, it is hereby understood and agreed that in Section 5. Exclusions from the general conditions of the policy, the following item is added: "the Insurer shall not be liable for any payment related to fines and other penalties. All other terms and conditions remain unchanged.

o) Particular condition exclusion acts against public administration

It is hereby understood and agreed that in Section 5. Policy Coverage Exclusions will include the following item: the Insurer shall not be liable for any payment related to any claim arising out of, based on or as a result of acts against the public administration, including, but not limited to:

(i) Acts injuriously against the Government, as defined in Chapter II of Law No. 12,846 (Anticorruption Law), including but not limited to acts by individuals. By "Acts harmful against the Government" means circumstances covered by Law 12,846 and similar situations although the Law 12,846 has not been applied in this case; and / or

(ii) Payments, commissions, grants, benefits, or any other favors to or for the benefit of any agent, representative or employee of Government Agency, Armed Forces, or companies with participation of the Government, domestic or foreign, or any members of their families or any entity to which they are affiliated; and / or

(iii) Payments, commissions, grants, benefits, or any other favors to or benefit of any directors, officers, agents, partners, representatives, shareholders, owners, employees, or affiliate (as the term defined in "The Securities Exchange Act" of in 1934 the United States of America, including any of its directors, officers, agents, partners, representatives, shareholders, owners, employees), any customer of the Company or their family members or any entity with which they are associated; and / or

(iv) Political donations both in Brazil and abroad.

Other terms, conditions and exclusions of the policy remain unchanged.

p) Particular condition of exclusion to the operation "Lava Jato" of the Federal Police

It is understood and agreed that Section 5. Policy Coverage Exclusions will include the following item: the Insurer shall not be liable for any payment related to any claim arising out of, based on or as a result of the operation "Lava Jato" and investigations and/or investigations that led to his proposition.

12.12 - Corporate Governance Practices

12.12. Inform whether the issuer has a code of good corporate governance practices in place; if yes, please inform the code followed and any differentiated corporate governance practices adopted.

On June 21, 2007, the Company entered into an agreement with the São Paulo Stock Exchange on the adoption of differentiated Corporate Governance practices – Level I.

12.13 - Other material information

12.13. Provide other information the issuer deems relevant.

Statutory Committees are composed of holders of certain positions, where applicable, as provided for in Chapter XII of the Bylaws * (Articles 77 to 80), and the Board of Executive Officers does not elect any member. For further information on the Committees' composition, see item 12.1 a.7.

The members of the Institution's Fiscal Council elected by the Annual and Extraordinary Shareholders' Meeting held on April 29, 2016 took office on July 28, 2016, after ratification by the Brazilian Central Bank on July 20, 2016.

Positions held by members of the Board of Directors in other companies or entities.

Elected at the Annual and Extraordinary Shareholders' Meeting of April 30, 2015 and at the ESM of September 04, 2015.

Board members	Position held on the Board of Directors of BANRISUL S.A.	Management positions held in other companies/entities:
Luiz Antonio Bins	Chairman	Chairman of the Board of Directors of PROCERGS
Luiz Gonzaga Veras Mota	Board Member	President of Banrisul Cartões S.A.
Irany de Oliveira Sant'Anna Júnior	Board Member	President of Banrisul Consórcios, Chairman of member of the Board of Directors of Banrisul Cartões S.A.
João Verner Juenemann	Board Member	Member of the Board of Directors and coordinator or the Audit and Risk Committee of Forjas Taurus S.A; Coordinator of the Audit and Risk Committee of Tupy S.A; and member of the Fiscal Council of Saraiva S.A. Livreiros Editores, Plascar Participações Industriais, and INDG - Instituto de Desenvolvimento Gerencial S.A. (Falconi Consultores de Resultado).
Joao Carlos Brum Torres	Board Member	Does not hold a position in other companies or entities
Carlos Antonio Búrigo	Board Member	Does not hold a position in other companies or entities
João Gabbardo dos Reis	Board Member	Does not hold a position in other companies or entities
Dilio Sergio Penedo	Board Member	Member of the Board of Directors of Embratel S.A.
Flavio Pompermayer	Board Member	Member of the Board of Directors of the Rio Grande do Sul Public Debt Management Council – CADIP, of CIENTEC and of Empresa Gaúcha de Rodovias - EGR.

13.1 – Description of compensation policy or practice of the Board of Directors, Statutory and Non-Statutory Board of Executive Officers

13.1. Describe the compensation policy or practice of the Board of Directors, Statutory and Non-Statutory Board of Executive Officers, Fiscal Council, Statutory Committees, Audit, Risk, Financial and Compensation Committees, discussing the following aspects:

a. objectives of the compensation policy or practice.

The purpose of the Issuer's Compensation Policy is to reward and encourage the managers to conduct business in an efficient and sustainable manner. This policy relies on the value they generate to the organization, the risks arising from the activities, the conditions of the market in which the issuer operates, and the issuer's condition of financial institution controlled by a government entity.

Managers' compensation includes global and annual amounts established by the Shareholders' Meeting. The Board of Directors is responsible for regulating the use of the compensation budget and the apportionment of this budget among the members of the Board of Directors and the Board of Executive Officers.

The members of the Boards of Executive Officers of the Issuer and its affiliates are entitled to Profit Sharing – PLR, which is calculated based on the norms set forth by the Board of Directors, taking into account the criteria for payment of PLR to the employees provided for in the Collective Bargaining Agreement for Bank Employees.

The members of the Boards of Executive Officers of the Issuer and its affiliates are entitled to a vacation period of 30 days, plus one third of the monthly global compensation. The amounts regarding vacation periods not enjoyed within each annual period, even if proportional to the end of the term of office, are converted into cash.

Company managers formerly belonging to company's staff will be entitled to the prerogatives provided for in the Personnel Regulations.

The issuer's managers are not entitled to receive variable compensation.

The managers of the Issuer and its Subsidiaries are entitled to a benefits package that includes healthcare plan, private pension plan and insurance. These benefits may change according to the profile of managers. For managers coming from staff positions, the benefits plans started when they were employees will be maintained.

For 2016, the Issuer approved in the Shareholders' Meeting the maintenance of the global amount of eleven million Reais (R$11,000,000.00) for compensation of managers (members of the Board of Directors, Board of Executive Officers, Audit Committee and Compensation Committee), regardless of the year to which these amounts refer or when they will be paid.

Regarding Fiscal Council members, the Issuer approved in the Shareholders' Meeting a monthly individual compensation of seven thousand, five hundred Reais (R$7,500.00) for permanent members. This compensation amount shall be in force until the 2017 Annual Shareholders' Meeting.

The compensation characteristics of each BANRISUL body are described below:

Board of Directors

a. Compensation policy or practice objectives	The compensation of Banrisul's Board of Directors is determined by the Shareholders' Meeting, and it is not the Bank's practice to accumulate remunerated Management positions. In this regard, members of the Board of Directors composing the Board of Executive Officers or the Audit Committee only receive the compensation assigned to the positions held in these bodies, and not that one assigned to members of the Board of Directors. From 2011 to 2015, the Vice Chairman of the Board of Directors and a Board member held the positions of Chief Executive Officer and Vice Chief Executive Officer of Banrisul's Board of Executive Officers.
b. Compensation breakdown, indicating:	
i. Description of compensation elements and their objectives	Fees: fixed monthly compensation.
ii. Percentage of each element in total compensation	Fees: 100%
iii. Calculation and adjustment methodology of each compensation element	Not applicable.
iv. Reasons justifying the compensation breakdown	Our Management compensation is composed of a fixed amount which is established according to similar amounts practiced by mixed-capital companies.
v. Existence of members not compensated by the issuer and the reason for that	The Directors who are members of the Board of Executive Officers of Banrisul, and the Director who is a member of the Audit Committee are not compensated in the scope of the Board of Directors; instead, they receive the compensation defined for the Board of Executive Officers and the Audit Committee respectively.
c. Main performance indicators considered when defining each compensation element	Not applicable.
d. How compensation is structured to reflect the evolution of performance indicators	Not applicable.
e. How the compensation policy or practice is aligned to the issuer's interests in the short, medium and long terms	Not applicable. Management compensation is only composed of a fixed amount.
f. Compensation supported by subsidiaries, controlled companies, direct or indirect controlling shareholders	Total Management compensation is supported by Banrisul.
g. Any compensation or benefit linked to the occurrence of certain corporate event, such as the sale of issuer's controlling interest.	Not applicable.

13.1.ii – The chart below informs the percentage of each compensation element described in item 13.1.b.i in total compensation of the Board of Directors, as mentioned in item 13.1.

BODY	2015	%	2014	%	2013	%
Board of Directors						
Salary or directors' compensation	552,437.76	100%	386,417.24	100%	424,194.80	100%

Board of Executive Officers

a. Compensation policy or practice objectives	The compensation of members of the Board of Executive Officers is determined at the Shareholders' Meeting, pursuant to the corporate governance principle, and it consists of fees and representation allowances, the amounts of which are defined by the Board of Directors. Officers withdrawn from our staff or coming from government entities may choose to still receive their position-related compensation, which will be added by the representation allowance. The member of the Board of Executive Officers receive profit sharing, according to the terms of the collective bargaining agreement of bank employees' category, which is calculated over compensation.
b. Compensation breakdown, indicating:	
i. Description of compensation elements and their objectives	Fees: fixed monthly compensation. Entertainment pay. Profit Sharing Plan (PLR): this is calculated according to the same criteria defined by the collective bargaining agreement of bank employees' category.
ii. Percentage of each element in total compensation	Fees: 50% of fixed monthly compensation; Entertainment pay: 50% of fixed compensation; PLR: variable calculated according to the same criteria defined by the collective bargaining agreement of bank employees' category.
iii. Calculation and adjustment methodology of each compensation element	Not applicable. Fixed compensation without a linked index.
iv. Reasons justifying the compensation breakdown	Not applicable. Fixed compensation without a linked index.
v. Existence of members not compensated by the issuer and the reason for that	There are no managers who do not receive compensation from the Issuer.
c. Main performance indicators considered when defining each compensation element	Not applicable.
d. How compensation is structured to reflect the evolution of performance indicators	Not applicable.
e. How the compensation policy or practice is aligned to the issuer's interests in the short, medium and long terms	Not applicable. Management compensation is composed of a fixed amount, entertainment pay at a fixed percentage and profit sharing (PLR) calculated according to the same criteria defined by the collective bargaining agreement of the bank employees' category, based on fees amount.
f. Compensation supported by subsidiaries, controlled companies, direct or indirect controlling shareholders	Total Management compensation is supported by Banrisul.
g. Any compensation or benefit linked to the occurrence of certain corporate event, such as the sale of issuer's controlling interest.	Not applicable.

13.1.ii – The chart below informs the percentage of each compensation element described in item 13.1.b.i in total compensation of Banrisul S.A.'s Board of Executive Officers, as per item 13.1.

BODY	2015	%	2014	%	2013	%
Board of Executive Officers						
Salary or officers' compensation	1,783,153.23	48.64%	1,072,419.88	48.5%	1,016,779.52	47.5%
Bonus	1,783,153.23	48.64%	1,072,419.88	48.5%	1,016,779.52	47.5%
PLR	99,516.87	2.72%	67,990.83	3.0%	108,244.26	5%
Other variable amounts	-		-		-	
TOTAL COMPENSATION	3,665,823.33	100%	2,212,830.59	100%	2,141,803.30	100%

Fiscal Council

Our Fiscal Council operates permanently, with powers and duties conferred thereto by laws and its compensation is defined at the Annual Shareholders' Meeting, pursuant to Paragraph 3, Article 162 of the Brazilian Corporation Law.

a. Compensation policy or practice objectives	The compensation of members of the Fiscal Council is established by the Annual Shareholders' Meeting, pursuant to Article 162, Paragraph 3 of the Brazilian Corporation Law.
b. Compensation breakdown, indicating:	
i. Description of compensation elements and their objectives	Fees: fixed monthly compensation.
ii. Percentage of each element in total compensation	Fees: 100% of fixed monthly compensation;
iii. Calculation and adjustment methodology of each compensation element	Not applicable. Fixed compensation without a linked index.
iv. Reasons justifying the compensation breakdown	Not applicable. Fixed compensation without a linked index.
v. Existence of members not compensated by the issuer and the reason for that	Not applicable. All members are compensated.
c. Main performance indicators considered when defining each compensation element	No variable compensation, only fixed compensation without a linked index.
d. How compensation is structured to reflect the evolution of performance indicators	Not applicable.
e. How the compensation policy or practice is aligned to the issuer's interests in the short, medium and long terms	The monthly compensation attributed to Fiscal Council members was defined by the Annual and Extraordinary Shareholders' Meeting in which they were elected and, for each acting member, it should not be lower than ten percent of the compensation received in average by each Officer, excluding benefits, entertainment pay and profit sharing.
f. Compensation supported by subsidiaries, controlled companies, direct or indirect controlling shareholders	Total compensation of Fiscal Council members is supported by Banrisul.
g. Any compensation or benefit linked to the occurrence of certain corporate event, such as the sale of issuer's controlling interest.	Not applicable.

13.1.ii – The chart below informs the percentage of each compensation element described in item 13.1.b.i in total compensation of Banrisul S.A.'s Fiscal Council, as per item 13.1.

BODY	2015	%	2014	%	2013	%
Fiscal Council						
Salary or fiscal council members' compensation	385,374.60	100%	357,471.95	100%	339,355.81	100%

Audit Committee

a. Compensation policy or practice objectives	Our Audit Committee works permanently, which is composed of three members appointed by our Board of Directors, pursuant to the Brazilian Central Bank requirements. The monthly compensation of members of our Audit Committee is determined by our Board of Directors.
b. Compensation breakdown, indicating:	
i. Description of compensation elements and their objectives	Fees: fixed monthly compensation.
ii. Percentage of each element in total compensation	Fees: 100% of fixed monthly compensation;
iii. Calculation and adjustment methodology of each compensation element	Not applicable. Fixed compensation without a linked index.
iv. Reasons justifying the compensation breakdown	Not applicable. Fixed compensation without a linked index.
v. Existence of members not compensated by the issuer and the reason for that	Not applicable. All members are compensated.
c. Main performance indicators considered when defining each compensation element	The members of the Audit Committee do not receive variable compensation.
d. How compensation is structured to reflect the evolution of performance indicators	Not applicable.
e. How the compensation policy or practice is aligned to the issuer's interests in the short, medium and long terms	The monthly compensation assigned to the Committee's members was defined considering the amount paid to members of the Board of Executive Officers as fees and is in line with the Bank's interests in the short, medium and long terms, to the extent they represent compensations compatible with the domestic market, stimulating the committee's member to improve practices and to be in line with the Bank's interests.
f. Compensation supported by subsidiaries, controlled companies, direct or indirect controlling shareholders	Total compensation of Audit Committee members is supported by Banrisul.
g. Any compensation or benefit linked to the occurrence of certain corporate event, such as the sale of issuer's controlling interest.	Not applicable.

13.1.ii – The chart below informs the percentage of each compensation element described in item 13.1.b.i in total compensation of Banrisul S.A.'s Audit Committee, as per item 13.1.

BODY	2015	%	2014	%	2013	%
Audit Committee						
	422,879.49	100%	428,966.70	100%	411,060.15	100%

13.2 – Total compensation of the board of directors, statutory board of executive officers and fiscal council

Total compensation estimated for the current fiscal year 12/31/2016 – Annual Amounts

	Board of Directors	Board of Executive Officers	Fiscal Council	Total
Number of members	9.00	9.00	5.00	23.00
No. of compensated members	7.00	9.00	5.00	21.00
Fixed annual compensation				
Salary	634,000.00	2,052,000.00	450,000.00	3,136,000.00
Direct and indirect benefits	0.00	0.00	0.00	0.00
Attendance at committees	0.00	0.00	0.00	0.00
Other	0.00	2,052,000.00	0.00	2,052,000.00
Description of other fixed compensation		Compensation consists of Salaries and Representation Allowance, as determined in Minutes of the ASM/2016.		
Variable compensation				
Bonus	0.00	0.00	0.00	0.00
Profit sharing	0.00	135,000.00	0.00	135,000.00
Attendance at meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other variable compensation				
Post-employment	0.00	0.00	0.00	0.00
Termination of the position	0.00	0.00	0.00	0.00
Based on stocks (including options)	0.00	0.00	0.00	0.00
Note	Amounts referring to the payment estimate this year. Concerning related amount, we inform that out of nine members of the Board of Directors only seven are remunerated, as two of them are members of the Statutory Board of Executive Officers of Banrisul S.A.	Amounts referring to the payment estimate this year. Concerning related amount, we inform that out of nine members of the Board of Directors only seven are remunerated, as two of them are members of the Statutory Board of Executive Officers of Banrisul S.A.	Amounts referring to the payment estimate this year. Concerning related amount, we inform that out of nine members of the Board of Directors only seven are remunerated, as two of them are members of the Statutory Board of Executive Officers of Banrisul S.A.	
Total compensation	634,000.00	4,239,000.00	450,000.00	5,323,000.00

Total compensation estimated for the current fiscal year 12/31/2015 – Annual Amounts				
	Board of Directors	Board of Executive Officers	Fiscal Council	Total
Number of members	8.75	8.67	5.00	22.42
No. of compensated members	7.00	8.67	5.00	20.67
Fixed annual compensation				
Salary	552,437.76	1,783,153.23	385,374.60	2,720,965.59
Direct and indirect benefits	0.00	0.00	0.00	0.00
Attendance at committees	0.00	0.00	0.00	0.00
Other	0,00	1,783,153.23	0.00	1,783,153.23
Description of other fixed compensation		Compensation consists of Salaries and Representation Allowance, as determined in Minutes of the ASM/2015.		
Variable compensation				
Bonus	0,00	0.00	0.00	0.00
Profit sharing	0,00	99,516.88	0.00	99,516.88
Attendance at meetings	0,00	0.00	0.00	0.00
Commissions	0,00	0.00	0.00	0.00
Other	0,00	0.00	0.00	0.00
Description of other variable compensation				
Post-employment	0,00	0.00	0.00	0.00
Termination of the position	0,00	0.00	0.00	0.00
Based on stocks (including options)	0,00	0.00	0.00	0.00
Note	We inform that out of nine members of the Board of Directors only seven are remunerated, as two of them are members of the Institution's Statutory Board of Executive Officers.	We inform that out of nine members of the Board of Directors only seven are remunerated, as two of them are members of the Institution's Statutory Board of Executive Officers.	We inform that out of nine members of the Board of Directors only seven are remunerated, as two of them are members of the Institution's Statutory Board of Executive Officers.	
Total compensation	552,437.76	3,665,823.34	385,374.60	4,603,635.70

Total compensation estimated for the current fiscal year 12/31/2014 – Annual Amounts

	Board of Directors	Board of Executive Officers	Fiscal Council	Total
Number of members	8.58	8.42	5.00	22.00
No. of compensated members	5.00	8.42	5.00	18.42
Fixed annual compensation				
Salary	386,417.24	1,072,419.88	357,471.95	1,816,309.07
Direct and indirect benefits	0.00	0.00	0.00	0.00
Attendance at committees	0.00	0.00	0.00	0.00
Other	0.00	1,072,419.88	0.00	1,072,419.88
Description of other fixed compensation		Compensation consists of Salaries and Representation Allowance, as determined in Minutes of the ASM/2014.		
Variable compensation				
Bonus	0.00	0.00	0.00	0.00
Profit sharing	0.00	67,990.83	0.00	67,990.83
Attendance at meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other variable compensation		Amount related to profit sharing as determined at the ASM 2014 Minutes.		
Post-employment	0.00	0.00	0.00	0.00
Termination of the position	0.00	0.00	0.00	0.00
Based on stocks (including options)	0.00	0.00	0.00	0.00
Note	Concerning the related amount, we declare that: a) comparing chart 13.2 hereof with Note 25 to the 4Q14 Financial Statements, there is a difference in Management total compensation, referring to the Audit Committee compensation (R$428,966.70) included in that Note; b) of the nine members of the Board of Directors, since July 2012, only five are remunerated, as two of them are members of the Statutory Board of Executive Officers and two other members declined compensation. In June 2014, Board member Olívio de Oliveira Dutra resigned, and was not replaced. c) In August 2014, Board member Ivandre de Jesus Medeiros resigned. The number of members of each body corresponds to the annual average of the number of members of each body, calculated monthly, with two decimal places.	Concerning the related amount, we declare that: a) comparing chart 13.2 hereof with Note 25 to the 4Q14 Financial Statements, there is a difference in Management total compensation, referring to the Audit Committee compensation (R$428,966.70) included in that Note; b) of the nine members of the Board of Directors, since July 2012, only five are remunerated, as two of them are members of the Statutory Board of Executive Officers and two other members declined compensation. In June 2014, Board member Olívio de Oliveira Dutra resigned, and was not replaced. c) In August 2014, Board member Ivandre de Jesus Medeiros resigned. The number of members of each body corresponds to the annual average of the number of members of each body, calculated monthly, with two decimal places.	Concerning the related amount, we declare that: a) comparing chart 13.2 hereof with Note 25 to the 4Q14 Financial Statements, there is a difference in Management total compensation, referring to the Audit Committee compensation (R$428,966.70) included in that Note; b) of the nine members of the Board of Directors, since July 2012, only five are remunerated, as two of them are members of the Statutory Board of Executive Officers and two other members declined compensation. In June 2014, Board member Olívio de Oliveira Dutra resigned, and was not replaced. c) In August 2014, Board member Ivandre de Jesus Medeiros resigned. The number of members of each body corresponds to the annual average of the number of members of each body, calculated monthly, with two decimal places.	
Total compensation	386,417.24	2,212,830.59	357,471.95	2,956,719.78

Total compensation estimated for the current fiscal year 12/31/2013 – Annual Amounts

	Board of Directors	Board of Executive Officers	Fiscal Council	Total
Number of members	9.00	9.00	5.00	23.00
No. of compensated members	5.00	9.00	5.00	19.00
Fixed annual compensation				
Salary	424,194.80	1,016,779.52	339,355.70	1,780,330.02
Direct and indirect benefits	0.00	0.00	0.00	0.00
Attendance at committees	0.00	0.00	0.00	0.00
Other	0.00	1,016,779.52	0.00	1,016,779.52
Description of other fixed compensation		Compensation consists of Salaries and Representation Allowance, as determined in Minutes of the ASM/2013.		
Variable compensation				
Bonus	0.00	0.00	0.00	0.00
Profit sharing	0.00	108,244.26	0.00	108,244.26
Attendance at meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00
Description of other variable compensation		Amount related to profit sharing as determined at the ASM 2014 Minutes.		
Post-employment	0.00	0.00	0.00	0.00
Termination of the position	0.00	0.00	0.00	0.00
Based on stocks (including options)	0.00	0.00	0.00	0.00
Note	Concerning the related amount, we declare that: a) comparing chart 13.2 hereof with Note 25 to the 4Q13 Financial Statements, there is a difference in Management total compensation, referring to the Audit Committee compensation (R$411,060.15), included in that Note; b) of the nine members of the Board of Directors, since July 2012, only five are remunerated, as two of them are members of the Statutory Board of Executive Officers and two other members declined compensation. The number of members of each body corresponds to the annual average of the number of members of each body, calculated monthly, with two decimal places.	Concerning the related amount, we declare that: a) comparing chart 13.2 hereof with Note 25 to the 4Q13 Financial Statements, there is a difference in Management total compensation, referring to the Audit Committee compensation (R$411,060.15), included in that Note; b) of the nine members of the Board of Directors, since July 2012, only five are remunerated, as two of them are members of the Statutory Board of Executive Officers and two other members declined compensation. The number of members of each body corresponds to the annual average of the number of members of each body, calculated monthly, with two decimal places.	Concerning the related amount, we declare that: a) comparing chart 13.2 hereof with Note 25 to the 4Q13 Financial Statements, there is a difference in Management total compensation, referring to the Audit Committee compensation (R$411,060.15), included in that Note; b) of the nine members of the Board of Directors, since July 2012, only five are remunerated, as two of them are members of the Statutory Board of Executive Officers and two other members declined compensation. The number of members of each body corresponds to the annual average of the number of members of each body, calculated monthly, with two decimal places.	
Total compensation	424,194.80	2,141,803.30	339,355.70	2,905,353.80

13.3 - Variable compensation of the board of directors, board of executive officers and fiscal council

13.3. In relation to the variable compensation of the last three fiscal years and the compensation estimated for current fiscal year:

Not applicable. Management does not receive variable compensation.

Profit Sharing – PLR is calculated based on the rules set forth by the Board of Directors, taking into account the criteria for payment of PLR to the employees provided for in the Collective Bargaining Agreement for Bank Employees.

Fiscal Year 2016 (Estimate)

a) Body	Board of Directors	Statutory Board of Executive Officers	Fiscal Council
b) total number of members (average from January to December)	9	9	5
c) regarding bonus:			
i. minimum amount established in the compensation plan	n/a	n/a	n/a
ii. maximum amount established in the compensation plan	n/a	n/a	n/a
iii. amount established in the compensation plan if the targets are met	n/a	n/a	n/a
iv. amount effectively recognized in the income statement	n/a	n/a	n/a
d) regarding profit sharing:			
i. minimum amount established in the compensation plan	n/a	n/a	n/a
ii. maximum amount established in the compensation plan	n/a	n/a	n/a
iii. amount established in the compensation plan if the targets are met	n/a	n/a	n/a
iv. amount effectively recognized in the income statement	n/a	135,000.00*	n/a

* Amount to be recognized upon the Collective Bargaining Agreement, in September 2016 (expected value of up to R$15,000.00 individual).

Fiscal Year 2015

a) Body	Board of Directors	Statutory Board of Executive Officers	Fiscal Council
b) total number of members	8.75	8.67	5.00
c) number of compensated members	7	8.67	5.00
d) regarding bonus:			
i. minimum amount established in the compensation plan	n/a	n/a	n/a
ii. maximum amount established in the compensation plan	n/a	n/a	n/a
iii. amount established in the compensation plan if the targets are met	n/a	n/a	n/a
iv. amount effectively recognized	n/a	n/a	n/a
e) regarding profit sharing:			
i. minimum amount established in the compensation plan	n/a	n/a	n/a
ii. maximum amount established in the compensation plan	n/a	n/a	n/a
iii. amount established in the compensation plan if the targets are met	n/a	n/a	n/a
iv. amount effectively recognized	n/a	99,516.87	n/a

Fiscal Year 2014

a) Body	Board of Directors	Statutory Board of Executive Officers	Fiscal Council
b) total number of members	8.58	8.42	5.00
c) regarding bonus:			
i. minimum amount established in the compensation plan	n/a	n/a	n/a
ii. maximum amount established in the compensation plan	n/a	n/a	n/a
iii. amount established in the compensation plan if the targets are met	n/a	n/a	n/a
iv. amount effectively recognized	n/a	n/a	n/a
d) regarding profit sharing:			
i. minimum amount established in the compensation plan	n/a	n/a	n/a
ii. maximum amount established in the compensation plan	n/a	n/a	n/a
iii. amount established in the compensation plan if the targets are met	n/a	n/a	n/a
iv. amount effectively recognized	n/a	67,990.83	n/a

Fiscal Year 2013

a) Body	Board of Directors	Statutory Board of Executive Officers	Fiscal Council
b) total number of members	9.00	9.00	5.00
c) regarding bonus:			
i. minimum amount established in the compensation plan	n/a	n/a	n/a
ii. maximum amount established in the compensation plan	n/a	n/a	n/a
iii. amount established in the compensation plan if the targets are met	n/a	n/a	n/a
iv. amount effectively recognized in the income statement	n/a	n/a	n/a
d) regarding profit sharing:			
i. minimum amount established in the compensation plan	n/a	n/a	n/a
ii. maximum amount established in the compensation plan	n/a	n/a	n/a
iii. amount established in the compensation plan if the targets are met	n/a	n/a	n/a
iv. amount effectively recognized in the income statement	n/a	108,244.26	n/a

13.4 - Share-based compensation plan of the Board of Directors and the Statutory Board of Executive Officers

13.4. Referring to the share-based compensation plan of the Board of Directors and the Statutory Board of Executive Officers, in force in the last fiscal year and estimated for current fiscal year.

Not applicable. We do not have a share-based compensation plan.

13.5 - Share-based compensation of the board of directors and statutory board of executive officers

13.5. Referring to the share-based compensation recognized in profit or loss for the last three fiscal years and the compensation estimated for current fiscal year of the board of directors and statutory board of executive officers.

Not applicable. We do not have a share-based compensation plan.

13.6 – Information about the outstanding options of the Board of Directors and Statutory Board of Executive Officers

13.6. Referring to the outstanding options of the Board of Directors and Statutory Board of Executive Officers at the end of the last fiscal year.

Not applicable. We do not have a share-based compensation plan.

13.7 - Options exercised and shares related to the share-based compensation of the Board of Directors and Statutory Board of Executive Officers

13.7. Referring to the options exercised and shares related to the share-based compensation of the Board of Directors and Statutory Board of Executive Officers over the last three fiscal years.

Not applicable. We do not have a share-based compensation plan.

13.8 - Information necessary to understand the data disclosed in items “13.5” to “13.7”, such as the explanation of the pricing method of shares and options.

13.8. Summary of the information necessary to understand the data disclosed in items “13.5” to “13.7”, such as the explanation of the pricing method of shares and options.

Not applicable. We do not have a share-based compensation plan.

13.9 - Investments in shares, quotas and other convertible securities, held by administrators of fiscal council

13.9. Number of shares or quotas direct or indirectly held in Brazil or abroad and other securities convertible into shares or quotas issued by the Company, its direct or indirect controlling shareholders, subsidiaries or jointly-owned subsidiaries, by members of the board of directors, statutory board of executive officers or fiscal council, grouped by body on the closing date of the last fiscal year.

BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.								
Shareholder	**Common**	**%**	**Preferred Share Class A**	**%**	**Preferred Share Class B**	**%**	**TOTAL**	**%**
Board of Directors	1	0.00000049 %	0	0.00000000 %	100	0.00004990 %	101	0.00002470 %
Statutory Board of Executive Officers	54	0.00002633 %	15	0.00042611 %	0	0.00000000 %	69	0.00001687 %
Fiscal Council	100	0.00004877 %	90	0.00255666 %	20,100	0.01002980 %	20,290	0.00496119 %
Total	205,051,528	100.00%	3,520,218	100.00%	200,402,731	100.00%	408,974,477	100.00%

13.10 – Information about private pension plans conferred to members of the board of directors and statutory officers

13.10. Effective private pension plans conferred to members of the board of directors and statutory officers.

Officers from our staff maintain the Supplementary Private Pension Plan they had as employees, while the others can voluntarily adhere to the FBPrev Benefits Plan - CNPB nº 2009.0013-38 (Variable Contribution).

	(R$ p.a., except number of members)		
	Board of Directors	Board of Executive Officers	Total
Number of members	0	7	7
Name of the plans: Paid-in Benefit Plan - CNPB no. 2013.0021- 65 (Defined benefit plan); FBPrevII - CNPB no. 2013.0022-38 (Variable contribution) and FBPrevII Benefit Plan - CNPB no. 2013.0022-38 (Variable contribution)			
Number of managers eligible for retirement	0	5	5
Requirements for early retirement: Paid-in Benefit Plan: 55 years old + retired via INSS pursuant to Article 27 of the Benefit Plan Regulations. FBPREV II Benefit Plan: 55 years old, pursuant to Article 40 FBPREV II Plan Regulations			
Number of Officers who comply with the conditions for early retirement	0	5	5
Adjusted amount of contributions accumulated in the private pension plan up to the closing of the last fiscal year, less contributions made directly by Management.		2,568,039.12	2,568,039.12
Total accumulated amount of contributions made during the last fiscal year, less contributions made directly by Management		442,293.22	442,293.22

13.11 - Average compensation of members of the Board of Directors, Board of Executive Officers and Fiscal Council over the last three fiscal years

Annual values

	Board of Executive Officers			Board of Directors			Fiscal Council		
	12/31/2015	12/31/2014	12/31//2013	12/31/2015	12/31/2014	12/31/2013	12/31/2015	12/31/2014	12/31/2013
Number of members	8.50	8.58	9.00	8.00	8.42	9.00	5.00	5.00	5.00
No. of compensated members	8.50	8.58	9.00	7.00	5.00	5.00	5.00	5.00	67,871.14
Highest individual compensation (Reais)	349,322.17	354,276.27	299,058.56	96,343.72	89,368.03	84,838.96	77,074.92	71,494.39	67,871.14
Smallest individual compensation (Reais)	9,597.70	8,610.43	722.65	15,196.18	28,945.12	84,838.96	37,504.14	28,945.10	33,137.02
Average individual compensation (Reais)	431,273.33	245,870.01	237,978.14	43,636.68	77,283.45	84,838.96	77,074.92	71,494.39	67,871.14

Note

Board of Executive Officers	
12/31/2015	Average compensation of the Board of Executive Officers - The calculated average amount is the ratio between R$ 3,665,823.34 with interest and 8.50 members. We inform that in the period from 01/01/2015 to 04/15/2015, there were eight members on the Board of Executive Officers. From 04/16/2015 to 12/31/2015, there were nine members on the Board of Executive Officers.
12/31/2014	Mrs. Tulio Luiz Zamin, Flavio Luiz Lammel and Ivandre Jesus Medeiros, respectively CEO and components of the Board of Executive Officers of Banrisul S.A., assigned to other organs of the Public administration opted to continue receiving their functional compensation, plus the corresponding representation allowance to positions held in accordance with the defined in Article 2, of the State Law No. 13,670 of 14 January 2011, which limits the same monthly allowance in kind of the Judges of Rio de Grande do Sul State Court, which is equivalent to R$ 26,589.68. For this regulation, the Officer with the lowest remuneration in the period was Mr. Tulio Luiz Zamin. Average compensation of the Board of Executive Officers – The calculated average amount is the ratio between R$ 2,212,830.09 and 9.00.
12/31/2013	Mrs. Tulio Luiz Zamin, Flavio Luiz Lammel and Ivandre Jesus Medeiros, respectively CEO and components of the Board of Executive Officers of Banrisul S.A., assigned to other organs of the Public administration opted to continue receiving their functional compensation, plus the corresponding representation allowance to positions held in accordance with the defined in Article 2, of the State Law No. 13,670 of 14 January 2011, which limits the same monthly allowance in kind of the Judges of Rio de Grande do Sul State Court, which is equivalent to R$ 24,117.62. For this regulation, the Officer with the lowest remuneration in the period was Mr. Tulio Luiz Zamin. Average compensation of the Board of Executive Officers – The calculated average amount is the ratio between R$ 2,141,803.30 and 9.00.

Board of Directors	
12/31/2015	Regarding the amounts paid to the members of the Board of Directors, only 7 members receive compensation, since two members belong to the Statutory Board of Executive Officers
12/31/2014	Regarding the amounts paid to the members of the Board of Directors, only 5 receive compensation, since two belong to the Statutory Board of Executive Officers, while the Chairman of the Board of Directors and another Board Member also declined from their compensation. In August 2014, the member of the Board of Directors, Olivio de Oliveira Dutra resigned to contest for the 2014 elections. Average compensation of the Board of Directors - The calculated average value is the ratio between R$ 386,417.24 and 5.00.
12/31/2013	Of the 9 members of the Board of Directors, only 05 received compensation, sence two belong of the Statutory Board of Executive Officers and other 2 declined from their compensation, as one declined of his compensation in 2011 and from July 2012 the Chairman of the Board of Directors also declined from his compensation; the average amount is the ratio between R$ 424,194.80 and 5.00.

Fiscal Council	
12/31/2015	Average compensation of the Fiscal Council - The average amount calculated is the ratio between R$ 385,374.60 and 5.00.
12/31/2014	Mrs. Bruno Luciano Radtke and João Victor Oliveira Domingues received the smallest compensation of the Fiscal Council, whose value was R$ 28,945.10, since they were replaced in the election of the ASM/ESM of April 2014. Average remuneration of the Fiscal Council - The calculated average amount is the ratio between R$ 357,471.95 and 5.00.
12/31/2013	The Fiscal Council in 2013 totaled 5 members. The smallest compensation was received by the member Mr. Rubens Lahude, replaced by the member elected in the ASM/E of April 2013, Mr. Bruno Luciano Radtke. Average remuneration of the Fiscal Council - The calculated average amount is the ratio between R$ 339,355.70 and 5.00.

13.12 - Instruments structuring compensation or indemnification methods for the Management in the event of withdrawal or retirement

13.12. Contractual arrangements, insurance policies or other instruments structuring compensation or indemnification methods for the Management in the event of withdrawal or retirement and the financial consequences to the Company.

Not applicable. We do not have contractual arrangements, insurance policies or other instruments structuring compensation or indemnification mechanisms for the Management in the event of withdrawal or retirement.

13.13 - Percentage in the total compensation held by managers and members of the Fiscal Council that are related parties to the controlling shareholders

13.13. In relation to the last three fiscal years, indicate the percentage of total compensation of each body recognized in the Company's results, referring to members of the board of directors, the statutory board of executive officers or the fiscal council, who are related parties to the direct or indirect controlling shareholders, as defined by the accounting rules addressing this matter.

Body	2015	2014	2013
Board of Directors	58.80%	23.13%	20.00%
Statutory Board of Executive Officers	0.00%	0.00%	0.00%
Fiscal Council	29.20%	28.10%	40.00%

In 2015:

a) Regarding the Board of Directors, Luiz Antônio Bins, Chairman of the Board of Directors, held and holds the position of Deputy State Finance Secretary of the State of Rio Grande do Sul, while Carlos Antonio Búrigo, João Gabbardo dos Reis and Flávio Pompermayer held and hold the positions of General Secretary of the Government of the State of Rio Grande do Sul, Health Secretary of the State of Rio Grande do Sul and Technical Executive Officer of the Financial Coordination Board of the State of Rio Grande do Sul.

b) No member of our Board of Executive Officers holds a similar position or is qualified as a related party to our controlling shareholder.

c) Regarding the Fiscal Council, Mr. André Luiz de Paiva Filho held the position of Deputy Finance Secretary of the State of Rio Grande do Sul, while Messrs. Djedah de Souza Lisboa and Nilvo Luiz Alves da Silva performed duties in the Public Administration of the State of Rio Grande do Sul.

13.14 - Compensation of managers and members of the Fiscal Council, grouped by body, received for any reason other than the position they hold

13.14. In relation to the last three fiscal years, indicate the amounts recognized in the Company's results, as compensation of members of the Board of Directors, statutory board of executive officers or the fiscal council, grouped by body, for any reason rather than the position they hold, such as commissions and consultancy or advisory services rendered.

No compensation was paid to members of the board of directors, statutory board of executive officers or the fiscal council for any reason rather than the position they hold.

13.15 - Compensation of managers and members of the Fiscal Council recognized in the result of the direct or indirect, companies under common control and the subsidiaries, as compensation for members of the board of directors, the board of executive officers or the fiscal council, grouped by body, specifying that such amounts were attributed to such individuals.

13.15 - In relation to the last three fiscal years, indicate the amounts recognized in the results of direct and indirect controlling shareholders, jointly-owned companies and the Company's subsidiaries, as compensation of members of the board of directors, statutory board of executive officers or the fiscal council, grouped by body, specifying how these amounts were assigned to these individuals

Not applicable. We are controlled by the state of Rio Grande do Sul.

13.16 - Other material information

13.16. Other information the Company deems relevant

a) All members of the Board of Directors, Board of Executive Officers and Fiscal Council are covered by the directors and officers liability insurance (D&O), and the maximum indemnity threshold is R$50.0 million.

b) We inform that the compensation of the Audit Committee is included in the proposal submitted by the Compensation Committee to the Board of Directors, according to which the monthly compensation proposed for the members of the Board of Directors, Fiscal Council, Audit Committee, Compensation Committee and Board of Executive Officers of Banco do Estado do Rio Grande do Sul in 2016 totals the global amount of eleven million Reais (R$11,000,000.00) per year, detailed in this Reference Form.

14.1 – Description of the human resources

14.1.Describe the issuer's human resources, including the following information:

a. Headcount (total, by groups based on activity performed and by geographic location).

	2015	2014	2013
By Group			
Board of Executive Officers	2,918	2,978	3,337
Regional Bodies	57	52	62
Branches	8,123	8,606	8,785
By Geographic Location			
Board of Executive Officers	2,918	2,978	3,006
Headquarters Superintendence	213	232	247
Center Superintendence	777	826	872
Frontier Superintendence	653	694	787
Greater Porto Alegre - North Superintendence	866	916	1,087
Greater Porto Alegre - South Superintendence	837	911	883
Eastern Region Superintendence	867	869	940
Northwestern Region Superintendence	602	648	981
Santa Catarina Region Superintendence	367	388	399
Serra Region Superintendence	901	946	943
South Region Superintendence	656	686	757
Alto Uruguai Region Superintendence	685	738	1,045
Other States Superintendence	218	228	234
Abroad	2	3	3
Northern Superintendence Norte	536	573	-
Total Employees	**11,098**	**11,636**	**12,184**

b. Number of outsourced workers (total, by groups based on the activity performed and by geographic location).

	2015	2014	2013
By Activity			
Vigilância	1,630	1,683	1,642
Cleaning services	911	907	969
General services	462	462	80
Elevator operators	17	17	17
Telephone operators	05	05	05
Receptionists	12	10	10
Lobby staff	34	40	14
Forklift operator	02	2	3
Motorcycle courier/transport/employees	11	11	11
Drivers/transport/employees	04	6	7
By Geographic Location			
Board of Executive Officers	620	628	246
Rio Grande do Sul branch network	2,331	2,367	2,362
Branch network - other states	137	148	150
Total Employees	**3,088**	**3,143**	**2,758**

c. Turnover Rate.

2015	2014	2013
2.96%	4.07%	6.02%

Our turnover rate is calculated as follows: [(number of admissions + number of dismissal)/2]/number of employees.

14.2 – Relevant changes - Human resources

14.2. Comment on any relevant change to the figures provided in item 14.1 above.

Reduction on the number of employees due to the adhesion to the Retirement Dismissal Plan – PDA.

14.3 – Desciption of the compensation policies for the issuer’s employees

14.3.Describe the compensation policies for the issuer’s employees, informing:

a. payroll and variable compensation policy.

Banrisul complies with a payroll policy which is yearly negotiated with reference date in September by Brazil’s National Federation of Banks (FENABAN) and banking category professional associations through the nationwide Collective Bargaining Agreement, with few statewide particularities negotiated in the Additional Collective Bargaining Agreement of the State of Rio Grande do Sul.

Variable compensation occurs periodically, according to the Bank’s needs and aims at establishing the relation between Banrisul’s commercial and global performances and employee compensation. The model structure provides three (3) types of compensation, payment of which is contingent upon achieving performance minimum score on result targets measured in terms of contribution margin, established for referred periods.

PERFORMANCE	PAYMENT SCHEDULE	ELIGIBILITY
Banrisul Global	Every six months	All employees
Commercial	Every six months	Sales team only
Commercial in Funding	Monthly	Only Business Operators with individuals portfolios who have goals

Besides variable compensation, employees may also qualify for financial bonuses or other physical awards according to the results attained by achieving goals in the promotion of specific campaigns or competitions, as per the Bank’s business strategy.

b. benefits policy.

Our employees receive the following benefits: private pension plans, health and dental insurance plan, profit sharing plan, jobs bonus, meal voucher, undergraduate and graduate study subsidy, food vouchers, 13th bonus food voucher, day care/baby sitter assistance, assistance for special-needs children, funeral assistance, nighttime transfer assistance, transportation ticket, culture-ticket, mileage in their business area, group life insurance, loan when returning from vacation, regular attendance bonuses and a residence program for managers and controllers. In addition to these benefits, we also provide mobile phones and vehicles to our officers.

c. characteristics of share-based compensation plans for non-managerial employees.

No share-based compensation plan is in place.

14.4 – Description of the relationship between the issuer and labor unions

14.4. Describe the relationship between the issuer and labor unions, indicating any stoppages or strikes in the past three fiscal years.

Our employees, 6,280 of whom were unionized as of December 31, 2015, are represented by the Union of Bank Employees of Porto Alegre and Region, affiliated to the Federation of Bank Employees of Rio Grande do Sul), the National Confederation of Financial Sector Employees) and the Central Workers Union. Each year, with reference date in September, the salaries paid to our employees are subject to collective negotiation between Brazil's National Federation of Banks (FENABAN) and banking category professional associations, by means of nationwide Collective Bargaining Agreement, with few statewide particularities negotiated in the Additional Collective Bargaining Agreement of the State of Rio Grande do Sul. The salary adjustment of our employees for the 2015/2016 period was set at a floor 10% over August 2015.

Whenever required, Banrisul meets the labor unions for the category to negotiate any conflicts in the scope of labor relations.

The Bank also participates in negotiations on the salaries of bank employees on a yearly basis in order to discuss their claims on several issues relating to the category. Strikes have occurred during the salary negotiations for the years 2013, 2014 and 2015.

The Bank recognizes the rights of employees to freedom of association and collective bargaining, according to the constitutional and labor laws in force.

14.5 - Other material information

14.5. Provide other information the issuer deems as material.

There is no other material information regarding the current item.

15.1 / 15.2 - Shareholding position

Shareholder					
Individual tax payer's register/Corporate taxpayer's ID	**Nationality**	**Party to a shareholder's agreement**	**Controlling Shareholder**	**Latest amendment**	
Foreign Shareholder	**Attorney-in-fact or legal representative in the country**		**Type**	**Individual tax payer's register/Corporate taxpayer's ID**	
Commom Shares (Number)	**% on Commom Shares**	**Preferred shares (Number)**	**% on Preferred Shares**	**Total shares (Number)**	**% on Total Shares**
Breakdown by classes of shares (Number)					
Share class	**Shares (Number)**	**Shares %**			
LSV Asset Management					
	USA	No	No	09/21/2016	
No					
0	0.000000%	10,061,498	4.934119%	10,061,498	2.460177%
Share class	**Shares (Number)**	**Shares %**			
Class B Preferred Share	10,061,498	5.020639%			
TOTAL	10,061,498	4.934114%			
Skagen AS					
	Norway	No	No	10/05/2015	
No					
0	0.000000%	29,725,637	14.577336%	29,725,637	7.268335%
Share class	**Shares (Number)**	**Shares %**			
Class B Preferred Share	29,725,637	14.832950%			
TOTAL	29,725,637	14.577322%			
Governo do Estado do Rio Grande do Sul					
87.934.675/0001-96	Brazilian-RS	No	Yes	07/25/2007	
No					
204,199,859	99.581667%	28,808,441	14.127548%	233,008,300	56.973801%
Share class	**Shares (Number)**	**Shares %**			
Class A Preferred Share	2,721,484	77.445488%			
Class B Preferred Share	26,086,957	13.017266%			
TOTAL	28,808,441	14.127533%			
OTHER					
857,823	0.418333%	135,321,219	66.360997%	136,179,042	33.297687%
Share class	**Shares (Number)**	**Shares %**			
Class A Preferred Share	792,780	22.558920%			
Class B Preferred Share	134,528,639	67.129145%			
TOTAL	135,321,419	66.361030%			

Shareholder					
Individual tax payer's register/Corporate taxpayer's ID	**Nationality**	**Party to a shareholder's agreement**	**Controlling Shareholder**	**Latest amendment**	
Foreign Shareholder	**Attorney-in-fact or legal representative in the country**		**Type**	**Individual tax payer's register/Corporate taxpayer's ID**	
Commom Shares (Number)	**% on Commom Shares**	**Preferred shares (Number)**	**% on Preferred Shares**	**Total shares (Number)**	**% on Total Shares**
Breakdown by classes of shares (Number)					
Share class	**Shares (Number)**	**Shares %**			
Treasury – Last change:					
0	0.000000%	0	0.000000%	0	0.000000%
TOTAL					
205,057,282	100.000000%	203,916,795	100.000000%	408,974,477	100.000000%
Share class	**Shares (Number)**	**Shares %**			
TOTAL	993,051	0.723288%			
TOTAL	0	0.000000%			
TOTAL	40,547,345	1489.898342%			

CONTROLLING SHAREHOLDER / INVESTOR					
SHAREHOLDER					
Individual tax payer's register/Corporate taxpayer's ID	Nationality	Party to a shareholder's agreement	Controlling Shareholder	Latest amendment	
Foreign Shareholder	Attorney-in-fact or legal representative in the country		Type	Individual tax payer's register/Corporate taxpayer's ID	
Breakdown by classes of shares (Number)					
Commom Shares (Number)	% on Commom Shares	Preferred shares (Number)	% on Preferred Shares	Total shares (Number)	% on Total Shares
CONTROLLING SHAREHOLDER / INVESTOR				Individual tax payer's register/Corporate taxpayer's ID	Capital Composition
Governo do Estado do Rio Grande do Sul				87.934.675/0001-96	
OTHER					
204,199,859	100.000000	28,808,441	100.000000	233,008,300	100.000000
TOTAL					
204,199,859	100.000000	28,808,441	100.000000	233,008,300	100.000000

LSV Asset Management

OTHER					
0	0.000000	10,061,498	100.000000	10,061,498	100.000000
TOTAL					
0	0.000000	10,061,498	100.000000	10,061,498	100.000000

CONTROLLING SHAREHOLDER / INVESTOR					
SHAREHOLDER					
Individual tax payer's register/Corporate taxpayer's ID	Nationality	Party to a shareholder's agreement	Controlling Shareholder	Latest amendment	
Foreign Shareholder	Attorney-in-fact or legal representative in the country		Type	Individual tax payer's register/Corporate taxpayer's ID	
Breakdown by classes of shares (Number)					
Commom Shares (Number)	% on Commom Shares	Preferred shares (Number)	% on Preferred Shares	Total shares (Number)	% on Total Shares
CONTROLLING SHAREHOLDER / INVESTOR				Individual tax payer's register/Corporate taxpayer's ID	Capital Composition
Skagen AS					
OTHER					
0	0.000000	29,725,637	100.000000	29,725,637	100.000000
TOTAL					
0	0.000000	29,725,637	100.000000	29,725,637	100.000000

15.3 – Capital distribution

Last ASM / Last change	04/28/2017
Number of shareholders – individuals	56,989
Number of shareholders – corporate (except for corporate shareholders who are institutional investors)	4,305
Number of institutional investors	689

Outstanding shares

Outstanding shares corresponding to all shares of the issuer with the exception of the controlling shareholder, related parties, issuer's management and treasury shares

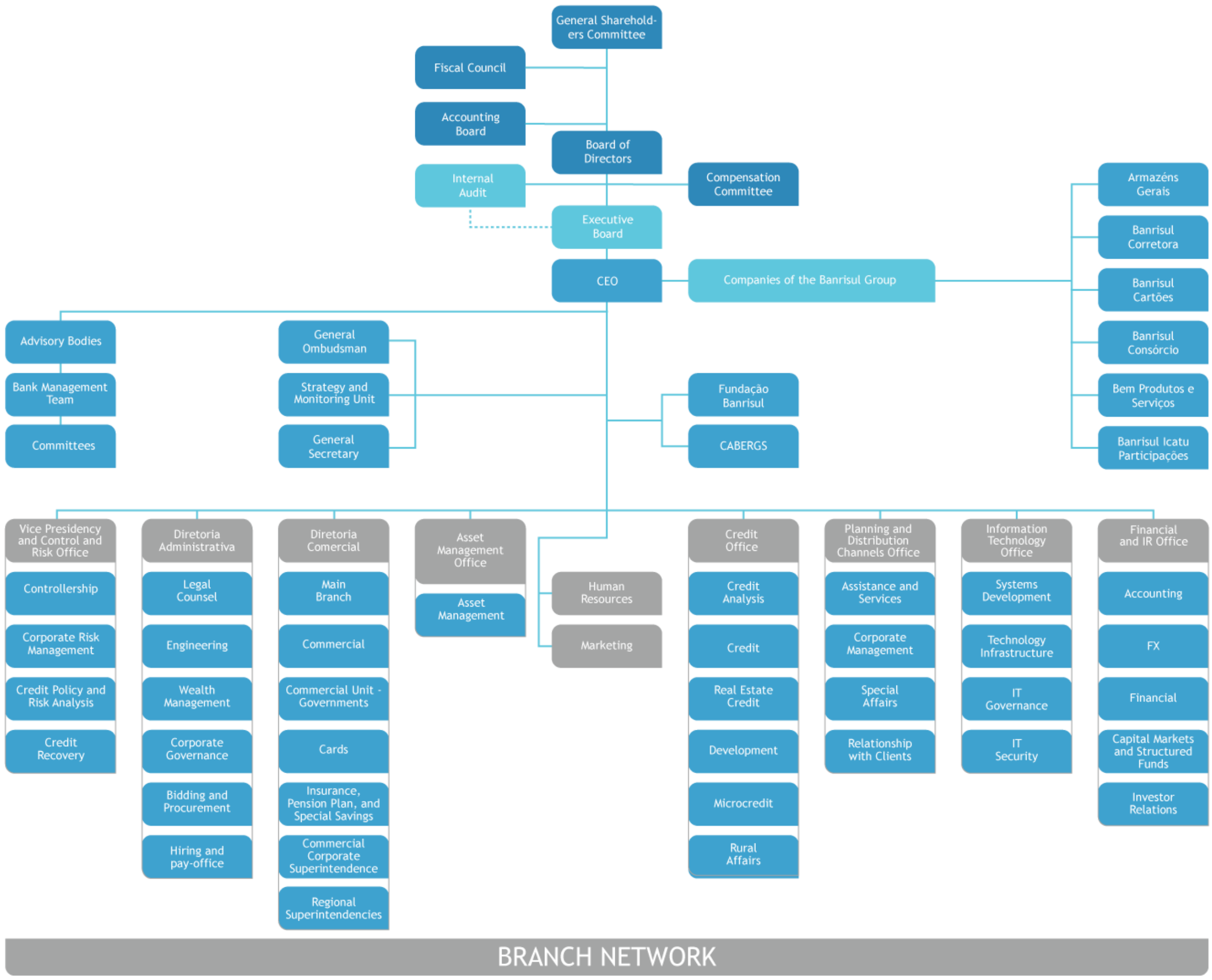
Commom Shares (Number)	857,767	0.418305%
Preferred shares (Number)	175,107,824	85.872193%
Class A Preferred Shares	792,564	22.554057%
Class B Preferred Shares	174,315,260	86.982477%
Total	175,965,591	43.026057%

15.4 - Organization chart of shareholders and the economic group

15.4. Present the shareholders' organizational chart of the issuer or the economic group to which it belongs.

At this moment, Banrisul will not report its shareholders' organizational chart.

<u>Organizational Chart of the Economic Group</u>



15.5 - Shareholders' agreement filed at the issuer's head office, or to which the controlling shareholder is a party

15.5. Indicate any shareholders' agreement filed at the issuer's head office, or to which the controlling shareholder is a party, to regulate the exercise of voting rights or the transfer of shares issued by the issuer.

We are a corporation controlled by the state of Rio Grande do Sul. There is no Shareholders' Agreement filed at the Company's headquarters.

15.6 - Relevant changes in the interest of members of the issuer's controlling interest and management

15.6. Indicate relevant changes in the interest of members of the issuer's controlling interest and Management.

RELEVANT CHANGES IN SHAREHOLDING POSITION

SHAREHOLDER: STATE OF RIO GRANDE DO SUL

Number of shares

DATE	EVENT	ON	PNA	PNB	TOTAL
07/24/07	Position before the Public Offering	204,199,859	2,721,484	133,333,334	340,254,677
	(+) Acquisitions				
07/25/07	(-) Sales (1)			(107,246,377)	(107,246,377)
	Position on the Date of the Public Offering (2)	204,199,859	2,721,484	26,086,957	233,008,300

(1) Sale through secondary public distribution of class B preferred shares in 2007.
(2) There has been no change to the shareholding position since the date of the public share offering

RELEVANT CHANGES IN SHAREHOLDING POSITION (IN %)
SHAREHOLDER: STATE OF RIO GRANDE DO SUL [3]

DATE	EVENT	ON	PNA	PNB	TOTAL
07/24/07	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	133,333,334	340,254,677
	TOTAL NUMBER OF SHARES	204,974,060	4,000,417	133,333,334	342,307,811
	Interest (%)	99.62%	68.03%	100.00%	99.40%
07/25/07	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [4]	204,974,060	4,000,417	200,000,000	408,974,477
	Interest (%)	99.62%	68.03%	13.04%	56.97%
10/22/13	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	205,043,374	3,531,751	200,399,352	408,974,477
	Interest (%)	99.59%	77.06%	13.02%	56.97%
12/10/15	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	205,051,528	3,520,218	200,402,731	408,974,477
	Interest (%)	99.58%	77.31%	13.02%	56.97%
11/14/16	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,054,905**	**3,517,841**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.32%	13.02%	56.97%
01/10/17	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,055,105**	**3,516,641**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.39%	13.02%	56.97%
01/30/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26.086.957	233.008.300
	TOTAL NUMBER OF SHARES [5]	**205,055,805**	**3,515,941**	**200.402.731**	**408.974.477**
	Interest (%)	99.58%	77.40%	13.02%	56.97%
02/01/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,056,005**	**3,516,141**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.40%	13.02%	56.97%
03/02/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,056,305**	**3,515,441**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.42%	13.02%	56.97%
03/03/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,056,482**	**3,515,264**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.42%	13.02%	56.97%
03/08/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,056,682**	**3,515,064**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.42%	13.02%	56.97%
03/21/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,056,882**	**3,514,864**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.43%	13.02%	56.97%
03/28/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,057,082**	**3,514,664**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.43%	13.02%	56.97%
04/06/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,057,282**	**3,514,464**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.43%	13.02%	56.97%
05/04/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,057,482**	**3,514,264**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.43%	13.02%	56.97%
05/16/2017	STATE OF RIO GRANDE DO SUL	204,199,859	2,721,484	26,086,957	233,008,300
	TOTAL NUMBER OF SHARES [5]	**205,057,682**	**3,514,064**	**200,402,731**	**408,974,477**
	Interest (%)	99.58%	77.43%	13.02%	56.97%

[3] No changes in shareholding position since July 25, 2009 – date of tender offer – up to date.
[4] Includes the sale in a primary offering for 66,666,666 class B preferred shares in 2007.
[5] Includes the effects of share conversion carried out until May 16, 2017.

15.7 - Principal corporate transactions

15.7. Describe the group's principal corporate transactions with material effect for the issuer, such as merger, consolidation, spin-off, absorption of shares, sale and acquisition of controlling interest, acquisition and sale of important assets, indicating the involvement of the issuer or any of its subsidiaries or affiliates.

a) <u>event 1</u>

In October 2013, Banrisul Serviços, specialized in voucher management, integrated the operations of Banrisul's acquiring network into its business. The administrative and operational restructuring resulted in the change of the purpose and corporate name of the company, which is now called Banrisul Cartões S.A. The restructuring optimized processes, increasing the strategic strength of the acquisition and voucher businesses.

2014 was marked by the consolidation and expansion of Banrisul Cartões S.A. in the acquiring segment, with the launch of the Vero brand and Vero Mobile. Vero ended December 2014 with over 161 thousand affiliated merchants and financial volume of R$14,950.8 million, 41.7% higher than reported in the previous year.

In the voucher segment, over 2014, was carried out the replacement of cards and the renovation of the signaling equipment of accredited establishments. Among the products launched in 2014, it is highlighted the Vale Cultura card, the Expenses Management card and the Payment Management card, which are payment instruments that allow better management of purchases. The performance was proven by the excellent results, reaching 9,800 member companies, 764,700 users, and more than 87,000 affiliated merchants. Banrisul Cartões' net income reached R$117.2 million in the period.

Rede Vero closed 2015 with approximately 186.1 thousand establishments accredited, while the financial volume of transactions was R$20,844.1 million, reflecting a growth by 39.4% compared to the previous year.

By the end of 2015, the vouchers segment, which consists of the rendering of services in connection with BanriCard benefits and corporate cards, and the management of agreements, totaled more than 10.7 thousand accredited companies and 815.0 thousand cards, an increase by 8.4% and 6.6% respectively compared to 2014. In 2015, BanriCard cards were used in 127.2 thousand accredited establishments and operated 21.3 million transactions, a growth by 0.4% against the number of transactions accrued in 2014. The net profit of Banrisul Cartões in 2015 was R$161.1 million, up by 37.5% against 2014.

b) main business conditions.

The integration of the voucher management and acquiring network operations increases the businesses' potential strategic strength.

c) companies involved.

Banco do Estado do Rio Grande do Sul S.A. and Banrisul S.A. Administradora de Consórcios.

d) effects resulting from the operation on the shareholding structure, especially on the interest of the controlling shareholder, shareholders with more than 5% of the capital and shareholders who are members of the issuer's management.

There were no effects.

e) shareholding structure before and after the operation.

The shareholding structure of Banco do Estado do Rio Grande do Sul S.A. has not been changed.

Shareholding structure of Banrisul Cartões S.A after the operation:

Banco do Estado do Rio Grande do Sul S.A.: 99.78%

Banrisul S.A. Administradora de Consórcios: 0.22%

f) mechanisms adopted to ensure fair treatment amongst shareholders.

Not applicable.

a) event 2

In December 2014, Banrisul was authorized by the Brazilian Central Bank and Brazil's Antitrust Agency (CADE), respectively, to hold interest in the capital stock of a holding company which will control an insurance company with exclusive rights to sell life insurance and social security products via Banrisul's distribution channels.

Given such approvals, on December 11, 2014, Banrisul and Icatu entered into a specific instrument in which Banrisul undertakes to sell exclusively, for a period of 20 years, life insurance and social security products. This instrument shall be effective until both parties have obtained SUSEP's authorization, pursuant to Article 9 of the CNSP Resolution 166/07, for Banrisul to hold interest in the capital stock of the insurance company, after which all the rights and obligations from said instrument will be transferred to the new company, without interruption of the exclusivity period.

In August 2015, the incorporation of the holding Banrisul Icatu Participações S.A., was formalized. Banrisul holds a 49.9% interest in the business, which represents an evolution in the Bank's business model. The economic group includes Rio Grande Seguros e Previdência S.A., an insurance company that shall have exclusiveness in the trading of personal insurance and private pension products through the Bank's distribution channels. Banrisul's income was impacted by the net profit of R$12.4 million registered by BIPAR in 2015.

b) main business conditions.

Exclusively distribute, for a period of 20 years, life insurance and social security products.

The Insurer has exclusiveness in the trading of personal insurance and private pension products through the Bank's distribution channels. For this reason, Icatu disbursed R$115.0 in 2014. Icatu Seguros S.A. invested R$22.5 million in Banrisul due to the incorporation of the holding. This non-recurring event has positively affected income in 2015 by R$13.5 million after taxes.

c) companies involved.

Banco do Estado do Rio Grande do Sul S.A. and Icatu Seguros S.A.

d) effects resulting from the operation on the shareholding structure, especially on the interest of the controlling shareholder, shareholders with more than 5% of the capital and shareholders who are members of the issuer's management.

There were no effects.

e) shareholding structure before and after the operation.

The shareholding structure of Banco do Estado do Rio Grande do Sul S.A. has not been changed.

Shareholding structure of Banrisul Icatu Participações S.A after the operation:

Banco do Estado do Rio Grande do Sul S.A.: 49.99%

Icatu Seguros S.A.: 50.01%

f) mechanisms adopted to ensure fair treatment amongst shareholders.

Not applicable.

15.8 - Other material information

15.8 - Provide other information deemed as relevant by the issuer.

No other relevant information about this item “15”.

16.1 – Description of the issuer’s rules, policies and practices regarding transactions with related parties

16.1. Describe the issuer’s rules, policies and practices regarding transactions with related parties, as defined in the accounting norms applicable to this subject, indicating if there is a formal policy adopted by the issuer and the locations where it can be consulted.

At present, we provide banking services for the state of Rio Grande do Sul (our controlling shareholder) as well as for bodies of the Direct and Indirect Public Administration, such as current account deposits, tax, fee and duty collection services, the agreements of which are substantially executed under the same terms and conditions practiced with other clients.

With regard to the controlling shareholder, these services are rendered pursuant to provisions of Agreement no 1201 of June 28, 2012.

Article 115 of the Brazilian Corporation Law prohibits our shareholders from voting on resolutions referring to Appraisal reports of assets with which they concur to establishing our share capital, the approval of their accounts as managers, as well as any other matters, which may benefit them in particular, or with conflicting interests with ours.

In addition, our Management is impeded from intervening in any corporate operation with conflicting interests with ours, pursuant to Article 156 of the Brazilian Corporation Law. We do not have additional rules, besides those set forth by the Brazilian Corporation Law and banking regulations, explained below, for the purpose of ruling the approval of related party transactions.

Pursuant to Law 4,595 of December 31, 1964 and Law 7,492 of June 16, 1986, the financial institutions are not authorized to grant loans or advances or guarantee transactions of their controlling shareholders, associated companies or affiliates, managers or their relatives or companies in which these persons hold interests exceeding 10% of share capital.

Therefore, we do not provide any loans or advances to referred persons. We also did not tender any collateral to these related parties (including over the last three fiscal years). Nevertheless, all our managers are Banrisul’s account holders and they are eligible to use banking services excluding loan operations.

16.2 - Information on transactions with related parties

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Banrisul Fundos de Investimento/Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	10/01/2013	20,679,270.00	Not applicable	Not applicable	Undetermined	NO	0.000000
Relation with the issuer	Managed Funds / Subsidiary						
Subject-matter of the agreement	Rendering of Services: Trading (Purchase/Sale) of shares by Banrisul (Administrator) on behalf of equity funds.						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Fundos de Investimento	10/01/2013	2,400,730,900.00	Not applicable	Not applicable	Undetermined	NO	0.000000
Relation with the issuer	Managed Funds						
Subject-matter of the agreement	Rendering of Services: Administration/management of investment funds.						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
State of Rio Grande do Sul	06/28/2012	0.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Controlling shareholder						
Subject-matter of the agreement	Payroll of the State of Rio Grande do Sul - Agreement No. 1201/2012 To regulate the institutional relationship between BANRISUL and the STATE with regard to the system to pay the STATE's public servants salary, as well as the rendering of other banking services of specific interest of direct and indirect administration of the STATE.						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Warranties and insurance	Not applicable						
Termination	The parties may terminate this agreement by means of duly justified written notice, at least one hundred and twenty (120) days in advance.						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	1,296,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 321						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	2,712,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 420						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Fundação Banrisul de Seguridade Social	10/01/2014	1,680,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 119						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	2,388,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 113						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01//2014	2,568,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 104						
Warranties and insurance	Not applicable						
Termination	Undetermined						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	4,506,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 110						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	1,518,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing – 397						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	1,608,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Subject-matter of the agreement	Commercial Leasing - 68						
Warranties and insurance	Not applicable						
Termination	Not applicable						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	1,068,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 83						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	1,338,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 36						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Fundação Banrisul de Seguridade Social	10/01/2014	1,764,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 80						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	01/01/2013	894,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 361						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2015	614,338.80	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 1538						
Warranties and insurance	Not applicable						
Termination	Undetermined						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	05/01/2013	1,068,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 4072						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	09/01/2013	13,800.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 4340						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	11/01/2013	792,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Subject-matter of the agreement	Commercial Leasing - 4430						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	12/01/2014	407,108.40	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 5031						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	12/01/2015	30,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing – 5340						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
State of Rio Grande do Sul via the Human Resources Management Secretary - SARH	02/11/2015	233,811.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Commercial Leasing - 2541						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
State of Rio Grande do Sul via the Human Resources Management Secretary - SARH	09/01/2014	446,125.20	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Commercial Leasing - 4161						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
State of Rio Grande do Sul via the Human Resources Management Secretary - SARH	02/11/2015	3,260,069.40	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Subject-matter of the agreement	Commercial Leasing - 2544						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
State of Rio Grande do Sul via the Human Resources Management Secretary - SARH	02/11/2015	266,707.20	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Commercial Leasing - 2545						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
State of Rio Grande do Sul via the Human Resources Management Secretary - SARH	08/31/2015	1,141,399.80	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Commercial Leasing - 1492						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Contractual position of the issuer	Other						
Specify	Not applicable						
State of Rio Grande do Sul via the Human Resources Management Secretary - SARH	02/11/2015	967,499.40	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Commercial Leasing - 2534						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
State of Rio Grande do Sul via the Human Resources Management Secretary - SARH	07/21/2014	1,710,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Commercial Leasing - 4860						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul S.A. - Armazéns Gerais	12/01/2012	3,371,744.40	Not applicable	Not applicable	60 months	NO	0.000000

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing - 1590						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul S.A. - Armazéns Gerais	06/01/2015	2,452,159.80	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing - 1089						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul S.A. - Armazéns Gerais	11/01/2013	4,069,320.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing - 4442						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	09/17/2013	2,652,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing - 4428						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	10/01/2014	2,922,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing - 4950						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	10/15/2014	4,044,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing - 4939						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	10/15/2014	3,240,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing - 4937						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	10/15/2014	3,804,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing - 4938						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	12/17/2014	5,088,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing – 5083						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	03/18/2015	3,276,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing – 5161						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	08/07/2015	3,060,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing – 5347						
Warranties and insurance	Not applicable						

Related party name	**Transaction date**	**Amount involved (Reais)**	**Outstanding balance**	**Amount (Reais)**	**Duration**	**Loans And Debts**	**Interest Rate**
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	08/10/2015	3,780,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing – 5366						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	08/24/2015	6,000,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing – 5367						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	09/30/2015	3,048,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing – 5412						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Banrisul Novas Fronteiras Fundo de Investimentos Imobiliário - FII	11/06/2015	3,156,000.00	Not applicable	Not applicable	120 months	NO	0.000000
Relation with the issuer	Subsidiary						
Subject-matter of the agreement	Commercial Leasing – 5453						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
CABERGS - Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul	12/31/2015	35,204,000.00	Not applicable	Not applicable	Undetermined	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Health Plan Operator - Self-management						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Warranties and insurance	-						
Termination	-						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Companhia Estadual de Energia Elétrica – CEEE D/GT	12/21/2015	3,705,659,420.00	Not applicable	Not possible to measure	Undetermined	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Payroll-deductible loan Payroll deduction credit card Collecting agent – electricity bills Accounting collection Procurement management–online trading						
Warranties and insurance	-						
Termination	-						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Companhia Riograndense de Saneamento - CORSAN	11/03/2015	5,004,787,810.00	Not applicable	Not possible to measure	12 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Collecting agent – water bills Fuel card Procurement management – online trading						
Warranties and insurance	-						
Termination	-						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Companhia de Gás do Estado do Rio Grande do Sul – SULGÁS	03/04/2013	12,638,200.00	Not applicable	Not possible to measure	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Payroll deductible-loan Fuel card – meal ticket Procurement management – online trading Accounting collection services						
Warranties and insurance	-						
Termination	-						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Cia Estadual de Abastecimento - CEASA	08/24/2010	15,637,400.00	Not applicable	Not possible to measure	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Payroll deductible-loan Fuel card – meal ticket Procurement management – online trading Accounting collection services Debit in checking account						
Warranties and insurance	-						
Termination	-						
Nature and reason for the transaction							
Contractual position of the issuer	Other						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Specify	Not applicable						
Cia Estadual de Silos e Armazéns - CESA	05/29/2015	4,164,440.00	Not applicable	Not possible to measure	Undetermined	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Payroll deductible-loan Payroll deduction credit card Fuel card – meal ticket Procurement management – online trading Accounting collection services						
Warranties and insurance	-						
Termination	-						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Cia. Riograndense de Artes Gráficas - CORAG	08/24/2010	39,272,500.00	Not applicable	Not possible to measure	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Accounting collection services						
Warranties and insurance	-						
Termination	-						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Cia de Processamento de Dados - PROCERGS	07/13/2015	208,840,090.00	Not applicable	Not possible to measure	12 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Subject-matter of the agreement	Payroll deductible-loan Payroll deduction credit card Accounting collection/charging Debit in checking account Procurement management – online trading						
Warranties and insurance	-						
Termination	-						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Badesul Desenvolvimento S.A. - Agência de Fomento	10/27/2014	101,623,700.00	Not applicable	Not possible to measure	60 months	NO	0.000000
Relation with the issuer	Same controlling shareholder						
Subject-matter of the agreement	Payroll deductible-loan Collecting agent – Accounting collection and Debit in checking account Fuel card – meal ticket Procurement management – online trading Mortgage loan						
Warranties and insurance	-						
Termination	-						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	73,500.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing – 1065						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Warranties and insurance	-						
Termination	-						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	4,908,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 520						
Warranties and insurance	-						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	12/22/2015	305,163.60	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing – 1063						
Warranties and insurance	-						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	12/01/2015	305,163.60	Not applicable	Not applicable	60 months	NO	0.000000

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing – 1062						
Warranties and insurance	-						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	11/13/2013	312,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 338						
Warranties and insurance	-						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	07/01/2011	246,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 335						
Warranties and insurance	-						
Termination	Undetermined						
Nature and reason for the transaction							

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	444,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 35						
Warranties and insurance	-						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	1,140,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing -53						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	534,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 29						

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Warranties and insurance	Not applicable						
Termination	Not applicable						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	1,770,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 332						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	648,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 400						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	636,000.00	Not applicable	Not applicable	60 months	NO	0.000000

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 130						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	3,078,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 283						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							
Contractual position of the issuer	Other						
Specify	Not applicable						
Fundação Banrisul de Seguridade Social	10/01/2014	3,330,000.00	Not applicable	Not applicable	60 months	NO	0.000000
Relation with the issuer	Sponsored entity						
Subject-matter of the agreement	Commercial Leasing - 307						
Warranties and insurance	Not applicable						
Termination	Undetermined						
Nature and reason for the transaction							

Related party name	Transaction date	Amount involved (Reais)	Outstanding balance	Amount (Reais)	Duration	Loans And Debts	Interest Rate
Contractual position of the issuer	Other						
Specify	Not applicable						

16.3 - Identification of the measures taken to deal with conflicts of interest and demonstration of strictly commutative character of agreed conditions or of the proper compensatory payment

16.3. In regard to each transaction or set of transactions mentioned in section 16.2 above that occurred in the last fiscal year:

a. identify the measures taken to deal with conflicts of interest.

The Company adopts the corporate governance practices recommended by laws and regulations in order to avoid and to deal with conflicts of interest.

Referring to the Agreement 1,201/2012, any legal disagreement related to the construal or execution of the Agreement that rules the institutional relationship between Banrisul and the state of Rio Grande do Sul (State), with regard to the system used to pay the State's public servants salary, as well as the rendering of other banking services of specific interest of the State's direct and indirect administration, shall be solved by the State's Attorney General of Rio Grande do Sul, binding upon the parties, pursuant to Article 115 of the State Constitution.

Appraisal reports are prepared by experts in lease agreements and renewals.

b. evidence the strictly arm's length nature of the conditions agreed upon or the proper compensatory payment.

The Company's operations carried out with related parties observe the market practices adopted for the same type of agreement between non-related parties, neither causing any benefit nor damage to either related party.

16.4 - Other material information

16.4 - Provide other information deemed as relevant by the issuer.

No other relevant information about this Item “16”.

17.1 – Information on Capital Stock

Release Date	Capital Value (R$)	Payment Term	Number of Common Shares (Units)	Number of preferred shares (Units)	Total number of shares (Units)
Type	**Paid-up Capital**				
04/28/2017	4,750,000,000.00		205,057,682	203,916,795	408,974,477
Social capital by class of shares		Other securities convertible into shares			
Class of preferred share	**Total number of shares (Units)**	**Título**	**Conditions for conversion**		
Preferred Class B	200.402.731				
Preferred Class A	3.514.064				
Type	**Authorized capital**				
03/25/2008	0.00		300,000,000	300,000,000	600,000,000

17.2 - Increases in capital

Date of Resolution	Resolution Body	Issue Date	Total Issue Price (R$)	Increase type	Common (Units)	Preferred (Units)	Total shares (Units)	Subscription / Previous Capital	Issue Price	Price Factor
03/31/2009	Extraordinary General Meeting	01/01/0001	300,000,000.00	No issue of shares	0	0	0	0.00000000	0.00	R$ per unit
Criteria for determination of the issue price										
Manner of Payment										
04/30/2010	Extraordinary General Meeting	01/01/0001	300,000,000.00	No issue of shares	0	0	0	0.00000000	0.00	R$ per unit
Criteria for determination of the issue price										
Manner of Payment										
04/29/2011	Extraordinary General Meeting	01/01/0001	300,000,000.00	No issue of shares	0	0	0	0.00000000	0.00	R$ per unit
Criteria for determination of the issue price										
Manner of Payment										
04/30/2012	Extraordinary General Meeting	01/01/0001	300,000,000.00	No issue of shares	0	0	0	0.00000000	0.00	R$ per unit
Criteria for determination of the issue price										
Manner of Payment										
04/30/2013	Extraordinary General Meeting	01/01/0001	250,000,000.00	No issue of shares	0	0	0	0.00000000	0.00	R$ per unit
Criteria for determination of the issue price										
Manner of Payment										
04/30/2014	Extraordinary General Meeting	01/01/0001	250,000,000.00	No issue of shares	0	0	0	0.00000000	0.00	R$ per unit
Criteria for determination of the issue price										
Manner of Payment										

04/30/2015	Extraordinary General Meeting	01/01/0001	250,000,000.00	No issue of shares	0	0	0	0.00000000	0.00	R$ per unit

Criteria for determination of the issue price

Manner of Payment

04/29/2016	Extraordinary General Meeting	01/01/0001	250,000,000.00	No issue of shares	0	0	0	0.00000000	0.00	R$ per unit

Criteria for determination do of the issue price

Manner of Payment

04/28/2017	Extraordinary General Meeting	01/01/0001	250,000,000.00	No issue of shares	0	0	0	0.00000000	0.00	R$ per unit

Criteria for determination do of the issue price

Manner of Payment

17.3 – Informations in regard to splits, reverse splits and bonuses, inform in table form

Reason for not completing the table:

There was no restructuring operation in the period.

17.4 - Information on capital reduction

Reason for not completing the table:

There was no reduction of capital in the last three (3) fiscal years.

17.5 - Other material information

17.5 - Provide other information that the issuer deems relevant.

Banrisul's capital increase, approved at Banrisul's Annual Shareholders' Meeting of April 28, 2017, awaits approval from the Brazilian Central Bank.

18.1 - Share rights

Type of shares or CDA	**Common**
Tag along	100.000000
Right to dividends	Common shares entitle their holders to the following rights: (i) a fixed, non- cumulative dividend of six percent (6%) p.a., calculated over the quotient resulting from dividing the capital stock by the number of shares thereof; (ii) the right to participate in the distribution of any other dividends or cash bonuses distributed by the company after paying to the holders of class A and B preferred shares a dividend corresponding to the amount paid to these shares, under equal conditions of class B preferred shares.
Voting right	Entire
Convertibility	No
Capital reimbursement rights	Yes
Description of capital reimbursement characteristics	No reimbursement priority, no premium.
Restriction of circulation	No
Redeemable	No
Cases for redemption and the redemption value calculation formula	
Conditions to change the rights ensured by these securities	Amendment to the Bylaws in the part regulating the diversity of classes, if not expressly provided for and regulated, shall require the agreement of all shareholders. An Extraordinary Shareholders' Meeting called to restate the Bylaws only will be installed on first call if attended by shareholders representing, at least, two-thirds (2/3) of the voting capital, but may be installed on second call with any number.
Other relevant characteristics	Registered common and preferred shares will be held as book-entry shares in deposit accounts, on behalf of their holders, at the Company, which bears the depositary institution's legal charges, without issuing certificates.

Type of shares or CDA	**Preferred**
Class of preferred share	Preferred Class A
Tag along	100.000000
Right to dividends	Class A preferred shares entitle their holders to the following rights: (i) priority to receive non-cumulative, preferred, fixed dividend of six percent (6%) p.a., calculated over the quotient resulting from dividing the capital stock by the number of shares thereof; and (ii) the right to participate in the distribution of any other dividends or cash bonuses distributed by the company after paying to the holders of common shares and class B preferred shares a dividend corresponding to the amount paid to these shares, under equal conditions of common shares and class B preferred shares, plus ten percent (10%) over the amount paid to these shares
Voting right	No right
Convertibility	Yes
Condition of convertibility and	Class A preferred shares will be converted into common shares or class B preferred No shares at any time, at the shareholder's discretion, by means of notice to the company.
Capital reimbursement rights	Yes
Description of capital reimbursement characteristics	Reimbursement priority, no premium.
Restriction of circulation	No
Redeemable	No

Cases for redemption and the redemption value calculation formula	
Conditions to change the rights ensured by these securities	Amendment to the Bylaws in the part regulating the diversity of classes, if not expressly provided for and regulated, shall require the agreement of all shareholders. An Extraordinary Shareholders' Meeting called to restate the Bylaws only will be installed on first call if attended by shareholders representing, at least, two- thirds (2/3) of the voting capital, but may be installed on second call with any number.
Other relevant characteristics	Participation in capital increases stemming from the capitalization of reserves, under equal conditions of common and class B preferred shares.

Type of shares or CDA	**Preferred**
Class of preferred share	Preferred Class B
Tag along	100.000000
Right to dividends	Class B preferred shares entitle their holders to the following rights: (i) priority to receive non-cumulative, preferred, fixed dividend of six percent (6%) p.a., calculated over the quotient resulting from dividing the capital stock by the number of shares thereof; (ii) the right to participate in the distribution of any other dividends or cash bonuses distributed by the company after paying to the holders of common shares and class A preferred shares a dividend corresponding to the amount paid to these shares, under equal conditions of common shares.
Voting right	No right
Convertibility	No
Capital reimbursement rights	Yes
Description of capital reimbursement characteristics	Reimbursement priority, no premium.
Restriction of circulation	No
Redeemable	No
Cases for redemption and the redemption value calculation formula	
Conditions to change the rights ensured by these securities	Amendment to the Bylaws in the part regulating the diversity of classes, if not expressly provided for and regulated, shall require the agreement of all shareholders. An Extraordinary Shareholders' Meeting called to restate the Bylaws only will be installed on first call if attended by shareholders representing, at least, two-thirds (2/3) of the voting capital, but may be installed on second call with any number.
Other relevant characteristics	Participation in capital increases stemming from the capitalization of reserves, under equal conditions of common and class A preferred shares.

18.2 - Description of eventual statutory rules that limit the voting rights of significant shareholders or that force to hold a public offer

18.2. Describe, if any, the bylaws provisions restricting relevant shareholders' voting right or requiring them to conduct a tender offer.

There are no Bylaw provisions restricting relevant shareholders' voting right.

There are Bylaws provisions requiring tender offers under certain circumstances: (a) sale of control by the state of Rio Grande do Sul; (b) deregistering as a publicly-held company; (c) decision to discontinue Level 1 Special Corporate Governance Practices. See Article 80 and subsequent sections of Banrisul's Bylaws for more information.

18.3 - Description of exceptions and suspensive clauses relating to equity or political rights provided for in the Bylaws.

18.3. Describe exceptions and suspensive clauses relating to equity or political rights provided for in the Bylaws.

Banrisul's Bylaws do not contain any exceptions or suspensive clauses relating to equity or political rights.

18.4 - Trading volume and highest and lowest prices of securities traded

Fiscal year **12/31/2015**

Quarter	Securities	Type	Class	Market	Administrative entity	Financial trading volume (R$)	Highest price (R$)	Lower price (R$)	Price factor	Average value price (R$)
03/31/2015	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	23,600	13.50	9.32	R$ per unit	11.87
03/31/2015	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	21,200	13.43	11.07	R$ per unit	12.11
03/31/2015	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	776,261,397	14.53	10.60	R$ per unit	12.23
06/30/2015	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	161,600	10.49	9.00	R$ per unit	9.67
06/30/2015	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	0	11.07	11.07	R$ per unit	11.07
06/30/2015	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	616,360,827	11.98	8.91	R$ per unit	10.56
09/30/2015	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	163,020	9.53	6.50	R$ per unit	8.33
09/30/2015	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	105,920	11.07	6.00	R$ per unit	8.54
09/30/2015	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	673,869,983	9.89	5.57	R$ per unit	8.10
12/31/2015	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	116,920	13.41	6.50	R$ per unit	8.52
12/31/2015	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	24,950	6.95	6.06	R$ per unit	6.75
12/31/2015	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	757,880,492	6.70	5.37	R$ per unit	5.90

Fiscal year **12/31/2014**

Quarter	Securities	Type	Class	Market	Administrative entity	Financial trading volume (R$)	Highest price (R$)	Lower price (R$)	Price factor	Average value price (R$)
03/31/2014	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	31,500	12.58	11.50	R$ per unit	12.14
03/31/2014	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	27,100	15.72	10.91	R$ per unit	13.82
03/31/2014	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	534,955,639	13.12	10.26	R$ per unit	11.40
06/30/2014	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	115,000	12.00	10.80	R$ per unit	11.50
06/30/2014	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	1,200	12.20	11.80	R$ per unit	12.09
06/30/2014	Shares	Preferred	PNB	Stock	BM&FBOVESPA S.A. - Bolsa de	701,472,052	13.60	10.45	R$ per unit	11.84

				Exchange	Valores, Mercadorias e Futuros					
09/30/2014	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	54,200	13.90	11.00	R$ per unit	12.61
09/30/2014	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	18,700	14.70	12.00	R$ per unit	12.62
09/30/2014	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	801,131,174	15.91	10.63	R$ per unit	13.26
12/31/2014	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	89,400	13.80	11.80	R$ per unit	13.02
12/31/2014	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	2,600	14.70	13.43	R$ per unit	14.37
12/31/2014	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	822,810,400	14.98	12.03	R$ per unit	13.91

Fiscal year **12/31/2013**

Quarter	Securities	Type	Class	Market	Administrative entity	Financial trading volume (R$)	Highest price (R$)	Lower price (R$)	Price factor	Average value price (R$)
03/31/2013	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	651,600	17.70	12.31	R$ per unit	15.18
03/31/2013	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	3,300	16.50	15.90	R$ per unit	16.49
03/31/2013	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	822,150,775	18.40	15.90	R$ per unit	17.29
06/30/2013	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	205,500	15.60	12.90	R$ per unit	14.89
06/30/2013	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	159,600	17.50	16.50	R$ per unit	16.94
06/30/2013	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	923,663,634	18.00	13.87	R$ per unit	16.69
09/30/2013	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	172,300	14.40	12.40	R$ per unit	13.43
09/30/2013	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	18,900	16.95	15.72	R$ per unit	16.84
09/30/2013	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	834,063,537	15.95	13.50	R$ per unit	14.65
12/31/2013	Shares	Common		Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	160,800	14.79	12.25	R$ per unit	13.68
12/31/2013	Shares	Preferred	PNA	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	0	15.72	15.72	R$ per unit	15.72
12/31/2013	Shares	Preferred	PNB	Stock Exchange	BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros	986,334,109	16.50	11.90	R$ per unit	14.39

18.5 - Other securities issued in Brazil

Securities	**Bank Notes**
Security Identification	Second Series
Date of issue	08/01/2013
Maturity date	08/01/2016
Amount (Units)	4,350
Global nominal value (R$)	870,000,000.00
Debt balance outstanding	870,000,000.00
Restriction of circulation	Yes
Restriction description	They may only be acquired by qualified investors
Convertibility	No
Redemption possibility	No
Characteristics of debt securities	i) The maturity date is 08/01/2016; ii) The interest rate is 109% of the average DI rate (one-day Interbank Deposit rate), as an annual percentage, for a year of 252 business days, calculated and disclosed on a daily basis by CETIP; iii) Regarding guarantees: none; iv) Unsecured or subordinated credit: unsecured; v) Occasional restrictions enforced to the issuer regarding: • the distribution of dividends: ensuring the payment of mandatory minimum dividends, as provided for in article 202, of the Brazilian Corporate Law; • the disposal of certain assets: None; • the contracting of new debts: none; • the issue of new securities: none; • ownership transactions involving the issuer, and its controlling shareholders or subsidiaries: none; vi) Bank Notes agent: Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários.
Conditions for changing rights assured by such securities	General Meeting of Holders of Bank Notes
Other relevant characteristics	-

Securities	**Bank Notes**
Security Identification	Third Series
Date of issue	01/08/2013
Maturity date	01/08/2017
Amount (Units)	150
Global nominal value (R$)	30,000,000.00
Debt balance outstanding	30,000,000.00
Restriction of circulation	Yes
Restriction description	They may only be acquired by qualified investors
Convertibility	No
Redemption possibility	No
Characteristics of debt securities	i) The maturity date is 08/01/2017. Includes a section regarding events that may result in the advanced maturity of Bank Notes; ii) The interest rate is 110% of the average DI rate (one-day Interbank Deposit rate), as an annual percentage, for a year of 252 business days, calculated and disclosed on a daily basis by CETIP; iii) Regarding guarantees: none;

	iv) Unsecured or subordinated credit: unsecured; v) Occasional restrictions enforced to the issuer regarding: • the distribution of dividends: ensuring the payment of mandatory minimum dividends as provided for in article 202, of the Brazilian Corporate Law; • the disposal of certain assets: none; • the contracting of new debts: none; • the issue of new securities: none; • ownership transactions involving the issuer, and its controlling shareholders or subsidiaries: none; vi) Bank Notes agent: Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários.
Conditions for changing rights assured by such securities	Assembleia Geral dos Titulares das Letras Financeiras
Other relevant characteristics	-

18.6 - Brazilian markets in which securities are admitted to trading

18.6 - Indicate Brazilian markets where the issuer's securities are accepted for trading.

Banrisul shares are traded on the São Paulo Securities, Commodities and Futures Exchange (BM&FBovespa), under the ticker symbols: BRSR3, BRSR5 and BRSR6.

18.7 - Information about class and type of securities traded on foreign markets

18.7. In regard to each class and type of securities accepted for trading on foreign markets.

No securities accepted for trading on foreign markets.

18.8 - Securities issued abroad

Security	**Securities Deposit Certificates**
Security Identification	Level 2 subordinated debt
Date of issue	02/02/2012
Maturity date	02/02/2022
Amount (Units)	0
Global nominal value (R$)	500,000,000.00
Debt balance outstanding	500,000,000.00
Restriction of circulation	Yes
Restriction description	Securities only may be acquired by accredited investors
Convertibility	No
Redemption possibility	Yes
Cases for redemption and the redemption value calculation formula	i) Redemption assumption: the issuer shall not be entitled to redeem all securities prior to maturity date, except in cases of changes in the tax treatment; ii) Formula for calculation of redemption amount: the basis of calculation is 100% of principal plus accrued and unpaid interest rates, and all other amounts due in the Indenture.
Characteristics of debt securities	i) The maturity date is 02/02/2022; ii) The interest rate is 7.375% p.a; iii) Collateral, and, if in rem, description of the underlying object: none; iv) In the absence of collateral, if the credit is unsecured or subordinated: Level 2 subordinated debt; v) Occasional restrictions enforced to the issuer regarding: • the distribution of dividends: none; • the disposal of certain assets: requirement of consent of investors holding two thirds of the financial amount issued regarding the disposal of assets representing share control and increasing the risk of non-fulfillment of the commitments undertaken; • the contracting of new debts: none; • the issue of new securities: none; • ownership transactions involving the issuer, and its controlling shareholders or subsidiaries: none;
Conditions for changes in the rights guaranteed by these securities	Amendments to the deed and/or consent of securities holders.
Other material characteristics	-

Security	**Certificados de Depósito de Valores Mobiliários**
Security Identification	Dívida Subordinada Nível 2
Date of issue	02/02/2012
Maturity date	02/02/2022
Amount (Units)	0
Global nominal value (R$)	275,000,000.00

Debt balance outstanding	23,185,000.00
Restriction of circulation	Yes
Restriction description	Securities only may be acquired by accredited investors
Convertibility	No
Redemption possibility	Yes
Cases for redemption and the redemption value calculation formula	i) Redemption assumption: the issuer shall not be entitled to redeem all securities prior to maturity date, except in cases of changes in the tax treatment; ii) Formula for calculation of redemption amount: the basis of calculation is 100% of principal plus accrued and unpaid interest rates, and all other amounts due in the Indenture.
Characteristics of debt securities	i) The maturity date is 02/02/2022; ii) The interest rate is 7.375% p.a; iii) Collateral, and, if in rem, description of the underlying object: none; iv) In the absence of collateral, if the credit is unsecured or subordinated: Level 2 subordinated debt; v) Occasional restrictions enforced to the issuer regarding: • the distribution of dividends: none; • the disposal of certain assets: requirement of consent of investors holding two thirds of the financial amount issued regarding the disposal of assets representing share control and increasing the risk of non-fulfillment of the commitments undertaken; • the contracting of new debts: none; • the issue of new securities: none; • ownership transactions involving the issuer, and its controlling shareholders or subsidiaries: none;
Conditions for changes in the rights guaranteed by these securities	Amendments to the deed and/or consent of securities holders.
Other material characteristics	-

18.9 - Public offerings carried out by the issuer or by third parties, including controlling shareholders, subsidiaries and associated companies, relating to securities issued by the Company

18.9. Describe tender offers carried out by the Company or by third parties, including controlling shareholders, subsidiaries and associated companies, relating to securities issued by the Company.

On 7/25/2007, Banrisul's capital was increased by the Board of Directors, during Banrisul's tender offer based on the authorized capital of 66,666,666 class B preferred shares (PNB), at the issue price of R$12.00 per share, or an increase of US$800,000,000, as recorded in CVM/SER/SEC/2007/037.

18.10 - Allocation of public offerings resources and eventual deviations

18.10. In the event that the issuer has organized a public offering of distribution of securities.

There were no public offerings in the past three (3) fiscal years

18.11 - Description of tender offers conducted by the Company relating to shares issued by third parties

18.11. Describe tender offers conducted by the Company relating to shares issued by third parties.

Up to date, Banrisul has not conducted any tender offer relating to shares issued by third parties.

18.12 – Other material informations

18.12. Provide other information deemed as relevant by the issuer.

No other relevant information about this Item “18”.

19.1 - Informations about repurchase plans of shares of the issuer

Reason for not completing the table:

To the present date, we have no repurchase plan of shares of our own issuance.

19.2 - Movement of treasury securities

Reason for not completing the table:

On this date, the Company does not hold treasury shares.

Pursuant to CVM Rules and our Bylaws, we are not allowed to held treasury shares representing more than 5% of each class of our outstanding shares.

19.3 - Other material information - repurchase/treasury

19.3.Provide other information deemed as relevant by the issuer.

No other information deemed as relevant by our Management about this item “19”.

20.1 - Information on the securities trading policy

Approval date	**08/20/2007**
Position and/or function	Controlling Shareholders Members of Banrisul's Board of Directors and members of the Board of Directors of its subsidiaries Members of Banrisul's Executive Board and Members of the Executive Board of its Subsidiaries Members of Banrisul's Audit Committee and Members of the Audit Committee of its Subsidiaries Members of Banrisul's Fiscal Council and Members of the Fiscal Council of its Subsidiaries Members of Banrisul's Compensation Committee and Members of the Compensation Committee of its Subsidiaries Banrisul's Employees and the Employees of its Subsidiaries Banrisul's Employees and the Employees of its Subsidiaries which have commercial and/or professional relationship with third parties (independent auditing, consulting and/or service providers) Banrisul's Interns and the Interns of its Subsidiaries

Main features and consultation local

The Bank has a Disclosure Policy that meets the terms of CVM Rule 358, of January 3, 2002, and covers the trading of securities issued by Banrisul.
In a meeting held on July 30, 2002, the Board of Directors assigned responsibility for monitoring and enforcing the policies for securities trading and the disclosure of material act or fact to the Investor Relations Officer.
It is forbidden the trading of securities issued by the company before the disclosure to the market of material act or fact occurred in their business.
It is considered as privileged information and/or Material Fact, any decision/information, which may influence the price of the securities issued by Banrisul, deliberate on:
a) Shareholders' Meeting;
b) Board of Directors' Meeting;
c) Board of Executive Officers' Meeting;
d) Audit Committee's Meeting;
e) Fiscal Council's Meeting;
f) Compensation Committee's Meeting; and
g) Meeting of the Board of Executive Officers' technical and advisory bodies, in compliance with Bylaws provisions of Banrisul and its subsidiaries.

In the event of failure to comply with the policy, the impeded persons shall be subject to the penalties as provided for in the Personnel Regulation of Banrisul, its subsidiaries and/or associated companies, aiming at taking advantage for himself/herself or other person and failing to ensure that subordinates and reliable third parties keep said information as confidential. Said persons shall fully reimburse for all losses incurred by Banrisul and all and any related person directly or indirectly deriving from such non-compliance.

Impeded persons shall keep the confidentiality of information related to all and any material act or fact they become aware of, subject to the penalties of the Personnel Regulation in the event of non-compliance.

Prohibition periods and description of inspection procedures	It is prohibited to restricted persons, trade in the form of purchase or sale of securities issued by Banrisul in the following situations: a) in the period before 30 days following the disclosure of quarterly information (ITR) and annual (DFP) and corporate events, with release dates available on the websites of the Company and of the CVM; b) in a period less or equal to 90 days for those who acquired; and c) whenever knower in advance of Material Act or Fact that will be publicized by Banrisul.

20.2 - Other material information

20.2.Provide other information deemed as relevant by the issuer.

The Securities Trading Policy of Banco do Estado do Rio Grande do Sul – Banrisul is published at the CVM and has been available on the Bank's Investor Relations website (www.banrisul.com.br/ri) since December 18, 2012. It establishes Banrisul guidelines and procedures applicable to the direct or indirect controlling shareholders, executive officers, members of the board of directors, fiscal council and any statutory bodies with technical or advisory duties, also applicable to its employees, ensuring transparency for all stakeholders.

21.1 - Describe the rules, regulations or internal procedures regarding the disclosure of information

21.1. Describe the rules, regulations or internal procedures adopted by the issuer to ensure that information to be publicly disclosed is collected, processed and reported precisely and appropriately.

Except for the Disclosure Policy, described in item 21.2, Banrisul does not adopt any other rule, regulation or internal procedure relating to the disclosure of information.

21.2 - Description of the disclosure policy of material act or fact and procedures regarding confidentiality maintenance of relevant information not disclosed

21.2. Describe the disclosure policy on material act or fact adopted by the issuer, indicating the communication channel or channels used to disseminate information on material acts and facts and procedures related to the confidentiality of relevant information not yet disclosed, and the locations in which the policy can be consulted.

Pursuant to CVM Rule 358/02, Banrisul adopts the Information Disclosure Policy, which consists of disclosing relevant information and keeping the confidentiality of information not yet publicly disclosed.

Relevant information consists of any decision of our controlling shareholder, resolution of our Shareholders' Meeting or Management, or any other political-administrative, technical, business or economic-financial act or fact occurred or related to our business, that may considerably influence: (i) the quote of our securities; (ii) our investors' decision to buy, sell or hold our securities; or (iii) the investors' decision to exercise any rights inherent to the condition as holders of securities.

The Controlling Shareholder, executive officers, members of the Board of Directors and the Fiscal Council signed a Statement of Adhesion, wherein they undertake to abide by Banrisul's policy provisions, which will be filed at its head offices while such person maintains a relationship with Banrisul and during, at least, five years after withdrawal.

According to our policy, our controlling shareholder, executive officers, members of the Board of Directors and the Fiscal Council have the following duties and responsibilities: (i) inform any material act or fact they are aware of to the Investor Relations Officer, who will disclose such information; and (ii) keep the confidentiality of information related to the material act or fact to which they have privileged access due to their position or title, until it is disclosed to the market, as well as ensure that subordinates and reliable third parties keep confidentiality, being jointly liable in the event of non-compliance.

The Investor Relations Officer is liable for monitoring and enforcing the disclosure policy and use of information about material act or fact, as well as disclosing and notifying to the Brazilian Securities and Exchange Commission (CVM) and, where applicable, to the stock exchanges and organized over-the-counter market entities where our securities are accepted for trading, about any relevant act or fact occurred or related to our business, deemed as relevant information, as well as ensure the broad and immediate dissemination of relevant information in all the markets where these securities are accepted for trading, concurrently with the disclosure of such information in any media, including press information or at professional associations, investors, analysts meetings or with a selected public, in Brazil or abroad.

If our Controlling Shareholder, executive officers, members of the Board of Directors and the Fiscal Council are personally aware of a material act or fact and verify Investor Relations Officer's omission in complying with his information and disclosure duty, these persons only will be held harmless from responsibility, if they immediately inform such material act or fact to CVM.

Information shall be disclosed through publication in widespread circulation newspapers usually employed by Banrisul and can be published as a summary, indicating the addresses in the worldwide web – Internet, where full content will be available to investors, in content, at least, corresponding to that one sent to CVM and, where applicable, to the stock exchange and organized over-the-counter market entities where Banrisul securities are accepted for trading.

The disclosure and information on material act or fact, including the aforementioned summarized information, shall be clear and accurate, in language accessible to investors.

Exceptionally, Banrisul may not immediately disclose the material act or fact if the Company's controlling shareholder or Management understands that such disclosure will jeopardize Banrisul's legitimate interest. However, if information goes beyond Banrisul's control or in the event of unusual fluctuation in the quote, price or amount traded of Banrisul securities, the aforementioned persons will be required to directly or through the Investor Relations Officer immediately disclose the material act or fact to the market.

21.3 - Managers responsible for the implementation, maintenance, evaluation and supervision of the information disclosure policy

21.3. Inform the managers responsible for implementing, maintaining, evaluating and monitoring the information disclosure policy.

Banrisul's Investor Relations Officer is liable for implementing, maintaining, evaluating and monitoring the information disclosure policy. Controlling Shareholders, executive officers, members of the Board of Directors and Fiscal Council shall formalize their commitment to the provisions set forth herein through the Statement of Adhesion, which shall be filed at Banrisul's head offices while such person maintains a relationship with Banrisul, and during, at least, five years after withdrawal, pursuant to CVM Rule 358/2002, Articles 15, Paragraph 1, Items I and 16, Paragraph 1.

21.4 – Other relevant information

21.4.Provide other information deemed as relevant by the issuer.

No other relevant information about this item “21”.