FINANCIAL STATEMENTS

September 2014

Banrisul

INDEX

Table Index

PRESS RELEASE

BOVESPA:
BRSR3, BRSR5, BRSR6

This press release contains forward-looking statements, which not only relate to historic facts but also reflect the targets and expectations of the Company management. The terms “anticipate”, “desire”, “expect”, “project”, “plan”, “intend” and similar words are intended to identify statements that necessarily involve known and unknown risks.

Known risks include uncertainties which are not limited to the impact of competitive services and pricing, acceptance of services by the market, Banrisul’s and its competitors’ service transactions, regulatory approval, currency fluctuations, changes in the mix of the portfolio of services and other risks described in the Company's reports. This Press Release is up to date and Banrisul may or may not update it with new information and/or future events.

TABLE 1: ECONOMIC AND FINANCIAL INDICATORS

Main Income Statement Accounts - R$ Million	9M14	9M13	3Q14	2Q14	1Q14	4Q13	3Q13	9M14 / 9M13	3Q14 / 2Q14
Financial Margin	2,791.3	2,760.2	979.3	942.9	869.2	906.3	923.3	1.1%	3.9%
Allowance for Loan Losses Expenses	547.2	515.5	209.3	141.5	196.4	145.5	166.2	6.2%	48.0%
Gross Profit from Financial Operations	2,244.2	2,244.7	769.9	801.4	672.8	760.8	757.1	0.0%	-3.9%
Financial Income	5,866.0	4,804.8	2,285.8	1,821.4	1,758.9	1,767.7	1,711.1	22.1%	25.5%
Financial Expenses	3,621.9	2,560.1	1,515.8	1,019.9	1,086.1	1,006.9	954.0	41.5%	48.6%
Income from Services and Fees	863.2	708.7	308.4	286.4	268.5	274.7	261.3	21.8%	7.7%
Recurring Administrative Expenses(1)	1,995.0	1,763.7	689.9	672.4	632.7	651.1	646.6	13.1%	2.6%
Other Recurring Operational Expenses	245.6	258.7	86.0	69.5	90.1	85.9	92.7	-5.1%	23.8%
Other Recurring Operational Income	227.3	192.3	97.5	69.8	60.1	62.3	67.5	18.2%	39.7%
Adjusted Net Income	575.9	602.7	215.3	222.7	137.9	189.0	183.0	-4.4%	-3.3%
Net Income	443.2	602.7	215.3	150.1	77.8	189.0	183.0	-26.5%	43.5%
Main Balance Sheet Accounts - R$ Million	**Sep 2014**	**Sep 2013**	**Sep 2014**	**Jun 2014**	**Mar 2014**	**Dec 2013**	**Sep 2013**	**Sep 2014/ Sep 2013**	**Sep 2014/ Jun 2014**
Total Assets	59,092.2	53,464.4	59,092.2	57,212.1	57,445.8	53,210.7	53,464.4	10.5%	3.3%
Securities (2)	12,719.5	14,963.9	12,719.5	12,654.7	12,634.6	14,686.6	14,963.9	-15.0%	0.5%
Total Credit Portfolio	29,950.8	26,023.2	29,950.8	28,062.4	27,252.2	26,652.0	26,023.2	15.1%	6.7%
Allowance for Loan Losses	1,713.8	1,598.2	1,713.8	1,622.6	1,595.2	1,586.3	1,598.2	7.2%	5.6%
Past Due Loans > 60 Days	1,221.9	1,195.3	1,221.9	1,126.5	1,124.7	1,014.5	1,195.3	2.2%	8.5%
Past Due Loans > 90 Days	1,058.6	963.9	1,058.6	990.2	942.9	859.9	963.9	9.8%	6.9%
Funds Raised and Under Management	46,397.0	40,683.4	46,397.0	44,622.1	43,035.3	42,420.2	40,683.4	14.0%	4.0%
Shareholders' Equity	5,418.7	5,008.6	5,418.7	5,271.7	5,159.4	5,147.9	5,008.6	8.2%	2.8%
Financial Conglomerate's Reference Equity	6,812.6	6,654.7	6,812.6	6,663.2	6,532.9	6,743.9	6,654.7	2.4%	2.2%
Average Shareholders' Equity	5,283.3	4,821.6	5,345.2	5,215.5	5,153.6	5,078.2	4,948.2	9.6%	2.5%
Average Total Assets	56,151.4	50,104.1	58,152.1	57,328.9	55,328.2	53,337.6	52,971.9	12.1%	1.4%
Average Profitable Assets	51,834.6	46,559.3	52,432.6	51,650.7	51,420.4	48,870.4	49,507.4	11.3%	1.5%
Stock Market Information - R$ Million	**9M14**	**9M13**	**3Q14**	**2Q14**	**1Q14**	**4Q13**	**3Q13**	**9M14 / 9M13**	**3Q14 / 2Q14**
Interest on Own Capital / Dividends (3)	200.5	227.8	67.7	66.6	66.1	86.5	61.7	-12.0%	1.7%
Market Capitalization	6,011.9	6,257.3	6,011.9	4,396.5	5,365.7	5,153.1	6,257.3	-3.9%	36.7%
Book Value Per Share	13.25	12.25	13.25	12.89	12.60	12.59	12.25	8.2%	2.8%
Average Price per Share (R$)	12.19	16.17	13.26	11.84	11.40	14.39	14.65	-24.6%	12.0%
Earnings per Share (R$)	1.08	1.47	0.53	0.37	0.19	0.46	0.45	-26.5%	43.2%
Financial Index	**9M14**	**9M13**	**3Q14**	**2Q14**	**1Q14**	**4Q13**	**3Q13**		
ROAA (pa.) (4)	1.4%	1.6%	1.5%	1.6%	1.0%	1.4%	1.4%		
ROAE (pa.) (5)	14.8%	17.0%	17.1%	18.2%	11.1%	15.7%	15.6%		
Efficiency Ratio (6)	55.2%	51.8%	55.2%	55.9%	55.1%	52.9%	51.8%		
Financial Margin (7)	7.2%	8.0%	7.7%	7.5%	6.9%	7.6%	7.7%		
Recurring Operating Cost	4.5%	4.4%	4.5%	4.5%	4.4%	4.5%	4.4%		
Default Rate > 60 Days (8)	4.08%	4.59%	4.08%	4.02%	4.13%	3.80%	4.59%		
Default Rate > 90 Days (9)	3.53%	3.71%	3.53%	3.53%	3.46%	3.23%	3.71%		
Cover Ratio 60 days (10)	140.3%	133.7%	140.3%	144.0%	141.8%	156.4%	133.7%		
Cover Ratio 90 days (11)	161.9%	165.8%	161.9%	163.9%	169.2%	184.5%	165.8%		
Basel Ratio - Financial Conglomerate (12)	17.2%	19.6%	17.2%	16.5%	16.8%	18.3%	19.6%		
Structural Indicators	**Sep 2014**	**Sep 2013**	**Sep 2014**	**Jun 2014**	**Mar 2014**	**Dec 2013**	**Sep 2013**		
Branches	524	503	524	522	515	512	503		
Service Stations	208	222	208	210	214	216	222		
Electronic Service Stations	604	598	604	589	600	595	598		
Employees	11,679	12,206	11,679	11,718	11,967	12,175	12,206		
Economic Indicator	**9M14**	**9M13**	**3Q14**	**2Q14**	**1Q14**	**4Q13**	**3Q13**		
Effective Selic Rate	7.90%	5.75%	2.75%	2.53%	2.42%	2.34%	2.16%		
Exchange Rate (R$/USD - end of period)	2.45	2.23	2.45	2.20	2.26	2.34	2.23		
Exchange Rate Variation (%)	4.63%	9.13%	11.28%	-2.67%	-3.40%	5.05%	0.65%		
IGP-M (General Market Price Index)	1.75%	3.70%	-0.68%	-0.10%	2.55%	1.76%	1.92%		
IPCA (Extended Consumer Price Index)	4.61%	3.79%	0.83%	1.54%	2.18%	2.04%	0.62%		

(1) Includes personnel expenses and other administrative expenses.
(2) Includes interbank deposits and deduces repurchase obligations.
(3) Interest on own capital and dividends paid and/or distributed (before retention of income tax).
(4) Net income / average total asset.
(5) Net income / average shareholders' equity.
(6) Efficiency ratio for the last 12 months. Personnel expenses + other administrative expenses / financial margin + income from services and fees + (other operational income – other operational expenses).
(7) Net interest income as a percentage of average profitable assets.
(8) Past due loans > 60 days / total credit portfolio.
(9) Past due loans > 90 days / total credit portfolio.
(10) Allowance for loan losses / past due loans > 60 days.
(11) Allowance for loan losses / past due loans > 90 days.
(12) Restated in 3Q13 by the same criteria of 4Q13.

FINANCIAL HIGHLIGHTS

We report Banrisul's most relevant numbers for the nine months and, especially, the third quarter of 2014. The Analysis of Performance, Management Report, Financial Statements and the Accompanying Notes are available at the Bank's website *www.banrisul.com*.

TABLE 2: KEY ITEMS OF THE INCOME STATEMENT

Result - R$ Million	9M14	9M13	3Q14	2Q14	1Q14	4Q13	3Q13	9M14 / 9M13	3Q14 / 2Q14
Net Interest Income	2,791.3	2,760.2	979.3	942.9	869.2	906.3	923.3	1.1%	3.9%
Allowance for Loan Losses	547.2	515.5	209.3	141.5	196.4	145.5	166.2	6.2%	48.0%
Gross Profit from Financial Operations	2,244.2	2,244.7	769.9	801.4	672.8	760.8	757.1	0.0%	-3.9%
Income from Services and Fees	863.2	708.7	308.4	286.4	268.5	274.7	261.3	21.8%	7.7%
Personnel and Other Administrative Expenses	2,059.1	1,763.7	689.9	669.2	700.0	651.1	646.6	16.7%	3.1%
Operating Income	596.5	921.5	318.6	168.9	109.0	285.1	278.7	-35.3%	88.7%
Consolidated Net Income	443.2	602.7	215.3	150.1	77.8	189.0	183.0	-26.5%	43.5%
Net Income Adjusted for Non-Recurring Events	575.9	602.7	215.3	222.7	137.9	189.0	183.0	-4.4%	-3.3%

Net income in 9M14 totaled R$443.2 million. Recurring net income of R$575.9 million was 4.4% below the same period last year; annualized ROAE was 14.8%. In 3Q14, reported and recurring net income reached R$215.3 million. Net income for the 3Q14 surpassed by 17.7% the amount recorded in 3Q13 and decreased by 3.3% compared to recurring income recorded in 2Q14. Compared to the previous quarter, 3Q14's performance reflects the trend for favorable net interest income and the effect of adjustments made to the flow of loans losses provisions.

The accumulated income in the nine months of 2014 includes the effect of **extraordinary events** recorded in the first half, which are: (*i*) restructuring of Banrisul Foundation's post-employment plans designed together with and approved by the Superintendência Nacional de Previdência Complementar (Previc, the National Superintendence for Pension Funds) at the end of 2013; (*ii*) the release of the Retirement Incentive Plan, offered to promote the retirement of employees eligible to official pension plan and to supplementary retirement plans; (*iii*) the tax effects upon the non-recurring events. All together, these events produced a negative net impact of R$132.7 million in 2014's year-to-date results.

9M14 **net interest income** of R$2,791.3 million increased 1.1% (R$31.1 million) in relation to 9M13. In 3Q14, NII totaled R$979.3 million, a growth of 6.1% (R$56.0 million) from 3Q13 and of 3.9% (R$36.3 million) from 2Q14. Quarter-on-quarter, the NII improvement resulted from the higher rates of credit growth in the last two quarters and from the recovery of spreads due to the stabilization of the growth of Selic rate.

Allowance for loan losses reached R$547.2 million in 9M14, increasing 6.2% (R$31.7 million) from 9M13. 3Q14's provision expenses of R$209.3 million increased 25.9% (R$43.1 million) year-on-year and 48.0% (R$67.8 million) quarter-on-quarter. Over the last twelve months, normal risk credit portfolio improved 1.9 pp.; however, the rolling over of older credit vintages negatively affected risk rating levels and demanded higher inflow of provision expenses, especially during the last quarter, in an environment of increasing credit balance, stabilization of delinquency levels and lower write-offs levels.

Revenues from services and banking fees recorded in 9M14 reached R$863.2 million, once again driven by the performance of Banrisul Cartões and the insurance, pension plan and capitalization products. From 9M13 to 9M14, of the increase of 21.8% (R$154.5 million) in revenues from services and banking fees, R$77.4 million were produced by the acquiring and vouchers businesses, and R$31.6 million came from insurance, pension plan and capitalization fees, Banking fees grew 18.0% (R$47.1 million) year-on-year and 7.7% (R$22.0 million) quarter-on-quarter.

Recurring **administrative expenses** of R$1,995.0 million increased 13.1% (R$231.3 million) from 9M13 to 9M14. In 3Q14, recurring administrative expenses reached R$689.9 million, 6.7% (R$43.3 million) higher than the amount recorded in 3Q13 and 2.6% (R$17.5 million) over 2Q14. Other administrative expenses made up for

65.7% (R$152.0 million) of the accumulated expenses in 9M14, impacted especially by the increase in the costs with outsourced services. Last quarter, recurring personnel expenses, which already incorporate the adjustment arising from the collective bargaining agreement and the effect of the employees output under the Retirement Incentive Plan, decreased 2.4% (R$9.1 million)in comparison to the expenses recorded in 2Q14, contributing favorably to the performance of administrative expenses in the period.

EXTRAORDINARY EVENTS

The non-recurring events that impacted the results of 9M14 are discussed in sequence.

TABLE 3: ACCOUNTING NET INCOME STATEMENT X ADJUSTED NET INCOME

Extraordinary Events - R$ Million	9M14	9M13	3Q14	2Q14	1Q14	4Q13	3Q13
Accounting Net Income	**575.9**	**602.7**	215.3	222.7	137.9	189.0	183.0
Extraordinary Events	**(132.7)**	**-**	-	(72.6)	(60.1)	-	-
Banrisul Foundation (FBSS) Migrating/Restructuring Process	**(204.5)**	**-**	-	(173.8)	(30.7)	-	-
Retirement Incentive plan	**(64.1)**	**-**	-	3.2	(67.3)	-	-
Tax Effects	**135.9**	**-**	-	98.0	37.9	-	-
Adjusted Net Income	**443.2**	**602.7**	215.3	150.1	77.8	189.0	183.0
Adjusted ROAA	**1.4%**	**1.6%**	1.5%	1.6%	1.0%	1.4%	1.4%
Adjusted ROAE	**14.8%**	**17.0%**	17.1%	18.2%	11.1%	15.7%	15.6%
Adjusted Efficiency Ratio	**55.2%**	**51.8%**	55.2%	55.9%	55.1%	52.9%	51.8%

The **restructuring of Banrisul Foundation's post-employment benefits plans** was concluded in the first half of 2014. The migration incentive expenses to the newly created plans totaled R$288.1 million, of which R$31.9 million paid to participants of the Defined Benefit Plan (PBI) and R$256.2 million contributed directly into the Settled Defined Benefit Plan and the FBPREV II Plan (of Variable Contribution type). The pension plan changing process that took place from February to April 2014 had a success ratio of about 60% of the participants of the PBI plan, who voluntarily chose to transfer their financial reserves to the new plans. In 2Q14, the new plans underwent an actuarial revaluation. Excluded tax benefits of R$111.2 million, handling the Banrisul Foundation issue impacted the results of the period by R$93.3 million, related to the difference between said expenses and actuarial gains of R$83.6 million, related to the risk share portion of the Sponsor's obligations arising from the effect of the settlement calculation upon the rights of the participants of the PBI plan who migrate. Thus, by applying the accounting rules set forth by CPC 33 (R1), the restructuring of plans brings greater balance to existing post-employment benefit plans, with the remaining liabilities of R$264.0 million recorded against the Sponsor's equity.

In line with the restructuring plans for post-employment benefits, Banrisul launched, in January 2014, the **Retirement Incentive Plan** directed to those who would be eligible for the official and complementary retirement plans until December 2014. The deadline for enrolment was March 31, 2014, and the dismissals effected until June 30, 2014. Out of the 554 employees who initially opted, a total of 510 employees left the Bank. The financial incentives granted and provisioned under the terms of the Retirement Incentive Plan totaled R$64.1 million.

The extraordinary events above mentioned produced **tax benefits** of R$135.9 million, thus generating net impact of R$132.7 million in earnings. Excluding the extraordinary events recorded in personnel expenses, in other income and in other operational expenses, as well as adjusting the Income Tax and the Social Contribution for the period, adjusted net income totaled R$575.9 million in 9M14.

The **reconciliation between the recorded results and the adjusted net income** was made to calculate the return on equity, assets indicators and efficiency ratio. Adjusted annualized ROAE is 14.8%, 2.2 pp. below 9M13, reflecting a context of lower spreads that originated from the deceleration of the pace of growth of financial income and the rise in financial costs, given the competition factor and the hike of the basic interest rate, yet the higher credit growth observed.

Adjusted **Efficiency Ratio**, calculated over the last 12 months from September 2013 to September 2014, reached 55.2%, 3.4 pp. higher than September 2013 and reflected, the expansion of administrative expenses following the growth strategy implemented since 2012 and the increase of interest-bearing liabilities, while offset by the growth of banking fees, which already incorporate the favorable performance arising from the recent restructuring of the acquiring and vouchers business. The evolution of the efficiency ratio of September 2014 showed signs of improvements in comparison to that of June 2014, having reduced 0.7 pp., coming from the trajectory of recovery of financial income and services fee in relation to the pace of financial and administrative costs.

OPERATIONAL HIGHLIGHTS

TABLE 4: ASSET EVOLUTION STATEMENT

Asset Evolution Statement - R$ Million	Sep 2014	Jun 2014	Mar 2014	Dec 2013	Sep 2013	Sep 2014/ Sep 2013	Sep 2014/ Jun 2014
Total Assets	59,092.2	57,212.1	57,445.8	53,210.7	53,464.4	10.5%	3.3%
Credit Operations	29,950.8	28,062.4	27,252.2	26,652.0	26,023.2	15.1%	6.7%
Securities + Interbank Transactions - Repurchase Obligations	12,719.5	12,654.7	12,634.6	14,686.6	14,963.9	-15.0%	0.5%
Funds Raised and Under Management	46,397.0	44,622.1	43,035.3	42,420.2	40,683.4	14.0%	4.0%
Shareholders' Equity	5,418.7	5,271.7	5,159.4	5,147.9	5,008.6	8.2%	2.8%

At the end of September 2014, **total assets** reached R$59,092.2 million, growing 10.5% (R$5,627.7 million) from September 2013 and 3.3% (R$1,880.1 million) from June 2014. The increase in the balance of assets from September 2013 to September 2014 originated mostly from the increase of R$3,713.9 million in deposits and of R$619.4 in the portfolio of borrowings and lending. In terms of asset allocation, loan portfolio increased R$3,927.6 million and interbank and interbranch accounts increased R$2,215.1 million, in line with the increase of compulsory deposits placed at the Central Bank of Brazil, due to Banrisul's reference equity having reached the corresponding threshold; treasury assets decreased R$1,753.7 million. In the last quarter, the asset growth reflects the increase of R$963.6 million in resources from deposits, and of R$316.7 million in onlendings, which were used to finance credit and securities assets.

In the last twelve months, total **credit assets** reached R$31,192.2 million (expanded concept), increasing 15.4% from September 2013 to September 2014. Considering only the loan portfolio, the year-to-year increase of 15.1% (R$3,927.6 million) was especially driven by the growth of 9.2% (R$1,679.6 million) in the commercial (non-earmarked) portfolio, mainly payroll loans and working capital. Agricultural loans added R$770.1 million to the loan portfolio; mortgages increased by R$519.9 million and long-term finance grew R$470.3 million in twelve months. In the last quarter, the loan portfolio increased 6.7% (R$1,888.3 million), especially driven by the acquisition of payroll loan portfolios with recourse in compliance to the compulsory reserve requirements rules under the terms of Central Bank of Brazil's Circular no. 3712 and no. 3715, of July and August 2014, respectively.

Credit portfolio by rating presented a favorable trend. Loans classified from AA to C levels reached R$27,082.9 million, 90.4% of the total loan portfolio, 1.9 pp. above the balance recorded in September 2013 and 0.4 pp. above the balance in June 2014. Risk level 1 and 2 loans operations, comprised of ratings D to H, totaled R$2,867.9 million.

Securities and interbank investments totaled R$12,719.5 million at the end of September 2014, net of liabilities from repo operations. The 15.0% (R$2,244.4 million) reduction of the securities portfolio in the last twelve months was due to the migration of securities resources into reserve requirements deposited at the Central Bank of Brazil, as the reducer utilized in the assessment of reserve requirements was no longer applicable once that Shareholders' Equity exceeded the R$5.0 billion threshold. From June 2014 to September 2014, the balance of securities and interbank investments remained stable, reflecting the strategy of compliance to reserve requirements, among other alternatives, through the acquisition of payroll loan portfolios with recourse from eligible banks according to the Central Bank of Brazil parameters.

Funds raised and under management, composed by deposits, resources from bills, subordinated debt and investment funds, totaled R$46,397.0 million, an increase of 14.0% (R$5,713.6 million) in twelve months, driven especially by the increase of R$3,713.9 million in deposits and of R$1,439.4 million in investment funds. Compared to June 2014, funds raised and under management expanded 4.0% (R$1,774.9 million) from the increments of R$1,045.9 million in time deposits and of R$611.4 million in investment funds.

Shareholders' equity reached R$5,418.7 million at the end of September 2014, increasing 8.2% (R$410.0 million) above September 2013 and 2.8% (R$147.0 million) above June 2014, from the incorporation of the results, net of the payments of dividends and interest on own capital, and the reassessment of actuarial liabilities of the post-employment benefit plans adjusted to tax benefits carried out throughout 1H14, as per accounting rules set forth by CPC 33 (R1).

In 9M14, Banrisul paid and provisioned R$483.9 million in **taxes and contributions**. Withheld taxes, levied directly on financial intermediation and other payments, totaled R$582.8 million.

TABLE 5: OTHER INDICATORS

Indicators - %	9M14	9M13	3Q14	2Q14	1Q14	4Q13	3Q13
ROAA	1.4%	1.6%	1.5%	1.6%	1.0%	1.4%	1.4%
Net Interest Margin	7.2%	8.0%	7.7%	7.5%	6.9%	7.6%	7.7%
Basel Ratio - Financial Conglomerate (1)	17.2%	19.6%	17.2%	16.5%	16.8%	18.3%	19.6%
Default Rate > 60 Days	4.08%	4.59%	4.08%	4.02%	4.13%	3.80%	4.59%
Default Rate > 90 Days	3.53%	3.71%	3.53%	3.53%	3.46%	3.23%	3.71%
Cover Ratio > 60 Days	140.3%	133.7%	140.3%	144.0%	141.8%	156.4%	133.7%
Cover Ratio > 90 Days	161.9%	165.8%	161.9%	163.9%	169.2%	184.5%	165.8%
Provision Ratio	5.7%	6.1%	5.7%	5.8%	5.9%	6.0%	6.1%

(1) Restated by the same criteria of December 2013.

The decrease in the **nine-month annualized net interest margin** is due to growth of 11.3% of the average assets, in an environment of slowing revenues growth on interest-earning assets and an increase in expenses on interest-bearing liabilities. The margin squeeze is an ever present factor in the current banking environment, either by credit competition with regards to interest rates, or by the need to preserve funding and capital structures consistent with regulatory requirements. Improving annualized margin on earning assets from 2Q14 to 3Q14, reflects the reaction, albeit moderate, of the growth in credit and funding costs, in a context of recovery of spreads.

The 60-day **default rate** reached 4.08% in September 2014. Loans in arrears in September 2014 totaled R$1,221.9 million, an increase of 2.2% (R$26.5 million) over the amount recorded in September 2013. The 90-day default rate reached 3.53%, totaling R$1,058.3 million in loans overdue. The 60-day NPL ratio decreased 0.51 pp. in the twelve months and increased 0.06 pp. quarter-on-quarter. The 90-day delinquency ratio decreased 0.18 pp. year-on-year and remained stable in the last three months.

Cover ratio in relation to the loans in arrears over 60 days reached 140.3%, higher than the ratio of 133.7% recorded in September 2013 but lower than the 144.0% recorded in June 2014. The 90-day coverage ratio reached 161.9%, lower than the 165.8% of September 2013 and the 163.9% of June 2014. The coverage ratio was influenced by the increase in the amount of defaulted credit, including overdue installments from operations acquired from Banco Cruzeiro do Sul, currently in extrajudicial liquidation, in addition to the new customer rating system.

Total provisions reached 5.7% of outstanding credit portfolio in September 2014, 0.4 pp. below the indicator of September 2013. The balance of credit provisions increased R$115.6 million and the loan book by rating levels showed improvement in the last twelve months. Over the past three months, the balance of provisions increased R$91.2 million and provision ratio fell 0.1 pp.

GUIDANCE

Released together with 2013 annual report, Banrisul's goals and performance indicators for 2014 were revised at the end of 1H14 and have been sustained up to 9M14. The credit growth pace, intensified over the last two quarters, should be within the expected range for 2014. The expected performance for recurring ROAE and ROAA, as well as that for allowance for loan losses and NIM, continued in line with the trend of gradual recovery of interest rates prices and, hence, the recovering of spreads, in an environment of a basic interest rate higher than last year's and of improvements in the quality of the credit portfolio. As to efficiency, it is still a time for the accommodation of expenses as the implementation of the Bank's growth strategy unfolds from the handling of structural issues.

In September 2014, the strategic joint venture with Icatu Seguros S.A. was consolidated. The operation is now being assessed by regulatory authorities. The joint venture in the insurance field for the selling of life insurance and pension plans, exclusively for twenty years, will contribute to the expansion of service revenues, allowing performance indicators, especially the efficiency ratio, to converge towards the expected target range.

TABLE 6: GUIDANCE

Estimated	2014	
	Expected (1)	Revised 1H14
Credit Portfolio	12% to 16%	10% to 14%
Commercial Credit - Individuals	12% to 16%	12% to 16%
Commercial Credit - Companies	10% to 14%	6% to 9%
Real Estate Loans	9% to 13%	9% to 13%
Allowance for Loan Losses Expenses/Credit Portfolio	3% to 4%	2.5% to 3.5%
Allowance for Loan Losses Balance/Credit Portfolio	6% to 8%	6% to 7%
Funding	12% to 17%	10% to 14%
Recurring Return on Average Shareholders' Equity	14% to 18%	13% to 16%
Efficiency Ratio	48% to 53%	53% to 58%
Net Financial Margin / Interest-Earning Assets	7% to 8.5%	7% to 8%

(1) Published in 4Q13 and maintained in 1Q14.

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