

PRESS RELEASE NOVEMBER 2010

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 that are not limited to the price and service war impact, acceptance of services by the market, service transactions of either the Company or its competitors, regulatory approval, currency fluctuation, changes in the service mix and other risks described in the Company's reports. This Press Release is updated until the present date and Banrisul is not obliged to update it upon new information and/or future events. Information regarding the months of October and November have not been audited nor contemplate subsequent events that may affect the financial statements for the year 2010.

Thursday, January 06, 2011. **Preliminary Earnings Results until the month of November of 2010.**

We report Banrisul's most relevant numbers for 11M10.

Main Income Statement Accounts - R\$ Million	11M10	11M09	3Q10	2Q10	1Q10	4Q09	3Q09	11M10 / 11M09
Net Financial Margin	2,651.0	2,256.5	769.7	710.9	647.3	668.7	628.1	17.5%
Expenses with Loan Losses Provisions	448.0	379.4	111.2	127.1	153.5	96.7	65.8	18.1%
Gross Profit from Financial Operations	2,203.0	1,877.1	658.5	583.9	493.8	572.0	562.3	17.4%
Financial Income	4,402.8	3,837.1	1,298.2	1,165.4	1,067.8	1,076.7	1,045.5	14.7%
Financial expenses	2,201.0	1,960.0	639.7	581.5	574.0	504.7	483.2	12.3%
Income from Services Rendered	580.0	526.3	160.9	157.4	149.9	152.1	144.6	10.2%
Administrative and Other Operational Expenses ⁽¹⁾	1,749.5	1,632.5	478.7	457.2	460.0	431.8	462.1	7.2%
Other Operating Income	153.0	114.4	39.0	43.1	45.7	55.0	29.1	33.8%
Income from Operations	1,001.3	719.5	327.0	277.5	181.6	300.6	229.2	39.2%
Net Income	647.8	460.1	206.4	183.1	121.9	184.3	146.0	40.8%
Used / Distributed Results - R\$ Million	11M10	11M09	3Q10	2Q10	1Q10	4Q09	3Q09	11M10 / 11M09
Interest on Own Capital / Dividends ⁽²⁾	172.8	141.8	51.6	71.0	50.2	73.7	46.6	21.9%
Main Balance Sheet Accounts - R\$ Million	Nov10	Nov09	Sep10	Jun10	Mar10	Dez09	Nov10 / Nov09	Nov10 / Sep10
Total Assets	32,574.0	29,523.2	32,339.3	31,098.8	29,864.6	29,084.1	10.3%	0.7%
Securities ⁽³⁾	9,650.5	10,957.4	10,014.1	10,150.4	9,949.1	10,758.6	-11.9%	-3.6%
Total Credit Portfolio	16,874.1	13,119.3	16,237.1	15,442.0	14,765.7	13,414.2	28.6%	3.9%
Loan Losses Provisions	1,107.5	1,016.7	1,122.7	1,117.5	1,082.3	1,016.8	8.9%	-1.4%
Past Due Loans > 60 days	488.4	487.9	487.9	493.6	512.7	453.1	0.1%	0.1%
Funding and Assets under Management	24,466.3	21,388.9	24,095.2	23,163.7	22,368.7	21,902.4	14.4%	1.5%
Shareholders' Equity	3,882.2	3,402.4	3,608.2	3,590.1	3,480.0	3,408.5	14.1%	7.6%
Average Shareholders' Equity	3,645.3	3,240.8	3,668.2	3,535.1	3,444.2	3,354.1	12.5%	-0.6%
Average Total Assets	30,829.1	27,364.3	31,719.1	30,481.7	29,474.4	28,828.7	12.7%	-2.8%
Financial Indicators - % per annum	11M10	11M09	3Q10	2Q10	1Q10	4Q09	3Q09	
ROAA (p.a.) ⁽⁴⁾	2.3%	1.8%	2.6%	2.4%	1.7%	2.6%	2.1%	
ROAE (p.a.) ⁽⁵⁾	19.5%	15.6%	24.5%	22.4%	14.9%	23.9%	19.2%	
Efficiency Ratio ⁽⁶⁾	48.0%	51.9%	48.5%	50.5%	52.2%	52.0%	53.5%	
Default Rate ⁽⁷⁾	2.9%	3.7%	3.0%	3.2%	3.5%	3.4%	3.8%	
Cover Rate ⁽⁸⁾	226.8%	208.4%	226.8%	238.2%	230.1%	224.4%	208.4%	
Economic Indicators	11M10	11M09	3Q10	2Q10	1Q10	4Q09	3Q09	
Effective Selic Rate (accrued)	8.77%	9.13%	2.62%	2.23%	2.03%	2.10%	2.19%	
Foreing Exchange Rate (%)	-1.46%	-25.09%	-5.96%	1.15%	2.29%	-2.08%	-8.89%	
IGP-M (General Market Price Index)	10.56%	-1.46%	2.09%	2.84%	2.77%	-0.11%	-0.37%	
IPCA (Extended National Consumer Price Index)	5.25%	3.93%	0.50%	1.00%	2.06%	1.06%	0.63%	

⁽¹⁾ Including personnel expenses, other administrative expenses and other operating expenses.

⁽²⁾ Interest on own capital and dividends paid and/or distributed (before income tax withholding at source).

⁽³⁾ Including interbank investments and excluding matched transactions.

⁽⁴⁾ Net income / average total assets.

⁽⁵⁾ Net income / average shareholders' equity.

⁽⁶⁾ Efficiency ratio - 12-month accumulation.

⁽⁷⁾ Default > 60 days / total loans.

⁽⁸⁾ Loan losses provisions / default > 60 dias.

Personnel expenses + other administrative expenses

Net financial margin + revenue from services rendered + (other operating income - other operating expenses)

Banrisul's **net income** from January to November 2010 totaled **R\$647.8 million**, 40.8% (R\$187.7 million) higher than the recurring income in same period of 2009. **11M10 performance** reflects the increase in credit revenues, the reduction of other operating expenses and higher banking fees and other operating income. On the other hand, it was negatively affected by reduced treasury revenues (from lower securities balance and lower Selic Rate) and by higher financial expenses (onlendings), market funding expenses and provisions.

Net income in 11M10 represents a **19.5% return** over average **shareholders' equity**.

Financial margin in 11M10 was R\$2.651 billion, 17.5% (R\$394.5 million) more than in 11M09, benefiting from higher credit revenues, while negatively affected by lower revenues from securities and higher expenses with market funding and loans and onlendings.

The increase of 18.1% in **credit provisions** from 11M09 to 11M10 was due mostly to the 28.6% year-on-year increase of the loan portfolio until November 2010, offset by improvements in asset quality demonstrated by the 1.7 bp increase in the credit portfolio rated as Normal Risk.

In November 2010, **total assets** presented a balance of R\$32.574 billion, 10.3% over the same period last year and 0.7% higher than September 2010. The expansion of deposits and the increase in the Reserve Fund for Judicial Deposits justify the year-on-year and September-to-November increases.

The annualized **return on average assets** reached **2.3%** in November 2010, 0.5 bp above 11M09. The increasing ROA reflects, in part, the strategy of prioritizing credit assets adopted in the period, when the proportion of the loan portfolio in relation to total assets expanded by 7.4 pp. year-on-year last November.

Banrisul's **loan portfolio** totaled **R\$16.874 billion** at the end of November 2010, exceeding by 28.6% the balance of the same period last year, and in 3.9% the balance of 3Q10. In the Individuals segment, commercial credit (unmarked operations) totaled R\$7.515 billion in November 2010, a year-on-year increase of 38.6% from November 2009 and of 4.1% in relation to September 2010. As for the Companies segment, the balance of R\$5.526 billion in November 2010 increased 24.5% over November last year and 4.3% over 3Q10.

The increase in the Individuals segment is driven by **payroll loans**, which ended November 2010 with a balance of R\$5.578 billion, a year-on-year increase of 42.3%. From November 2009 until November this year, organic payroll loans increased 28.3%, while the acquired portfolio of payroll loans grew 72.2%.

The default ratio over 60 days in proportion to total loan portfolio maintained the falling trend. Past due loans amounted to R\$488.4 million in November 2010, representative of an NPL of 2.9%, which is 0.8 pp below November 2009's and 0.1 pp lower than 3Q10's. The default ratio over 90 days in November 2010 corresponds to 2.5% of the loan portfolio.

Investments in **securities** totaled **R\$9.650 billion** at the end of November 2010, volume 11.9% below November, 2009, and 3.6% below September 2010. This amount includes liquid interbank transactions but excludes total liabilities from matched transactions.

Funds raised and under management totaled **R\$24.466 billion** in November 2010, 14.4% higher than the same month last year and 1.5% over September 2010.

In November 2010, Banrisul's **shareholders' equity** reached R\$3.882 billion, 14.1% up on November 2009, and 7.6% higher than September 2010's.

The 48.0% **cost-income ratio** in November 2010 reflects the decrease of other operating expenses, the growth of the financial margin and the increase in banking fees and in other operating income.

Administrative expenses recorded from January to November 2010 totaled R\$1.561 billion, an increase of 7.4% compared to the same period last year. Personnel costs, representative of 56.2% of total administrative expenses, grew 5.6% in the period, primarily on account of turnover, as 553 employees were hired from January to November and the headcount remains relatively stable. Other administrative expenses grew 9.8% year-on-year, driven especially by increases in expenses with depreciation and amortization, outsourced services and specialized technical services. The measures implemented over the past nine months to control administrative expenses are present in the reduction of quarterly growth rates for administrative costs.



Throughout 2010 the bank received numerous accolades in Management and Information Technology areas. It is worth mentioning, though, the recent recognition from research made by consultancy firm CVA Solutions that identifies Banrisul as the sole bank perceived as of “excellent value” from the standpoint of account holders.

[Click here](#) for 11M10 main figures in PDF format.

Porto Alegre, January 06, 2011.

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