

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.

Monday, November 7, 2011 - Earnings Results for the 3rd Quarter of 2011.

We report Banrisul’s most relevant numbers for 3Q11 and 9M11. The Analysis of Performance, Management Report, Financial Statements and the Accompanying Notes are available at the Bank’s site (www.banrisul.com.br/ir).

Main Income Statement Accounts - R\$ Million	9M11	9M10	3Q11	2Q11	1Q11	4Q10	3Q10	3Q11/9M11/ 2Q11 9M10
Net Financial Margin	2,461.1	2,128.0	873.2	832.6	755.3	786.7	769.7	4.9% 15.7%
Allowance for Loan Losses Expenses	(463.8)	(391.7)	(182.3)	(143.1)	(138.5)	(126.6)	(111.2)	27.4% 18.4%
Gross Profit from Financial Operations	1,997.2	1,736.2	690.9	689.5	616.8	660.1	658.5	0.2% 15.0%
Financial Income	4,405.3	3,531.4	1,668.9	1,436.5	1,299.9	1,310.4	1,298.2	16.2% 24.7%
Financial Expenses	2,408.0	1,795.2	978.0	747.0	683.1	650.3	639.7	30.9% 34.1%
Income from Services Rendered	517.4	468.2	172.4	173.4	171.6	173.5	160.9	-0.6% 10.5%
Administrative and Other Operational Expenses ⁽¹⁾	1,496.3	1,395.8	527.8	499.5	469.0	499.2	478.7	5.7% 7.2%
Other Operation Income	199.8	127.8	86.7	46.6	66.5	81.1	39.0	86.2% 56.4%
Income from Operations	1,046.8	786.0	362.0	353.5	331.4	361.8	327.0	2.4% 33.2%
Net Income	677.7	511.4	239.2	227.2	211.3	229.9	206.4	5.3% 32.5%
Used/Distributed Results - R\$ Million	9M11	9M10	3Q11	2Q11	1Q11	4Q10	3Q10	3Q11/9M11/ 2Q11 9M10
Interest on Own Capital - Dividends ⁽²⁾	232.2	172.8	58.3	117.1	56.8	120.4	51.6	-50.2% 34.4%
Main Balance Sheet Accounts - R\$ Million	Sep11	Sep10	Sep11	Jun11	Mar11	Dec10	Sep10	Sep11/Sep11/ Jun11 Sep10
Total Assets	36,554.1	32,339.3	36,554.1	34,755.0	32,951.0	32,127.7	32,339.3	5.2% 13.0%
Securities ⁽³⁾	10,571.2	10,014.1	10,571.2	9,965.9	9,789.3	9,573.9	10,014.1	6.1% 5.6%
Total Lending	19,654.7	16,237.1	19,654.7	18,809.3	17,939.6	17,033.2	16,237.1	4.5% 21.0%
Allowance for Loan Losses	(1,284.6)	(1,122.7)	(1,284.6)	(1,214.7)	(1,156.0)	(1,101.9)	(1,122.7)	5.8% 14.4%
Past Due Loans > 60 days	566.6	487.9	566.6	498.9	478.2	418.0	487.9	13.6% 16.1%
Funding and Assets under Management	27,505.3	24,095.2	27,505.3	26,092.7	25,289.8	25,090.8	24,095.2	5.4% 14.2%
Shareholders' Equity	4,298.1	3,746.4	4,298.1	4,118.1	4,009.0	3,855.2	3,746.4	4.4% 14.7%
Consolidated Reference Equity	4,289.6	3,738.0	4,289.6	4,170.7	4,000.6	3,873.0	3,738.0	2.9% 14.8%
Average Shareholders' Equity	4,076.7	3,577.4	4,208.1	4,063.6	3,932.1	3,800.8	3,668.2	3.6% 14.0%
Average Total Assets	34,340.9	30,711.7	35,654.6	33,853.0	32,539.3	32,233.5	31,719.1	5.3% 11.8%
Financial Index	9M11	9M10	3Q11	2Q11	1Q11	4Q10	3Q10	
Return on Total Assets	2.5%	2.1%	2.6%	2.6%	2.6%	2.9%	2.6%	
Return on Shareholders' Equity	21.6%	18.6%	24.2%	24.0%	22.8%	26.1%	23.9%	
ROAA (p.a.) ⁽⁴⁾	2.6%	2.2%	2.7%	2.7%	2.6%	2.9%	2.6%	
ROAE (p.a.) ⁽⁵⁾	22.8%	19.5%	24.7%	24.3%	23.3%	26.5%	24.5%	
Efficiency Ratio ⁽⁶⁾	44.4%	48.5%	44.4%	45.0%	45.8%	47.8%	48.5%	
Consolidated Basel Ratio	15.9%	15.8%	15.9%	15.6%	15.8%	16.1%	15.8%	
Fixed Assets Ratio ⁽⁷⁾	3.8%	4.6%	3.8%	4.0%	4.3%	4.4%	4.6%	
Default Rate ⁽⁸⁾	2.9%	3.0%	2.9%	2.7%	2.7%	2.5%	3.0%	
Cover Rate ⁽⁹⁾	226.7%	230.1%	226.7%	243.5%	241.7%	263.6%	230.1%	
Economic Indicators	9M11	9M10	3Q11	2Q11	1Q11	4Q10	3Q10	
Effective Selic Rate (accrued)	8.74%	7.03%	3.03%	2.82%	2.65%	2.57%	2.62%	
Foreign Exchange Rate (R\$/USD – end of period)	1.85	1.69	1.85	1.56	1.63	1.67	1.69	
Foreign Exchange (%)	11.30%	-2.70%	18.79%	-4.15%	-2.25%	-1.67%	-5.96%	
IGP-M (General Market Price Index)	4.15%	7.90%	0.97%	0.70%	2.43%	3.18%	2.08%	
IPCA (Extended National Consumer Price Index)	4.97%	3.60%	1.06%	1.40%	2.44%	2.23%	0.50%	

⁽¹⁾ Inclui despesas de pessoal, outras despesas administrativas e outras despesas operacionais.

⁽²⁾ Juros sobre o capital próprio e dividendos pagos e/ou distribuídos (antes da retenção do Imposto de Renda).

⁽³⁾ Inclui aplicações interfinanceiras de liquidez e deduz as obrigações compromissadas.

⁽⁴⁾ Lucro líquido sobre ativo total médio.

⁽⁵⁾ Lucro líquido sobre patrimônio líquido médio.

⁽⁶⁾ Índice de eficiência – acumulado no período dos últimos 12 meses. Despesas de pessoal + outras despesas administrativas / Margem financeira líquida + rendas de prestação de serviços + (Outras receitas operacionais – outras despesas operacionais).

⁽⁷⁾ Imobilizado sobre o patrimônio líquido.

⁽⁸⁾ Atrasos > 60 dias / carteira de crédito.

⁽⁹⁾ Provisão para devedores duvidosos / atrasos > 60 dias



Operational Highlights

In 9M11, Banrisul presented ascendant credit rates. Default indicators and credit quality remained stable, in spite of the riskier environment due to the effects of macro-prudential measures issued in December 2010 and high interest rates, reverted at the end of 3Q11 due to the foreign economies environment instability. The increase of credit, treasury and foreign Exchange revenues contributed to the growth of the net interest income.

Six months after the Management change, Banrisul has maintained its market-oriented business strategies focused on returns to

public and private shareholders.

A mature organization, and by adopting the best practices of corporate governance, Banrisul ensures that reshuffles in the Board of Administration and its Executive Body, a natural process within a state-controlled bank, reinforces the continuity of business management and operational processes.

The focus on efficiency is also compatible with maintaining, by the third consecutive quarter, the Company's guidance released, despite the changing circumstances of the economy.

Financial Performance

Net income registered in 9M11 was R\$677.7 million, 32.5% or R\$166.3 million above the net income reached in the same period of 2010. In 3Q11, net income was R\$239.2 million, 15.9% or R\$32.8 million higher than in 3Q10.

From 3Q10 to 3Q11, the Bank's **performance** positively reflects the increase of 23.3% or R\$217.5 million in credit revenues, of R\$44.3 million in treasury income and services fees and of R\$95.2 million in foreign exchange revenues, however offset by growing financial, market funding and onlendings expenses.

From 2Q10 to 3Q11, the performance positively was impacted by the increase of 8.9% (R\$94.0 million) in credit revenues and the increase of 6.4% (R\$20.2 million) in treasury revenues, negatively offset by higher financial, market funding and onlendings expenses

and administrative costs.

The **net interest margin** totaled R\$2,461.1 million at the end of 9M11, a 15.7% (R\$333.1 million) increase over that of 9M10. NIM was positively affected by the growth of revenues from credit, treasury, restricted deposits and foreign exchange, while negatively impacted by increasing financial, market funding and onlending expenses.

3Q11's **NIM** of R\$873.2 million is 13.4% (R\$103.5 million) above 3Q10's, on account of higher income from credit, treasury and foreign exchange that offset increases recorded on financial and market funding expenses.

NIM increase in from 2Q11 to 3Q11 is explained by higher credit and treasury and foreign exchange income in comparison to increases seen on financial expenses.

Financial Margin

R\$ Million

	9M11	9M10	3Q11	2Q11	1Q11	4Q10	3Q10
Financial Margin	2,461.1	2,128.0	873.2	832.6	755.3	786.7	769.7
Gross Profit from Financial Operations	1,997.2	1,736.2	690.9	689.5	616.8	660.1	658.5
Average Profitable Assets ⁽¹⁾	31,178.4	28,433.1	32,140.6	31,475.5	29,919.1	29,563.8	29,291.2
Net Financial Margin ⁽²⁾	10.7%	10.1%	11.3%	11.0%	10.5%	11.1%	10.9%
Gross Profit from Financial Operations ⁽³⁾	8.6%	8.2%	8.9%	9.1%	8.5%	9.2%	9.3%

⁽¹⁾ Average Interest-Earning Assets of the Period

⁽²⁾ Net Financial Margin / Average Profitable Assets (Annualized)

⁽³⁾ Gross Profit from Financial Operations / Average Profitable Assets (Annualized)

At the end of 3Q11, **expenses with loan losses allowance** totaled R\$463.8 million, 18.4% (R\$72.1 million) higher than that recorded on 9M10, reflecting the growth of the loan portfolio and also of loans past due over 60

days. From 2Q11 to 3Q11, provision expenses totaled R\$182.3 million, increasing 63.9% (R\$71.1 million) in twelve months and 27.4% (R\$39.2 million) quarter-on-quarter.

Evolution of Assets

Total assets at the end of September 2011 were R\$36,554.1 million, 13.0% (R\$4,214.8 million) higher than in September 2010. In comparison to December 2010, assets increased 13.8% (R\$4,426.4 million), while expanding 5.2% (R\$1,799.1 million) from 2Q11 to 3Q11.

The year-on-year asset growth of R\$2,956.0 million comes from the expansion of the funding portfolio and the increase of R\$616.2 million in escrow deposits. In the last twelve months, the growth of credit (in R\$3,417.6 million) and interbank transactions (in R\$812.9 million) were the main drivers of asset allocation.

Banrisul's credit portfolio totaled R\$19,654.7 million in September 2011, exceeding by 21.0% the balance as of September 2010, by 15.4% the amount as of December 2010 and by 4.5% the balance as of June 2011.

In September 2011, **commercial credit** to Individuals totaled R\$8,326.7 million, 15.4% (R\$1,108.5 million) over September 2010, increasing 12.5% (R\$928.3 million)

over December 2010 and 1.4% (R\$115.3 million) from 2Q10. Payroll loans consolidated as important tool in the expansion of operations in the last twelve months. Credit to companies totaled R\$6,580.2 million at the end of September 2011, increasing 24.2% (R\$1,283.8 million) in twelve months, 14.8% (R\$848.0 million) year-to-date and 3.4% (R\$216.4 million) from 2Q10 to 3Q10.

Non-performing loans over 60 days, 2.9% of the loan book, reduced 10 basis points from September 2010 to 2.9% of total loans in September 2011. NPL over 90 days was 2.4% in September 2011, below market ratios. Total provisions remain at a level sufficient to cover loans in arrears.

Securities totaled R\$10,571.2 million at the end of September 2011, amount 5.6% (R\$557.1 million) above that of 3Q10. Year-to-date, securities increased 10.4% (R\$997.2 million) and rose 6.1% (R\$605.2 million) from 2Q11 to 3Q11. This amount includes liquid interbank transactions but excludes total



liabilities from matched transactions. The lower securities balance year-on-year reflects the Bank's policy of migrating to higher yield assets.

Funds raised and under management totaled R\$27,505.3 million in September 2011, growing 14.2% (R\$3,410.2 million) over September 2010, 9.6% (R\$2,414.5 million) year-to-date and 5.4% (R\$1,412.6 million) quarter-on-quarter.

The growth in the last twelve months came mainly from the expansion of time and demand deposits. Year-to-date, the

increase of time deposits and third-party assets under management exceeded the reduction of demand and savings deposits, indicating migration of funding. Similar trend was also observed in the last quarter.

At the end of September 2011, **shareholders' equity** totaled R\$4,298.1 million, with increases of 14.7% in twelve months, 11.5% year-to-date and 4.4% from 2Q11 to 3Q11, on account of profits accounted net of dividends and interest on capital paid and provisioned. In 9M11, ROE reached 22.8%, and Basel ratio was 15.9%.

Highlights

R\$ Million

	Sep/11	Jun/11	Mar/11	Dec/10	Sep/10
Total Assets	36,554.1	34,755.0	32,951.0	32,127.7	32,339.3
Total Credit Operations	19,654.7	18,809.3	17,939.6	17,033.2	16,237.1
Securities ⁽¹⁾	10,571.2	9,965.9	9,789.3	9,573.9	10,014.1
Funds raised and under management	27,505.3	26,092.7	25,289.8	25,090.8	24,095.2
Shareholders' Equity	4,298.1	4,118.1	4,009.0	3,855.2	3,746.4

⁽¹⁾ Securities + Interbank Investments - Matched Transactions

The **efficiency ratio** reached 44.4% in the past twelve months ended in September 2011. The consistent reduction in efficiency ratio reflects the capacity of the financial margin, sustained by the growth in revenue from credit, treasury and favored by reduction of financial expenses, to absorb the increase in administrative and operating expenses.

Operating cost indicator ended September 2011 at 4.9% for the past twelve months. Asset expansion, leveraged by the growth in credit operations helped to absorb the increase of administrative expenses, reflecting in the reduction of costs in proportion to the assets in twelve months.

Guidance

Banrisul's strategic guidelines established for the period 2011-2014 are grounded on the expansion of loan and funding portfolios, on the consolidation of market share in services, especially through Banricompras Network, on ongoing improvements of customer services, on preserving investment in innovation and reinforcing mechanisms of internal controls and risk mitigation and on

employees' retention and qualification, based on sound, efficiency oriented principles of sustainability and management.

In the short term, the special attention to business continuity and the Bank's commitment to its 2011 guidance has been reflected in the results achieved in the 9M11, in line to expectations from when it was first released and the reason as to why business

and indicators forecasts have been maintained ever since.

Credit evolution confirms the expected deceleration in response to measures adopted by the Central Bank of Brazil at the

end of December 2010, with a view to maintaining monetary stability. Other assumptions included in the guidance reflect the priority to preserve asset quality and to manage costs.

Estimate Banrisul	Year 2011 Not Altered
CREDIT PORTFOLIO	15% to 20%
Commercial Credit - Individuals	12% to 17%
Commercial Credit - Companies	16% to 21%
Real Estate Loans	18% to 23%
Provision Cost / Average Credit Portfolio	3% to 4%
Allowance for loan Losses / Average Credit Portfolio	6% to 8%
FUNDING	15% to 20%
Time Deposits	35% to 40%
Return on Average Shareholders' Equity	19% to 23%
Efficiency Ratio	44% to 48%
Net Financial Margin / Interest-Earning Assets	10% to 11%

* No altered in 3Q11

Awards

- January 2011. Banrisul Brand is featured in world ranking.
- January 2011. Banrisul is one of the best reputed companies in Rio Grande do Sul.
- March 2011. Banrisul is highlighted in the study Brands of Who Decides.
- April/2011. Banrisul's shares presented the best performance.
- April/2011. Banrisul, one of the largest companies in the world.
- May/2011. Banrisul's shares listed in Bovespa's new index.
- May/2011. Banrisul, one of Brazil's most valuable brands.
- June/2011. Banrisul among Brazil's most valuable brands.
- June/2011. Banrisul is the most remembered brand of Rio Grande do Sul in the bank category.
- June /2011. Banrisul receives Government and Society Sustainability Certificate.



- July/2011. Banrisul is one of Brazil's 100 largest companies.
- July/2011. *Projeto Pescar Banrisul* is awarded as Best Educational Practice.
- August/2011. Banrisul is recognized as the Sports' Best Friend.
- August/2011. Bank is featured in national ranking.
- August/2011. Banrisul is among the 500 best companies in the country.
- August/2011. Banrisul is featured on the socio-environmental area.
- August/2011. Banrisul is awarded the Luiz Henrique Roessler Environmental Merit.
- September/2011. Banrisul featured in the ranking of customer satisfaction.

Porto Alegre, November 7, 2011.

GOVERNO DO ESTADO DO RIO GRANDE DO SUL

Secretaria da Fazenda
Banco do Estado do Rio Grande do Sul

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TÚLIO LUIZ ZAMIN
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Accountant CRCRS 38.534