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Banrisul's net income grows more than 43% till September

Bank registers year-to-date net income of R\$511.4 million

Banrisul posted net income of **R\$511.4 million** in 9M10, 43.3% more than in the same period last year. Net income in the third quarter (3Q10) totaled **R\$206.4 million, 41.3%** up year over year. The 3Q10 result corresponds to an annualized return of **24.5%** on average shareholders' equity.

For Mateus Bandeira, the CEO, the 9M10 robust performance reflects the work of an appropriate combination of business strategy coupled with a successful operational efficiency program. "Banrisul's excellent performance, with its operations concentrated regionally, translates the knowledge of the local market and the level of specialization acquired, as well as the maturity of the mechanisms for granting and evaluating loan operations", he commented, noting that the net income until September accounts for 95% of all of 2009's results.

Bandeira also highlighted the efficiency ratio in the past 12 months. "For the first time in Banrisul's history, the ratio reached the level of 48.5%, which is line with the indicators reported by other large financial institutions in the country, as the result of great management efforts", he pointed out.

The volume of credit operations totaled **R\$16.2 billion** at the end of September 2010, which is **29.6%** more than in September 2009. Payroll loans to individuals, which totaled R\$5.3 billion in September 2010, in a scenario of increase in employment and real wages, were an important mechanism for the profitability of the business and for maintaining the quality of the portfolio. Credit to companies also expanded, growing by 26.2% over September last year and particularly contributing to the credit portfolio expansion during the period.

By the end of September 2010, Banrisul's shareholders' equity was **R\$3.7 billion**, up **13.5%** over September 2009. Total assets reached **R\$32.3 billion** at the end of September 2010, up **13.2%** year over year, with the return on average total assets coming to **2.6%**.

Funds raised and under management totaled **R\$24.1 billion** at the end of September 2010, **15.5%** more than in September 2009.

The default rate in September 2010 corresponded to **3.0%** of the total credit portfolio, a 0.8 percentage point decrease from September 2009. The cover rate, which measures the provision in relation to non performing loans, reached 230%.

Year-to-Date and Quarter-to-Quarter Results (R\$ Million)	9M10	9M09	3Q10	2Q10	1Q10	4Q09	3Q09	9M10 / 9M09	3Q10 / 2Q10	3Q10 / 3Q09
Net Income	511.4	356.8	206.4	183.1	121.9	184.3	146.0	43.3%	12.7%	41.3%
Credit Revenues	2,551.6	2,115.4	933.1	850.4	768.0	761.5	710.9	20.6%	9.7%	31.3%
Administrative Expenses	1,265.4	1,175.8	428.1	414.2	423.1	404.1	410.3	7.6%	3.4%	4.3%
Balance Sheet (R\$ Million)	9M10	9M09	Sep10	Jun10	Mar10	Dec09	Sep09	Sep10 / Sep09	Sep10 / Jun10	Sep10 / Dec09
Loan Portfolio	16,237.1	12,528.5	16,237.1	15,442.0	14,765.7	13,414.2	12,528.5	29.6%	5.1%	21.0%
Total Assets	32,339.3	28,573.2	32,339.3	31,098.8	29,864.6	29,084.1	28,573.2	13.2%	4.0%	11.2%
Shareholders' Equity	3,746.4	3,299.8	3,746.4	3,590.1	3,480.0	3,408.5	3,299.8	13.5%	4.4%	9.9%
Performance Indexes (%)	9M10	9M09	3Q10	2Q10	1Q10	4Q09	3Q09			
ROAA (annual) ⁽¹⁾	2.2%	1.8%	2.6%	2.4%	1.7%	2.6%	2.1%			
ROAE (annual) ⁽²⁾	19.5%	15.2%	24.5%	22.4%	14.9%	23.9%	19.2%			
Efficiency Ratio ⁽³⁾	48.5%	53.5%	48.5%	50.5%	52.2%	52.0%	53.5%			
Non Performing Loans (> 60 days)	3.0%	3.8%	3.0%	3.2%	3.5%	3.4%	3.8%			
Equity (R\$)	Nov10	Nov09	Nov10 / Nov09							
Share Price (BRSR6)	R\$ 19.1	R\$ 11.8	61.9%							

⁽¹⁾ Net Income over average Total Assets

⁽²⁾ Net Income over average Shareholders' Equity

⁽³⁾ Efficiency Ratio: (Personnel Expenses + Other Administrative Expenses) / (Net Financial Margin + Service Fees + Other Operating Income - Other Operating Expenses)

⁽⁴⁾ Share price as of November 04.