



BANRISUL PROFITS R\$ 916.4 MILLION IN 2007

FINANCIAL HIGHLIGHTS OF 2007 AND THE 4Q07

- ☑ Consolidated Net Income in 2007 totaled R\$ 916.4 million, an increase of 153.4% in relation to the R\$ 361.7 million registered in the previous year. Yield in 2007 reached 44.8% on average stockholder's equity. Yield booked in 2007 was 50.8% higher than the 29.7% yield on average stockholders' equity in 2006. The consolidated shareholders' equity reached R\$ 2,792.0 million at the end of 2007, with an increase of 115.6% over the same period of 2006.

Consolidated net income in the 4Q07 was R\$114.6 million, exceeding by 7.0% the R\$ 107.1 million recorded in the same period in 2006, and by 49.6% the R\$ 76.6 million in the 3Q07.

- ☑ Operating Results for 2007 totaled R\$ 625.8 million, an 11.3% increase over the R\$ 562.5 million recorded in 2006. In a scenario of falling basic interest rate, reductions in spreads and strong competition among the players in the retail segment, the results obtained are mainly due to the excellent performance of the credit portfolio and the growth in the volume of securities. Other factors were assetization of tax credits and lower provision for credit losses.

- ☑ Consolidated assets reached R\$ 20,480.3 million at the end of 2007, a 30.9% increase over the R\$ 15,648.5 million recorded in December 2006. The credit portfolio totaled R\$ 8,024.1 million in December 2007 growing at 26.2% over the same period in the previous year and 11.0% over September 2007.

General credit to individuals totaled R\$ 2,713.1 million in December 2007, a 7.2% increase in relation to September 2007 and 24.0% increase in relation to December 2006. General credit to companies totaled R\$ 2,813.7 million by the end of 2007, a 17.8% increase in relation to the 3Q07 and 43.8% increase in comparison to the 4Q06.

Regarding credit operations, the focus on credit risk and return factors is reflected in the policy of intensifying the focus on the individuals segment, which make up 33.8% of the total volume of operations, mainly leveraged by payroll-deducted credit operations which, at the end of 2007 totaled R\$ 1,485.3 million - a 41.7% increase against 2006.

- ☑ Borrowed and Administered Resources totaled, in December 2007, R\$ 17,149.8 million, a nominal increase of 7.6% over the end of the 3Q07 and 19.8% in relation to the amount recorded in December 2006. Deposits reached R\$ 12,366.0 million by the end of 2007, representing a growth of 19.4% year-on-year and 9.4% in comparison with the 3Q07. The good performance of the state economy and the Bank's strong

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4Q07 Conference Call

Date: Thursday,
February 14th,
2008

> English
8:00 am (US-ET)
11:00am (Brasília)
Phone: +1 (973)
935-8893
Replay: +1 (706)
645-9291
Access Code:
33289416

> Portuguese
7:00am (US-ET)
10:00am (Brasília)
Phone: +55 (11)
2188-0188
Access Code:
BANRISUL
Replay: +55 (11)
2188-0188



penetration in the regional market were the key to the increase in funding levels.

- ☑ Returns to Shareholders, in 2007, distributed and/or provisioned in the form of interest on equity and dividend, totaled R\$ 217.6 million.
- ☑ Taxes and Contributions, including public pensions, paid and provisioned in 2007, totaled R\$ 457.2 million, representing 49.9% of the Net Income. In addition, taxes withheld and passed through to the government, directly levied on financial intermediation totaled R\$ 672.0 million.
- ☑ Operating Cost of Banrisul showed a decrease in 2007. The ratio, which was 7.8% in 2006, fell to 6.2% in 2007, reflecting better business performance by the Bank.



FINANCIAL HIGHLIGHTS OF 2007 AND THE 4Q07

- ☑ In 2007, investments in infrastructure, data processing and telecommunications totaled R\$ 132.1 million. The investment policy of the period prioritized the development of tools to improve data and project management systems, centralized monitoring of equipment, applications and processes, as well as improvement of banking security systems.

Next year, important IT initiatives will be implemented – the new accessibility channel via cellular phone and the smartcard and digital certification technologies, projects that reinforce the pioneering spirit of Banrisul in the domestic and international scenarios.

- ☑ Banrisul owns the largest service network in Rio Grande do Sul state with 1,077 service points (1,072 in December 2006), composed of 419 branches, 278 service posts and 380 Banrisul electronic points, further to the 2,450 Banrisul Correspondent Banking points. Clients may also use the telecommunication channels – Agência Virtual (Online Banking) and Banrifone (bank phone) – in addition to the Banricompras network, which comprises about 40,000 business partners in the state and other municipalities in the southern region of Brazil.
- ☑ The Risk Rating Committee of Austin Rating, at a meeting held on June 15, 2007, confirmed the Bank's A rating with stable outlook, considering the Bank's intrinsically good financial strength, a steady and value growth business, and track record of solid financial performance. Though business and industry conditions may change, they will not affect the Bank's business conditions. Risk is very low and has been so since March 2003.





MARKET OUTLOOK

The year 2007 marked the consolidation of Banrisul's long-term strategies. With a well-structured base in Rio Grande do Sul, the Bank expanded its business, throughout of the market where it operates.

With its focus on economies of scale, Banrisul successfully held its IPO, resulting in a capital infusion of R\$ 800 million, which boosted the expansion of its credit portfolio.

The Bank traditionally borrows through deposits: cash, term, savings and funds. It also operates intensively in credit to individuals and companies. In addition to the business portfolio, the Bank operates in development, real estate finance and rural finance. These valuable instruments provide Banrisul with the conditions to go forward in 2008 at levels similar to 2007.

Management's priority is to maintain and increase investments in information technology. This goal reflects the Bank's leadership in the domestic market, having won many awards and receiving international acclaim in the banking technology sector. In this regard, the Bank has been investing in modernizing its service network in order to decentralize services and offer its clients security and convenience.

Based on the very positive performance in 2007, business strategy remains focused on constantly improving the quality of services and increasing credit to individuals and small and medium enterprises. This expansion is based mainly on the Bank's large network of branches in Rio Grande do Sul, and the addition of close to 60,000 new clients (municipal employees). These important factors have enabled the Bank to maintain its growth momentum and look for new markets, including inauguration of retail banking branches in Santa Catarina state.

The wide network of service points and large client base add advantages to an exclusive differential: Banricompras, the largest proprietary credit card brand in Brazil. To leverage business with this strategic product, Banrisul has been conducting campaigns to expand the Banricompras network which, today, has more than 40,000 partner establishments.

Stronger and profitable, with a transparent and able management, Banrisul continues at a steady pace towards leadership in the domestic scenario.

The Management



SIGNIFICANT EVENTS

Among the events that marked 2007, the following are noteworthy:

- ☑ March 2007 – Assetization of Tax Credits. The Bank's management decided to book the deferred tax credits of Income Tax and Social Contribution over temporary differences, impacting the period's results positively by R\$ 508.6 million, based on technical studies which prove Banrisul's capacity to generate enough taxable income in the future.
- ☑ May 2007 – Banrisul filed a request with the Comissão de Valores Mobiliários (the Brazilian Securities Commission) for a public offering of its preferred shares, reaffirming the decision to carry out a primary offer with capital increase, and the sale of secondary shares by the state of Rio Grande do Sul.
- ☑ July 2007 – Public Offering of Shares. The primary and secondary issue of shares envisaged an increase in the Bank's capital, through the issue of registered class B preferred shares (primary offering) and the sale of registered class B preferred shares (secondary offering) by the state of Rio Grande do Sul (controlling shareholder).

The offering raised R\$ 2.087 billion, of which the primary offering raised the Bank's capital by R\$ 800 million and the secondary offering generated R\$ 1.287 billion for the state of Rio Grande do Sul.

- ☑ July 2007 – Joining Level 1 Corporate Governance segment of the Bovespa. On July 31, Banrisul's preferred shares began trading on the São Paulo Stock Exchange (Bovespa), when Banrisul also joined the Level 1 Corporate Governance segment of the Exchange. Assuming Level 1 obligations resulted in the amendment of the Bank's Bylaws, which are now modeled on the rules governing companies listed in the Novo Mercado.
- ☑ September 2007 – Market Maker. On September 18 2007, Banrisul hired Banco UBS Pactual S.A. to act as market maker for its PNB (class B preferred) shares. The market maker is required to trade the shares daily and continually, thus contributing to increase the liquidity and improve the pricing process for the Bank's shares.
- ☑ October 2007 – Acquisition of Credit Card Portfolio. In October 2007, Banrisul acquired 100% of the credit card portfolio managed by Banrisul Serviços Ltda. The incorporation by Banrisul of assets representing amounts receivable from clients on account of billed or unbilled purchases, as well as liabilities relating to amounts payable to affiliated merchants and to Visa and MasterCard, was made at book value. Differences were paid up, since they represented client purchases not yet received by Banrisul Serviços Ltda, although already settled with the respective affiliated merchants.



- ☑ November 2007 – Contract for Acquisition of Payroll of Municipalities. A financial and technical cooperation agreement entered between Banrisul and the Rio Grande do Sul Municipalities' Federation (FAMURS) establishes that Banrisul will provide, on an exclusive basis, financial services, administration of the municipalities' civil servants payroll and payroll-deductible loans. As a result of this partnership with FAMURS, individual agreements were signed with 322 municipalities, covering 120,200 municipal employees at a cost of R\$ 199.2 million, for a five-year period.

- ☑ December 2007 - Banrisul Cellular. On December 18, 2007, Banrisul launched Banrisul Cellular, a system allowing payments via SMS and access to bank account through mobile phones. With the new product, clients may carry out their banking operations directly from their mobile phones with safety, agility and at low cost. Services on offer include payment of bills and tax collection, money transfers among Banrisul accounts, credit card payments, account balance statements and investment statements.



Economic and Financial Indicators

	2007	2006	%	4T07	3T07	%
Results - R\$ millions						
Gross Profit from Financial Operations ⁽¹⁾	1,424.7	1,397.4	2.0	404.6	359.4	12.6
Services Revenue	549.0	554.5	-1.0	144.5	137.9	4.8
Administrative and Other Operational Expenses ⁽²⁾	1,444.0	1,353.9	6.7	372.3	373.1	-0.2
Income from Operations	625.8	562.5	11.3	180.9	164.8	9.8
Consolidated Net Income	916.4	361.7	153.4	114.6	76.6	49.6
Used / Distributed Results - R\$ Millions						
Interest on Own Capital / Dividends	217.6	210.0	3.6	45.4	-	-
Shareholders' Equity - R\$ Million						
Total Asset	20,480.3	15,648.5	30.9	20,480.3	20,114.4	1.8
Total Lendings ⁽³⁾	8,024.1	6,357.0	26.2	8,024.1	7,228.1	11.0
Own Funding, Net and Managed	17,149.9	14,316.4	19.8	17,149.9	15,942.2	7.6
Consolidated Shareholders' Equity	2,792.0	1,295.1	115.6	2,792.0	2,722.6	2.5
Equity Index	2,684.2	1,294.4	107.4	2,684.2	2,616.6	2.6
Average shareholders' Equity	2,043.5	1,219.1	67.6	2,757.3	2,707.6	1.8
Average Total Assets	18,064.4	14,869.0	21.5	20,342.5	19,850.9	2.5
Financial Index (%) per year						
Return on Total Assets	4.5%	2.3%		2.3%	1.5%	
Efficiency Ratio ⁽⁴⁾	56.2%	55.4%		56.2%	56.3%	
Basel Ratio	26.0%	20.2%		26.0%	28.2%	
Fixed Assets Ratio ⁽⁵⁾	6.3%	13.5%		6.3%	8.7%	
ROAE Annualized ⁽⁶⁾	44.8%	29.7%		17.7%	11.3%	
ROAA Annualized ⁽⁷⁾	5.1%	2.4%		2.3%	1.5%	

⁽¹⁾ Including expenses with taxes over invested deposits.

⁽²⁾ Including Personal Expenses, Other Administrative Expenses and Other Operational Expenses

⁽³⁾ Including Total Credit Portfolio

⁽⁴⁾ Efficiency Ratio = Personnel Expenses + Other Administrative Expenses / Net Financial Margin + Services Providing' Income + Subsidiaries Profit Sharing + (Other Operational Income - Other Operational Expenses).

Efficiency Ratio: 12-month period accumulation

⁽⁵⁾ Fixed over Shareholders' Equity (Annualized index)

⁽⁶⁾ Net Income / Average Shareholders' Equity

⁽⁷⁾ = Net Income / Average Total Assets

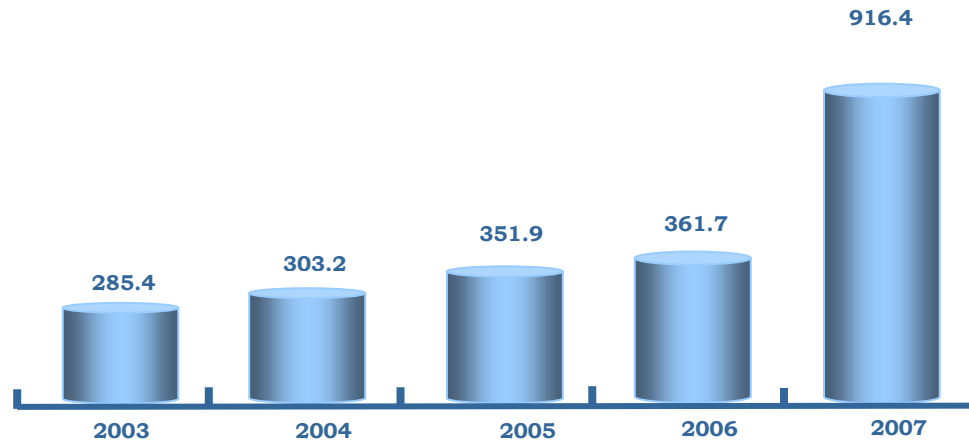


CONSOLIDATED RESULTS OF 2007 AND THE 4Q07

The consolidated result in 2007 totaled R\$ 916.4 million, an increase of 153.4% in relation to the previous year and 44.8% yield on average stockholders' equity.

The **Consolidated Net Income** comes mainly from the income from the expansion of the credit and securities portfolios. Other factors were assetization of tax credits in the amount of R\$ 508.6 million, reduction in funding costs due to the lower basic interest rate and lower need to provide for credit losses thanks to the improvement in the quality of the portfolio.

Net Income – History (R\$ million)



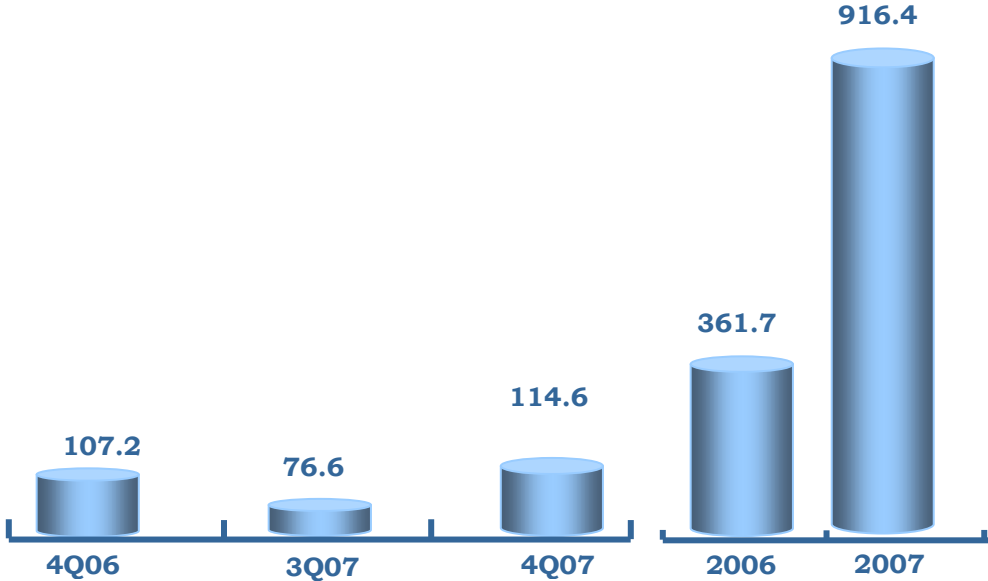
Gross revenue from financial intermediation rose from R\$ 1,397.4 million in 2006 to R\$ 1,424.7 million in 2007, representing growth of 2.0%. The expansion of the credit and securities portfolios offset the 21.4% fall in the Selic rate by and the lower spreads on credit operations during the period.

Consolidated net income in the 4Q07 reached R\$ 114.6 million, exceeding by 7.0% the R\$ 107.1 million recorded in the same period of 2006 and by R\$ 38.0 million, the result recorded in the 3Q07.

The 4Q07 performance is the result of the gains from expansion of the credit portfolio on account of the widely distributed funding sources and the reduced need for provisions relating to credit losses.

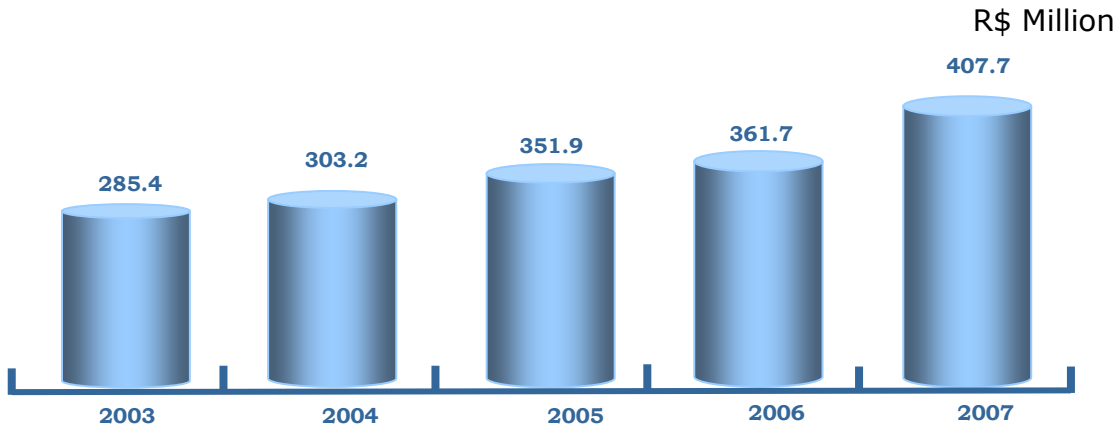
It is important to note that, for comparison purposes, the results of the 3Q07 were affected by the collective bargaining agreement and full payment of profit sharing, in addition to other benefits, on accrued profits till September 2007.

Net Income – Quarterly and Annual Figures(R\$ million)



PRO FORMA RESULT ADJUSTED FOR THE NON-RECURRING EVENT

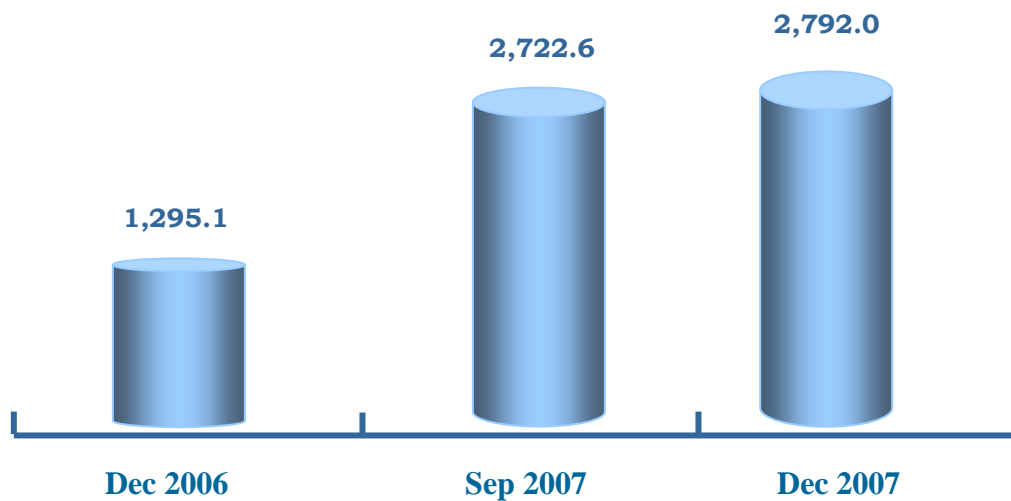
Excluding the effect of the nonrecurring event in March 2007 relating to the booking of tax credits of Income Tax and Social Contribution on Net Income in the amount of R\$ 508.6 million, adjusted result in 2007 would be R\$ 407.7 million, which is 12.7% higher than in 2006.



STOCKHOLDERS' EQUITY

Stockholders' equity totaled R\$ 2,792.0 million at the end of 2007, a 115.6% growth over the R\$ 1,295.1 million at the end of 2006 and 2.5% increase over the R\$ 2,722.6 million recorded in the third quarter of 2007.

Stockholders' Equity (R\$ million)

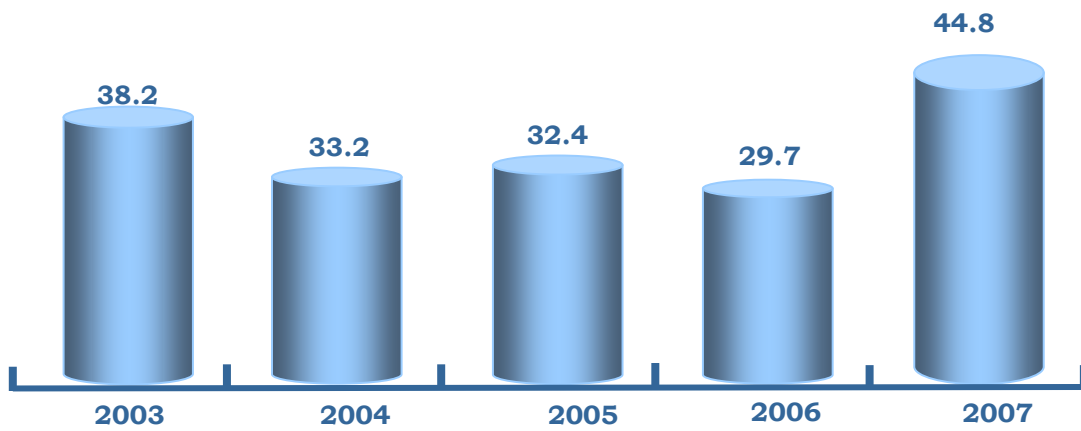


The evolution in stockholders' equity is a result of the capital increase in the amount of R\$ 800.0 million, through a primary share issue and the incorporation of the results generated in the period.

Return on Average Stockholder' Equity reached 44.8% in 2007, significantly higher than the 29.7% recorded in 2006. The percentage of stockholders' equity to Total Assets rose from 8.3% in 2006 to 13.6% by the end of 2007.

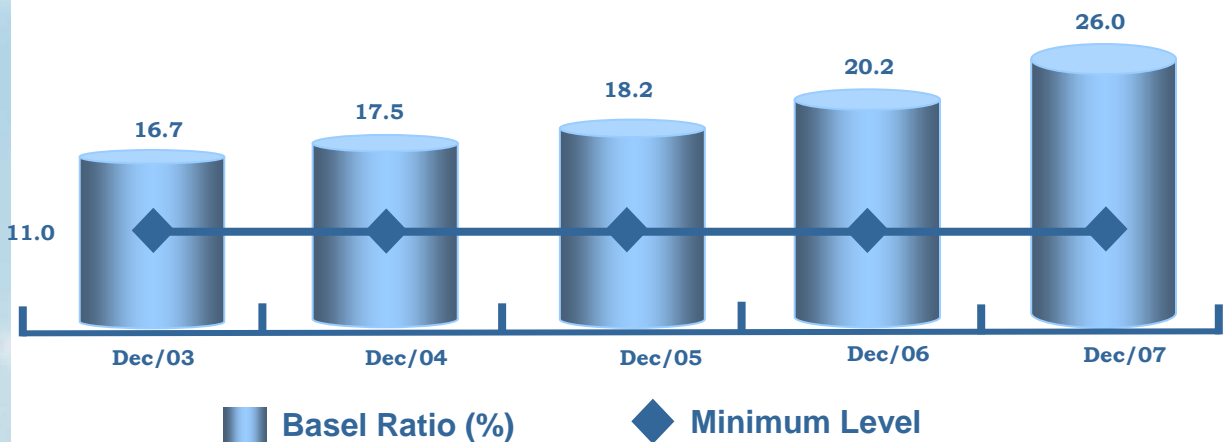


Return on Stockholders' Equity (%)



The rise in the Basel Ratio, from 20.2% in 2006 to 26.0% in 2007, reaffirms the Bank's financial strength. The capital raised through the public offering of shares was a key element in augmenting the asset base and expanding the credit portfolio projected for the coming years.

Basel Ratio Evolution (%)



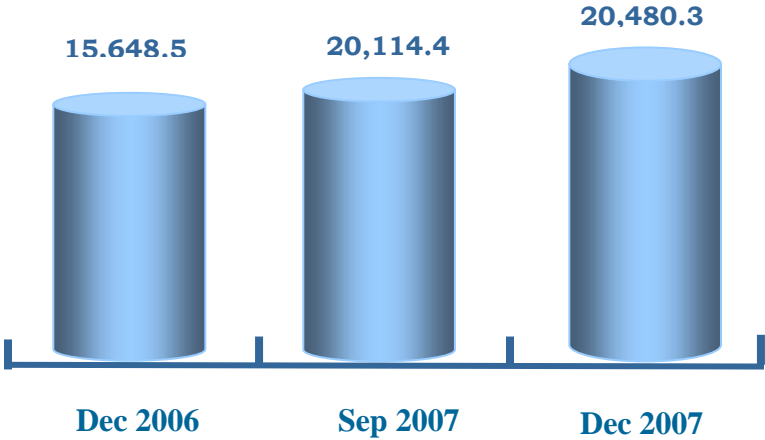
ASSETS

Banrisul registered R\$ 20,480.3 million in **total assets** in December 2007, which represents a 30.9% rise over the R\$ 15,648.5 million registered in December 2006 and 1.8% over the R\$ 20,114.4 million at the end of September 2007.

The increase in total assets in 2007 is mainly due to the increase of R\$ 1,667.1 million increase in the credit portfolio, notably in the companies segment, which increased R\$ 856.5 million, as well as the growth in treasury operations, especially securities with greater liquidity, like federal government bonds.

Funds for leveraging assets mainly came from (i) the R\$ 800.0 million from the primary share offering; (ii) increased borrowing in the open market through matched transactions, in the amount of R\$ 474.9 million; and (iii) the 19.4% growth in deposit borrowings, totaling R\$ 2,013.1 million.

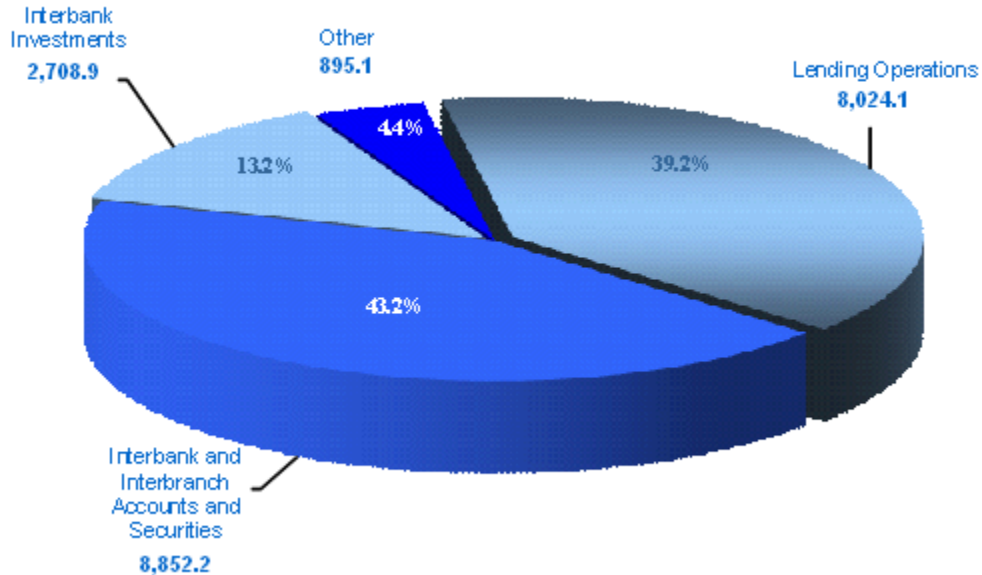
Total Assets (R\$ million)



By the end of 2007, 39.2% of the total assets consisted of credit operations, 43.2% in liquid inter-bank transactions and securities, and 13.2% in inter-bank and inter-branch accounts.

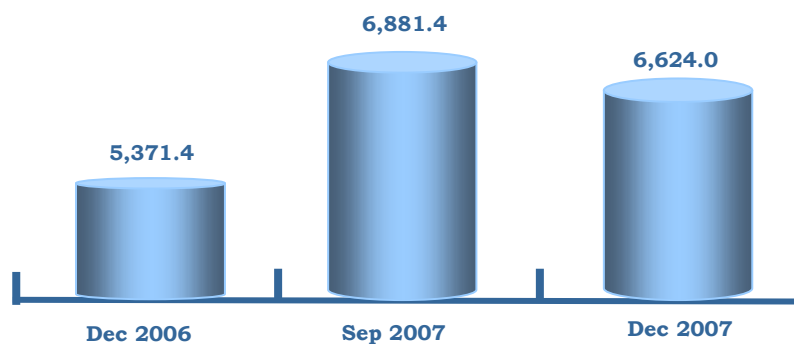


Composition of Assets (R\$ million)



Investments in Securities totaled R\$ 6,624.0 million in December 2007, which was 23.3% higher than in December 2006. This amount includes Liquid Inter-bank Transactions but excludes the total liabilities from matched transactions in the amount of R\$2,228.2 million. The payment of capital in the amount of R\$ 800 million consequent to the primary share offering held in July 2007 positively impacted the securities portfolio.

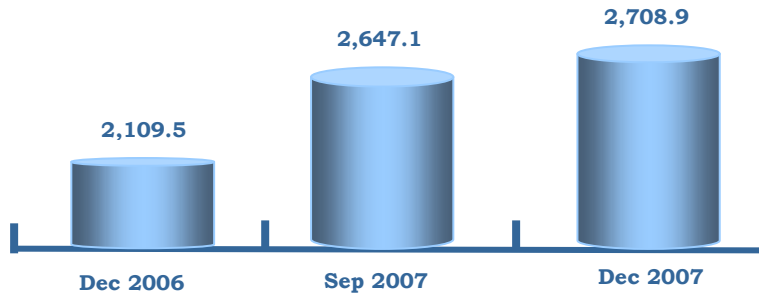
Securities and Liquid Inter-Bank Transactions * (R\$ million)



* Excluding matched transactions.

Inter-bank and Inter-branch Transactions totaled R\$ 2,708.9 million, a 28.5% growth in twelve months, due mainly to the growth in the compulsory deposits placed at the Brazilian Central Bank.

Inter-Bank and Inter-Branch Transactions (R\$ million)

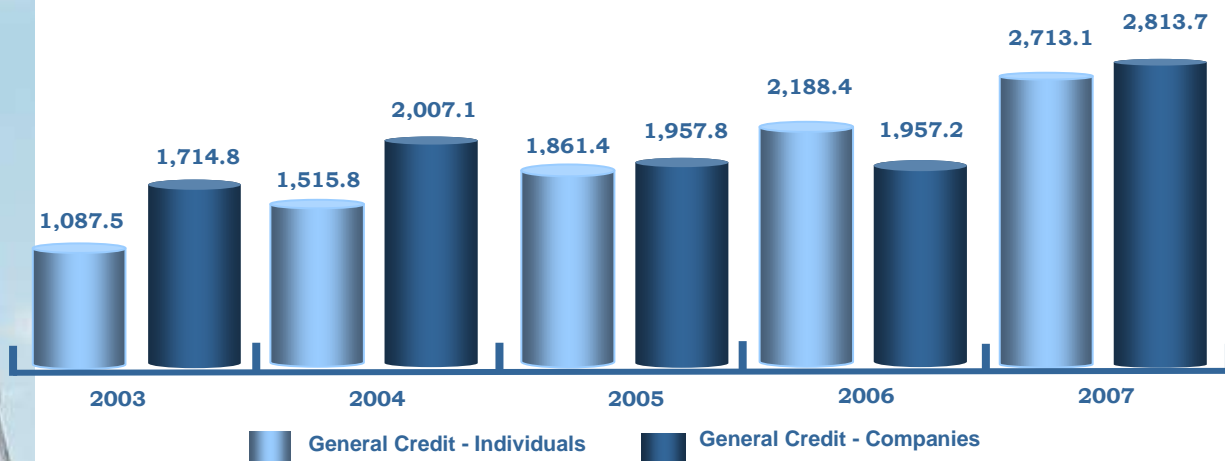


Credit operations registered R\$ 8,024.1 million by the end of 2007, representing a 26.2% growth over the R\$ 6,357.0 million reached in December 2006 and 11.0% over September 2007.

It must be noted that, consequent to the strategy of credit expansion to low risk lines in recent years, the share of the individuals segment in the Bank's commercial portfolio now accounts for 68.9% of total credit.

Also worth mention is that the use of funds raised through the IPO held in mid-2007 will be intensified in 2008, further increasing the share of such operations within total assets.

General Credit Operations – Individuals and Companies (R\$ million)



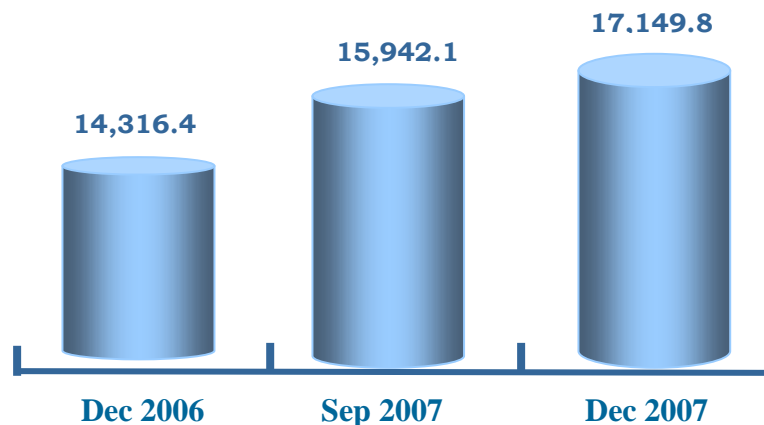
FUNDS RAISED AND ADMINISTERED

Banrisul's total funding through deposits and third party funds administered was R\$ 17,149.8 million in December 2007, growth of 19.8% in the past twelve months and 7.6% against the 3Q07.

As for the funding structure, the Bank's strategy prioritizes deposits raised through its branch network. The capillarity of the service points and the widely distributed client base provide a steady inflow of capital, especially term deposits with low average tickets and at fixed and floating reference rates.

The expansion in funding was also favored by the recovery in the state economy, which is expected to grow at a higher rate than the national economy.

Funding (R\$ million)



Borrowings via term deposits, the main funding instrument for general credit operations, registered R\$ 5,881.1 million in December 2007, growing 15.1% over the same month of the previous year and 0.9% over September 2007.

Banrisul ended 2007 with 2.6 million savings accounts and R\$ 4,633.8 million in portfolio, a 21.3% growth in relation to December 2006 and 12.0% growth when compared to the balance of September 2007.

At the end of 2007, the total volume of funds borrowed by Banrisul via cash deposits was R\$ 1,827.7 million, 37.3% higher than at the end of 2006 and 44.0% higher than in September 2007.

Third party funds administered by Banrisul reached R\$ 4,783.9 million in December 2007, growing 20.7% versus December 2006 and 3.2% over the R\$ 4,633.6 million registered at the end of September 2007.



In 2007, Banrisul launched five new investment funds linked to interest rate and price indexes, aimed at a wider range of investor and income profiles, thus complementing its borrowing strategy.

Funding in the Quarter (R\$ million)

RS Millions	4Q06	3Q07	4Q07	4Q07/3Q07	4Q07/4Q06
Term Deposits	5,108.4	5,827.5	5,881.1	0.9%	15.1%
Demand Deposits	1,331.1	1,268.8	1,827.7	44.0%	37.3%
Savings Deposits	3,820.2	4,138.4	4,633.8	12.0%	21.3%
Other Deposits	93.2	73.8	23.3	-68.4%	-75.0%
Third-Party Resources	3,963.5	4,633.6	4,783.9	3.2%	20.7%
Total	14,316.4	15,942.1	17,149.8	7.6%	19.8%



EXPENSES WITH FUNDING AND DEPOSITS

Funding expenses in 2007 totaled R\$ 1,089.3 million, a 3.7 % reduction year-on-year.

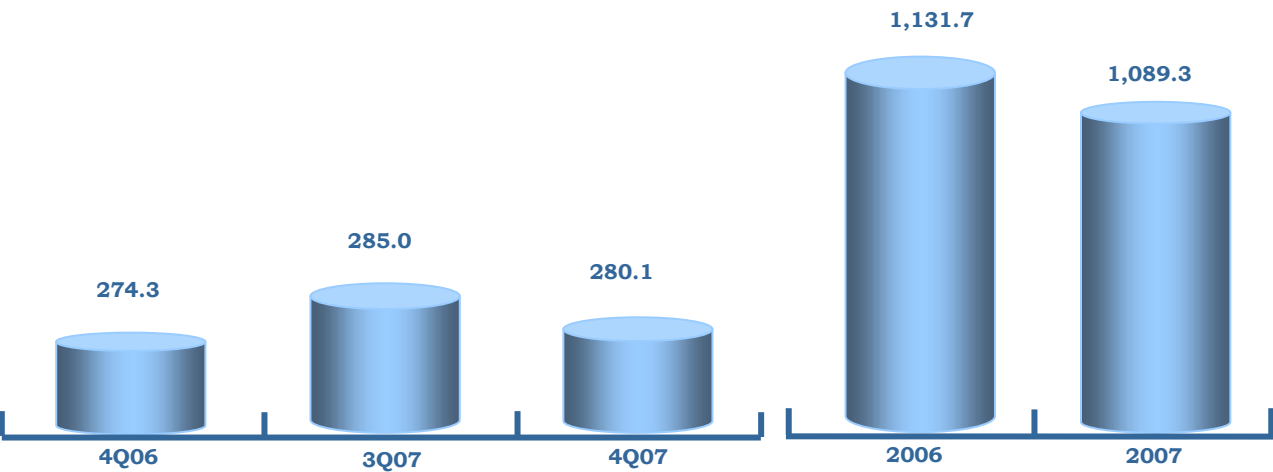
The decrease in funding expenses is due to the 21.4% drop in the Selic interest rate in the period and the policy of wide distribution of deposits, which grew 19.4% in the past twelve months.

In the 4Q07, funding expenses fell by 1.7% in relation to the 3Q07 and increased by 2.1% against the 4Q06.

The higher volume of funding in the 4Q07 vis-à-vis the 4Q06 minimized the impact of the lower Selic rate, thereby resulting in a higher volume of accrued expenses than in the last quarter of the previous year.

The comparison of the 4Q07 against the previous quarter shows the effect of the 0.25 pp drop in the Selic rate in September, which is a key element, considering the amount of term deposits contracted at floating rates, which consist, on average, of 69% of this funding instrument.

Expenses with Funding and Deposits (R\$ million)



CREDIT OPERATIONS

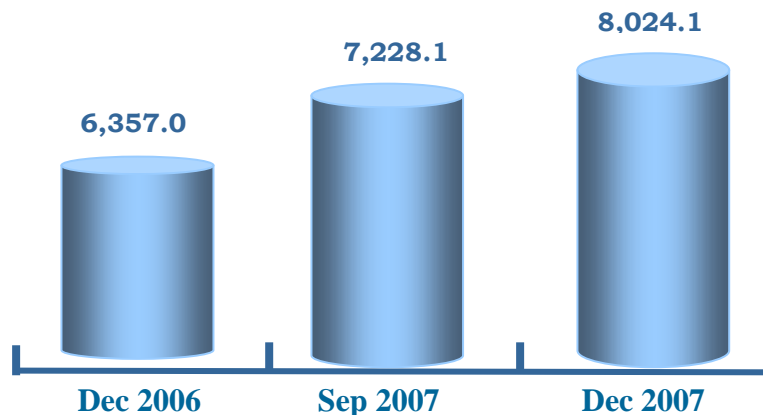
Banrisul's credit portfolio reached R\$ 8,024.1 million at the end of 2007, representing a 26.2% growth in relation to December 2006 and 11.0% in relation to September 2007.

Economic stability and lower interest rates and spreads fueled the expansion of domestic credit operations. These factors were beneficial to the Bank, which is a regional player, as the state economy grew at higher rate than the national economy.

The growth in the credit portfolio is in line with the performance of the financial industry players but in the companies segment, the Bank outperformed the market average.

Of the total general credit, R\$ 2,713.1 million are allocated to the individuals segment, representing a 24.0% increase over December 2006 and 7.2% over September 2007. An amount of R\$ 2,813.7 million was allocated towards general credit to companies, which grew 43.8% in twelve months and 17.8% in relation to September 2007.

Credit Portfolio (R\$ million)



Portfolio Composition per Activity Sector (R\$ million)

	Dec 2006	Sep 2007	Dec 2007	Dec/Sep 07	Dec06/Dec07
Public Sector - Municipality					
Government – Direct and Indirect Adm	189.1	185.9	174.4	5.1%	3.1%
Corporate – Other Services	0.2	25.7	24.8	-3.5%	-
Total Public Sector	189.3	191.6	199.2	4.0%	17.6%
Private Sector					
Rural	579.1	564.5	614.9	8.3%	6.2%
Industrial	1,256.3	1,460.0	1,778.1	21.8%	41.6%
Commercial	686.9	931.6	1,107.2	18.9%	61.2%
Financial	0.1	0.0	0.0	0.0%	-
Services and Others	680.2	767.5	801.6	4.4%	17.9%
Individuals	2,188.4	2,530.6	2,713.1	7.2%	24.0%
Housing	796.7	782.3	810.0	3.5%	1.7%
Total Private Sector	6,187.7	7,036.5	7,824.9	11.2%	26.5%
Total	6,357.0	7,228.1	8,024.1	11.0%	26.2%



GENERAL CREDIT - INDIVIDUALS

In December 2007, General Credit to individuals totaled R\$ 2,713.1 million, growing and 24.0% year-on-year and 7.2% over September 2007. This volume represents 33.8% of the Bank's total credit operations. The portfolio remains focused on personal credit and, especially, payroll-deducted credit, products with higher yield and lower risk.

The table below shows the balances of the main items in the Credit to Individuals portfolio:

General Credit to Individuals - by Lines (R\$ million)

	4Q06	3Q07	4Q07	4Q07/3Q07	4Q07/4Q06
GDG Vehicle	26.9	105.2	135.2	28.5%	403.1%
Payroll Deduction Loans	1,048.0	1,369.0	1,485.3	8.5%	41.7%
Overdraft Financing	214.5	273.3	258.8	-5.3%	20.7%
Other Loans to Individuals	899.0	783.1	833.8	6.5%	-7.3%
Total Loans to Individuals	2,188.4	2,530.6	2,713.1	7.2%	24.0%

In 2007, the credit growth strategy favored consumer financing.

During 2007, Banrisul, in line with the domestic market trend of expanding vehicle sales, introduced the product '*CDC Veículo Consignado*', a payroll-deducted loan for civil servants, which was later extended to private companies. Among the lines of credit available to individuals, this was the best performing product, totaling R\$ 135.2 million, an increase of R\$ 108.3 million (or 403.1%) in twelve months. In the comparison with September 2007, the increase was 28.5%.

Payroll-deducted credit, especially to state government employees, a segment exclusive to the Bank, was another highlight in 2007. The aggressive penetration policy resulted in this line being extended to municipal employees and private companies. The allocated volume in this segment totaled R\$ 1,485.3 million in December 2007, a 41.7% increase in relation to December 2006 and 8.5% in the last quarter.

Overdrafts ended 2007 at R\$ 258.8 million, a 20.7% growth in relation to December 2006. This line of credit showed a reduction of 5.3% in the comparison against September 2007 due to the seasonal rise in income levels at the end of the year.

The table below shows the breakdown of credit in the period for the payroll-deducted segment:

Payroll-deducted Credit to Individuals (R\$ million)

	4Q06	3Q07*	4Q07	4Q07/3Q07	4Q07/4Q06
Personal Loans – Public Sector	247.8	498.3	627.9	26.0%	153.4%
Personal Loans – Private Sector	21.8	33.3	36.2	8.7%	66.0%
CDC Vehicle – Public Sector	3.4	41.2	29.5	-28.2%	758.0%
CDC Vehicle – Private Sector			0.5		
Total	273.0	572.8	694.1	21.2%	154.2%

*Reclassified.



GENERAL CREDIT - COMPANIES

At the end of 2007, General Credit to companies registered a balance of R\$ 2,813.7 million, growing 43.8% over December 2006 and 17.8% over September 2007.

Working capital operations, which make up 74.7% of total revenue from General Credit to Companies, totaled R\$ 2,102.7 million in December 2007, growing 82.1% over December 2006 and 25.9% over September 2007.

Notable among other lines of credit was Loans and Discounted Receivables, which ended 2007 at R\$ 199.2 million, a 64.8% growth over December 2006 and 4.1% over September 2007.

General Credit to Companies - by Lines (R\$ million)

	4Q06	3Q07	4Q07	4Q07/3Q07	4Q07/4Q06
Loans and Discounted Receivables	120.9	191.4	199.2	4.1%	64.8%
Operating Capital	1,154.8	1,669.6	2,102.7	25.9%	82.1%
Vendor Financing	158.8	164.6	176.4	7.2%	11.1%
Overdraft Protected Accounts	381.4	259.5	223.0	-14.1%	-41.5%
Other	141.3	102.9	112.4	9.2%	-20.5%
Total Corporate Lending	1,957.2	2,388.0	2,813.7	17.8%	43.8%



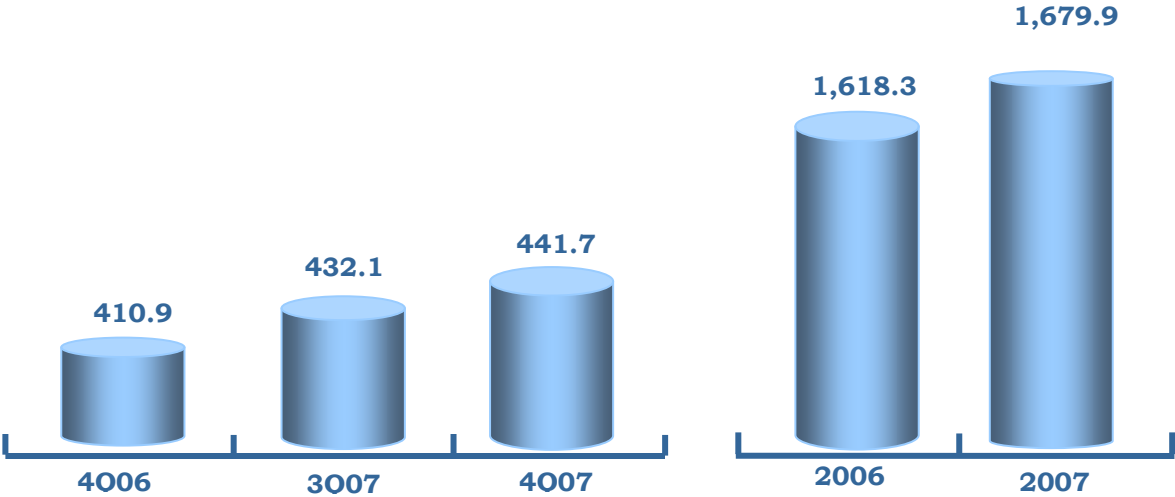
REVENUES FROM CREDIT OPERATIONS

In the year, revenues from credit operations totaled R\$ 1,679.9 million, 3.8% above the volume registered in 2006. In the 4Q07, revenues from credit operations totaled R\$ 441.7 million, 2.2% more than in the third quarter of 2007 and 7.5% more than in the 4Q06.

Revenues from General Credit, composed of loans to individuals and companies, totaled R\$ 1,442.3 million in 2007, making up 85.9% of total credit revenues booked in the period.

In the 4Q07, General Credit provided revenues of R\$ 376.9 million, or 85.3% of the total credit revenues in the period. Notable was the individuals segment, which reached 55.0% of total revenues, followed by the companies segment, which accounted for 30.3% of the total.

Revenues from Credit Operations (R\$ million)



Thus, General Credit operations, which constitute 68.9% of total credit, are the main source of revenue for the Bank.



Revenue from General Credit grew 8.4% during the year. The 24.0% growth in the Individuals portfolio was the principal factor behind higher revenues despite the reduction in prices. Notable among the lines in this portfolio are Payroll-deducted loans and Overdrafts.

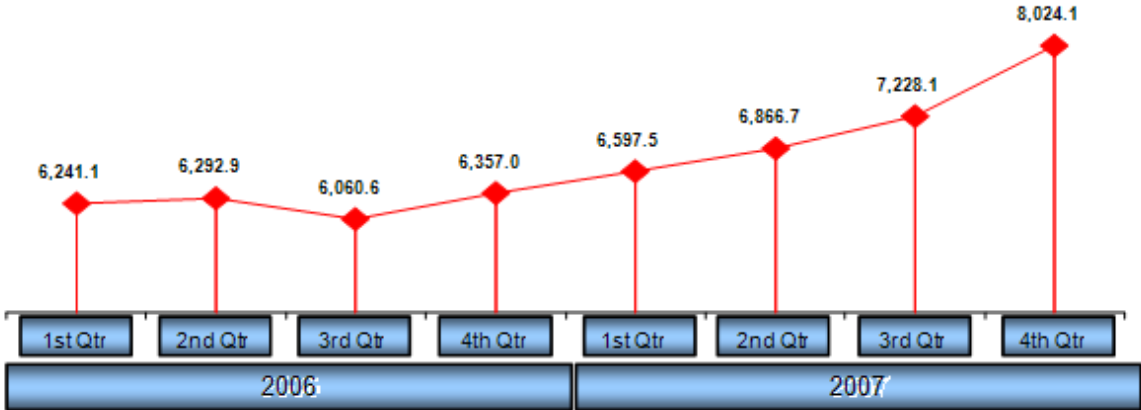
In the 4Q07, revenue from General Credit operations grew 1.1% over the earlier quarter. The significant growth of 17.8% against the 3Q07, seen in the Companies segment, was the best performance.

Credit Volume and Revenues (R\$ million)

Quarterly Income



Credit Operations Balance



Recoveries stemming from credit operations previously written off as losses were recognized as revenues from credit operations and reached R\$ 54.9 million in 2007 (against R\$ 59.6 million in 2006), net of losses or gains generated in these recoveries.



REVENUE FROM GENERAL CREDIT OPERATIONS - INDIVIDUALS

In 2007, revenue from General Credit to Individuals reached R\$943.3 million, 14.2% above the amount in 2006. The determining factor was the 24.0% increase in the volume of operations in the past twelve months despite the reductions in the rates during in the period.

In the 4Q07, revenue from General Credit to Individuals reached R\$ 242.9 million, representing a 16.2% growth over the 4Q06 revenue of R\$ 209.7 million. In comparison with the 3Q07, whose accrued revenue was R\$ 244.6 million, it was slightly lower by 0.7%.

Payroll-deducted Credit was the biggest contributor to revenues, reaching R\$ 353.3 million in 2007, 31.9% more than the amount in 2006. The revenue of R\$ 100.5 million in the 4Q07 is 4.2% higher than in the 3Q07 and 42.4% more than the revenues in the 4Q06.

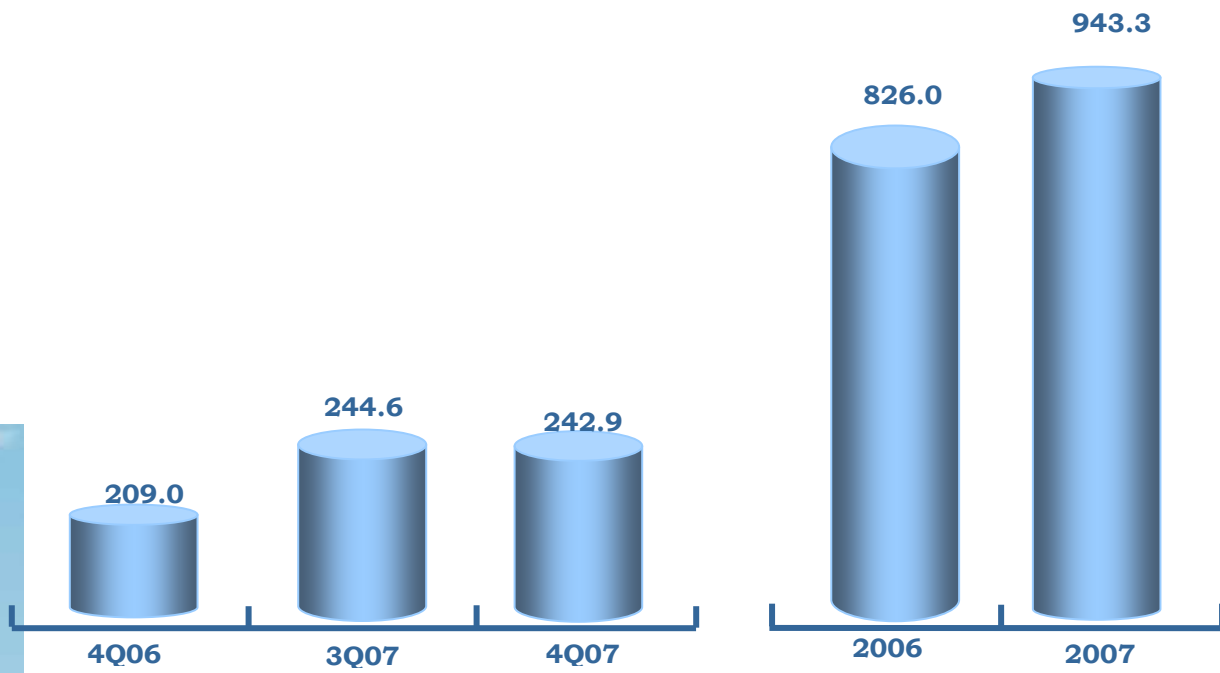
Revenue obtained from Overdraft reached R\$ 276.2 million, representing 29.3% of the revenue from credit to individuals. It fell 3.6% in comparison with the 3Q07, when revenue was R\$ 71.6 million. In relation to the 4Q06, growth was 3.6%, the amount being R\$ 66.6 million.

In the CDC Vehicles product, the revenue of R\$ 6.4 million registered in the 4Q07 exceeded the amount of R\$ 4.4 million in the 3Q07 by 45.2% and the R\$ 2.3 million registered in the 4Q06 by 176.6%.

Revenues from General Credit Operations - Individuals (R\$ million)

	4Q06	3Q07	4Q07	4Q07/3Q07	4Q07/4Q06	2006	2007	Δ%
General Credit Income	324.5	372.8	376.9	1.1%	16.2%	1,330.2	1,442.3	8.4%
General Credit Revenue-Individuals	209.0	244.6	242.9	-0.7%	16.2%	826.0	943.3	14.2%
Overdraft Financing	66.6	71.6	69.0	-3.6%	3.6%	265.9	276.2	3.9%
Payroll Deduction Loans	70.6	96.4	100.5	4.2%	42.4%	267.8	353.3	31.9%
CDC Vehicle	2.3	4.4	6.4	45.2%	176.6%	8.1	14.9	84.0%
Other Loans to Individuals	69.5	72.2	67.0	-7.2%	-3.6%	284.2	298.9	5.2%

Revenues from General Credit – Individuals (R\$ million)



REVENUES FROM GENERAL CREDIT OPERATIONS - COMPANIES

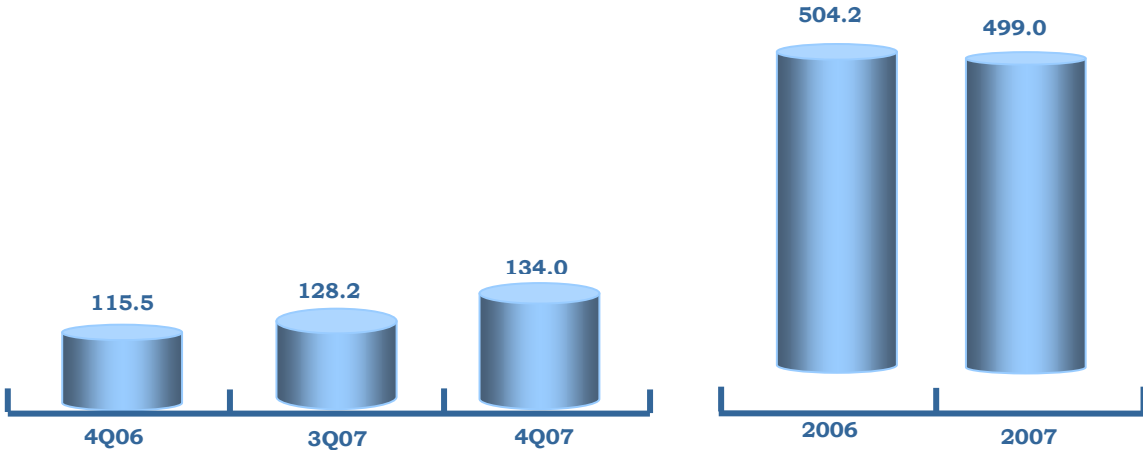
In 2007, revenues from General Credit to Companies reached R\$ 499.0 million. In 2006, revenues from the segment totaled R\$ 504.2 million. In the backdrop of the 43.8% growth in the portfolio in the past twelve months and the reduction in the prices in these credit lines, the increase in loans produced revenues equivalent to the previous year's revenues, just being 1% lower.

In the 4Q07, revenues from General Credit to Companies reached R\$ 134.0 million, 16.0% higher than the volume in the 3Q07 and 4.5% more than in the 2Q07.

Revenue from General Credit – Companies (R\$ million)

	4Q06	3Q07	4Q07	4Q07/3Q07	4Q07/4Q06	2006	2007	%
General Credit Income	324,5	372,8	376,9	1,1%	16,2%	1.330,2	1.442,3	8,4%
General Credit Revenue- Companies	115,5	128,2	134,0	4,5%	16,0%	504,2	499,0	-1,0%
Loans and Discounted Receivables	8,1	11,0	12,3	12,1%	51,7%	34,8	40,7	16,9%
Operating Capital	58,3	71,6	78,6	9,7%	34,9%	254,5	275,2	8,5%
Vendor Financing	5,4	4,4	5,3	19,9%	-1,4%	21,7	19,1	-11,9%
Overdraft Protected Accounts	37,5	35,8	33,4	-9,3%	-10,9%	164,8	144,4	-12,4%
Other	6,3	4,4	4,4	1,1%	-29,8%	28,4	18,5	-34,8%

Revenue from General Credit – Companies (R\$ million)

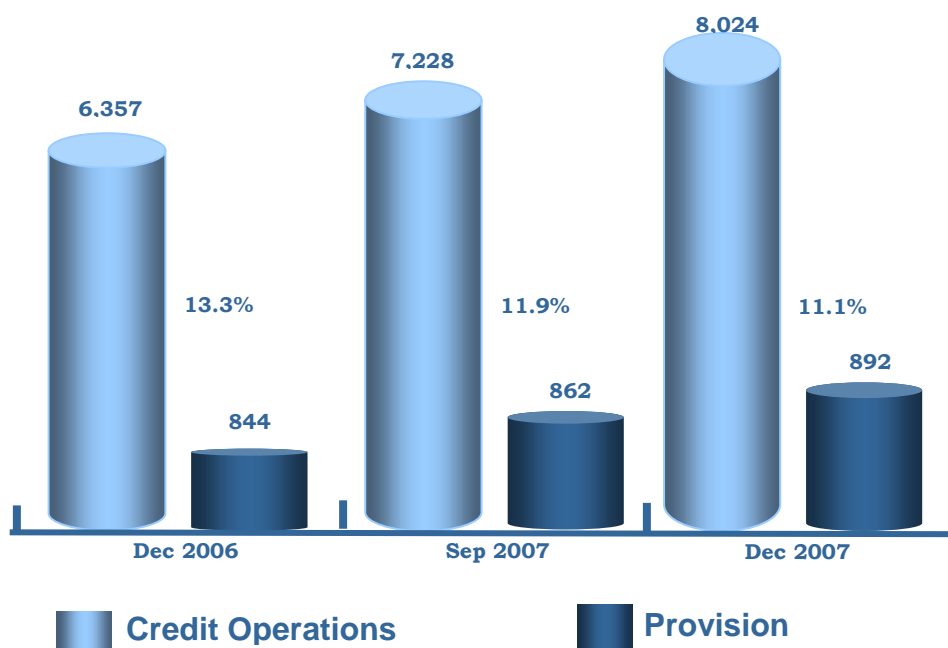


CREDIT OPERATIONS AND BALANCE OF PROVISION

At the end of December 2007, the balance of provisions for losses in credit operations totaled R\$ 892.0 million, equivalent to 11.1% of the total consolidated credit portfolio.

In September 2007, the provision was equivalent to 11.9% and in December 2006, 13.3%. The reduction in the provision balance in relation to the credit portfolio reflects the continuous improvement in the quality of the portfolio.

Credit Operations and Provision (R\$ millions)



Provision for credit losses in December 2007 was composed of:

- R\$ 246.8 million for operations with installments overdue for more than 60 days, as per Resolution 2682/99 of the Brazilian Central Bank.
- R\$ 554.8 million for contracts falling due or are overdue for up to 60 days, as per Resolution 2682/99 of the Central Bank.
- R\$ 90.4 million based on percentage above that is legally required to complement the amount equivalent to 100% of the existing balance of loans overdue for more than 60 days, including long term operations with installments overdue for more than 60 days and renegotiated loans, even if they have not fallen due.

The amount of R\$ 90.4 million for provisions above the minimum provisions required by Resolution 2682/99 of the Central Bank, represents 10.1% of the total provision balance.

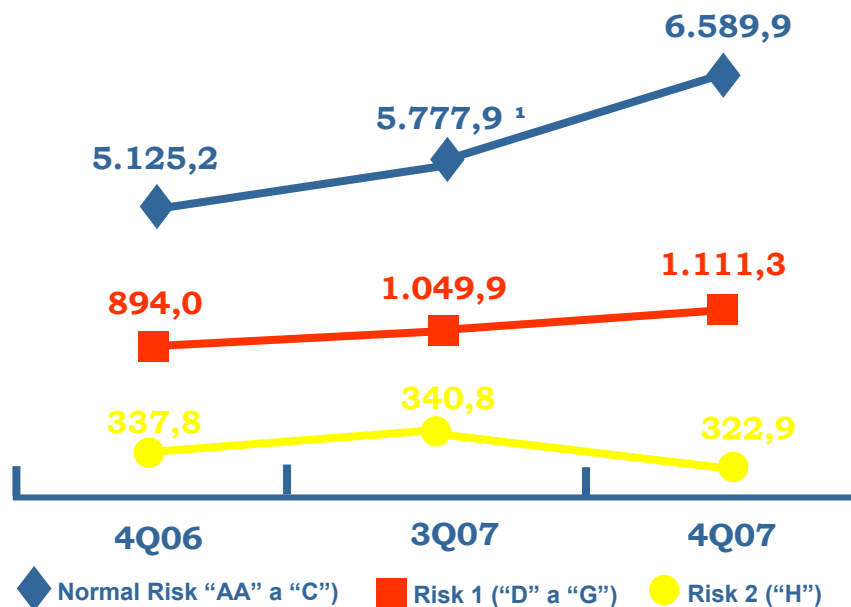
BALANCE OF PROVISIONS FOR CREDIT LOSSES (R\$ MILLIONS)

Rating	Required Provision %	Total Portfolio Consolidated	Accumulated Relative Status %	Total Credits Past Due	Total Credits Receivable	Minimum Provision	Minimum Receivable Provision	Resolution 2682' Exceeded Provision	R\$ millions	
									Total Provision	Effective Provision Over Portfolio (%)
AA	-	1,266.6	15.8	-	1,266.6	-	-	-	-	-
A	0.5	2,947.5	52.5	0.2	2,947.3	-	14.7	1.1	15.8	0.5
B	1.0	1,491.7	71.1	1.1	1,490.6	-	14.9	6.7	21.6	1.4
C	3.0	884.1	82.1	2.2	881.9	0.1	26.5	11.3	37.9	4.3
D	10.0	245.8	85.2	11.3	234.5	1.1	23.5	14.2	38.8	15.8
E	30.0	236.4	88.1	13.6	222.8	4.1	66.8	11.7	82.6	35.0
F	50.0	566.6	95.2	44.6	522.0	22.3	261.0	36.6	319.9	56.5
G	70.0	62.5	96.0	26.2	36.3	18.3	25.4	8.8	52.5	84.0
H	100.0	322.9	100.0	200.9	122.0	200.9	122.0	-	322.9	100.0
TOTAL		8,024.1		300.1	7,724.0	246.8	554.8	90.4	892.0	
									% Portfolio	11.1%

Banrisul's credit management policy, focused on the expansion of products with lower risk, especially payroll-deducted credit to individuals and wider distribution of credit to small and medium enterprises, enabled continuous improvement in the quality of the portfolio.

In December 2007, normal-risk credit operations rated between AA and C according to Resolution 2682/99 of the Brazilian Central Bank, represented 82.1% of the credit portfolio, versus 80.6% in September 2007 and December 2006.

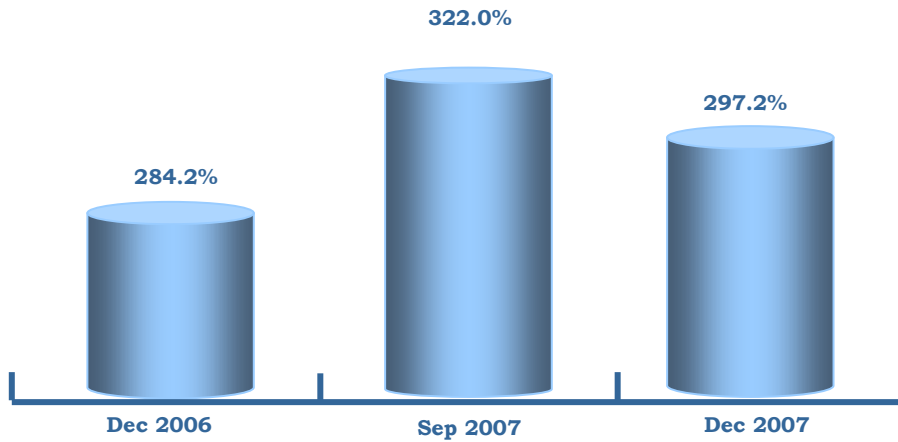
Composition of Portfolio by Rating (R\$ million)



(1) Not including R\$ 59.5 million relating to credit-like operations from the non-financial subsidiary, Banrisul Serviços Ltda, an entity that is not subject to risk classification. If included, it would have resulted in the amount of R\$7,228.1 million.

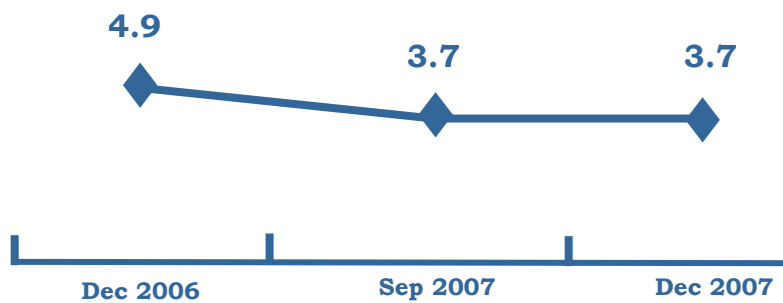
Credit operations overdue for more than 60 days and that do not generate revenue totaled R\$ 300.1 million in December 2007, representing 3.7% of the total credit portfolio. The following graph presents the coverage index, represented by the percentage between the provision for credit losses and the balance of operations overdue for more than 60 days that did not generate revenue. This is evidence of the improvement in the quality of the credit portfolio versus defaults and the continuous growth in the capacity to cover these defaults with provisions.

Coverage Index (%)



Banrisul's risk management policy of focusing on leveraging lower risk portfolios has proven successful, given the significant reduction in defaults in operations overdue for more than 60 days, in comparison with the total credit portfolio, as shown in the graph below.

Default Rate (%)



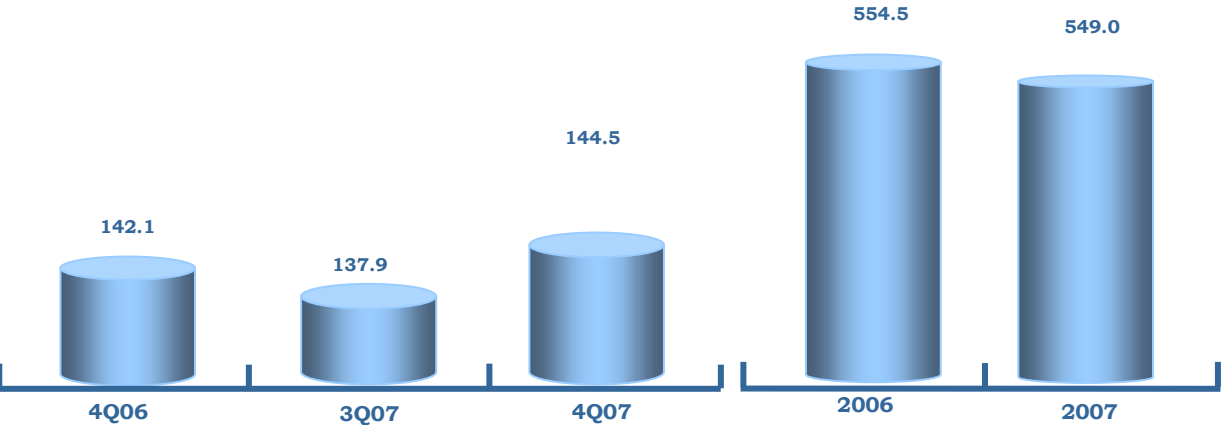
REVENUES FROM SERVICES

In 2007, revenues from services rendered totaled R\$ 549.0 million, 1.0% lower than the amount of R\$ 554.5 million in 2006.

This reduction in revenue from services in comparison with 2006 is due to the lower revenue from administering funds on account of the discontinuance of the Fundo Automatico in December 2006, and to the signing of agreement 1959/2007 for providing services to the state of Rio Grande do Sul, and maintenance of the state employees' payroll at Banrisul, by which bank service fees for operations between the parties were canceled.

Revenue from services in the 4Q07 totaled R\$ 144.5 million, 4.8% higher than the R\$ 137.9 million in the 3Q07 and 1.7% more than the R\$ 142.1 million registered in the 4Q06. This growth is due to the realignment of the rates for services provided by the Bank in October 2007.

Revenue from Services (R\$ million)





PERSONNEL AND OTHER ADMINISTRATIVE EXPENSES

Administrative expenses totaled R\$ 1,267.3 million in 2007, 3.5% more than the R\$ 1,224.2 million in 2006. This increase is mainly due to the wage increase which, according to the collective bargaining agreement in September, was 6.0% against 3.5% in 2006, resulting in a higher volume of expenses.

Salary expenses totaled R\$ 739.7 million, 5.7% more than the amount of R\$ 700.0 million registered in 2006.

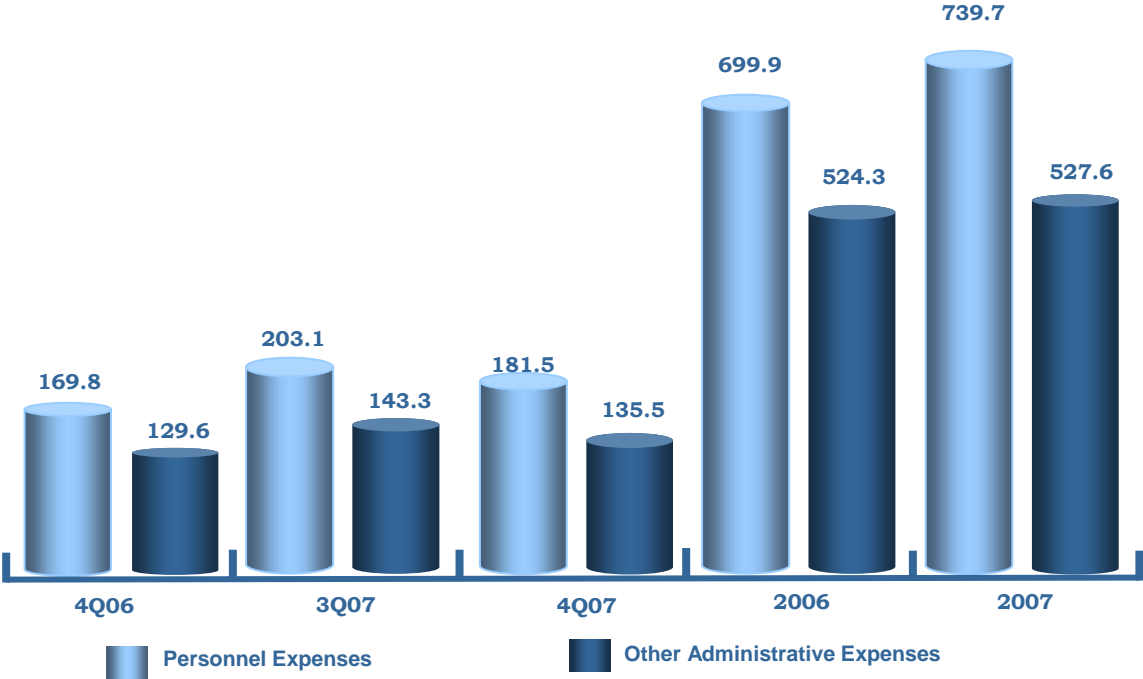
Banrisul ended 2007 with 8,820 employees, 2,074 interns and 2,647 outsourced employees. During the year, 325 employees were hired based on competitive exams held in 2005. In the same period, 452 employees left the company through retirement or termination.

Other Administrative Expenses totaled R\$ 527.6 million in 2007, the amount being equal to that in 2006. This performance was achieved in the context of the 7.7% variation in 2007 in the General Price Index, the principal index for readjustment of service contracts, thus showing the rationalization of administrative costs.

In the 4Q07, Other Administrative Expenses showed a reduction of R\$ 29.4 million against the previous quarter. This results reflects the Personnel Expenses and Other Administrative Expenses performance, which were 10.6% and 5.4% decline respectively, considering that the 3Q07 was impacted by the payment of extraordinary IPO-related expenses of R\$ 12.5 million and for the accrual in full of the cost of the wage increase, which shows the performance of the 4Q07 in a more favorable light when compared with the 3Q07.



Personnel and Other Administrative Expenses (R\$ million)



EFFICIENCY RATIO

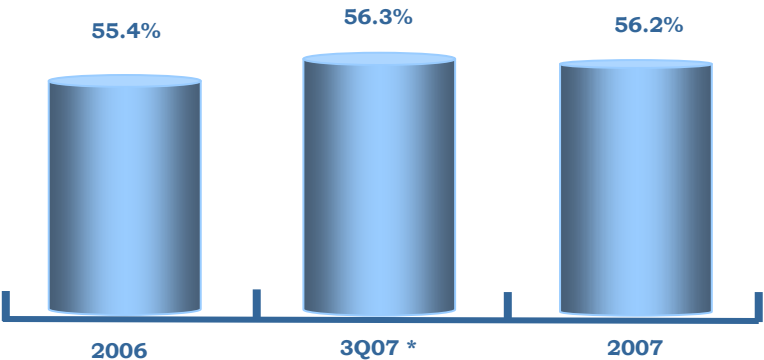
Banrisul adopts as a standard measurement for the efficiency ratio the proportion expressed in percentage between the sum of personnel expenses and other administrative expenses and the sum of gross financial intermediation revenue before provision for credit loss, revenues from services, results of equity participation in subsidiaries and other operating income.

The efficiency ratio was measured in line with the concept utilized in the banking industry, despite the absence of a specific definition in the accounting practices adopted in Brazil or other regulations. The efficiency ratio is used by management to measure Banrisul's operational performance.

The 2007 efficiency ratio reached 56.2%, slightly higher than the 55.4% in 2006, shows management's cost control efforts at a time when financial margin was affected by the reduction in prices and spreads.



Efficiency Ratio (%)



* Last 12-month period.

PRO FORMA CONSOLIDATED BALANCE SHEET

ASSETS	R\$ Millions				
	Dec 2007	Sep 2007	Dec 2006	Percentage Change	
				Dec 2007 - Sep 2007	Dec 2007 - Dec 2006
Current and Long-Term Assets.....	20,273.5	19,906.3	15,438.3	367.2	4,835.2
Cash.....	347.4	294.0	261.8	53.3	85.6
Interbank Investments.....	3,698.1	4,533.8	2,590.5	(835.7)	1,107.5
Securities and Derivatives.....	5,154.1	5,010.2	4,534.1	143.9	620.0
Interbank and Interbranch Accounts.....	2,708.9	2,647.1	2,109.5	61.8	599.4
Lending Operations.....	7,640.3	6,827.5	6,035.6	812.9	1,604.7
(Allowance for lending operations losses).....	(872.2)	(841.4)	(814.2)	(30.8)	(58.0)
Leasing Operations.....	0.1	0.2	0.1	(0.1)	(0.0)
(Allowance for leasing operations losses).....	(3.4)	(3.5)	(3.4)	0.1	(0.0)
Other Receivables.....	1,394.8	1,448.9	748.8	(54.1)	646.0
(Allowance for other receivables losses).....	(17.0)	(36.9)	(43.1)	19.9	26.1
Other Assets.....	222.6	26.5	18.5	196.0	204.0
Permanent Assets.....	206.8	208.1	210.2	(1.3)	(3.4)
Investments.....	8.1	9.6	8.1	(1.5)	(0.0)
Property and Equipment in Use.....	111.4	109.9	111.3	1.5	0.1
Leased Property.....	65.3	64.9	64.0	0.4	1.3
Deferred Charges.....	22.0	23.7	26.8	(1.7)	(4.8)
TOTAL ASSETS.....	20,480.3	20,114.4	15,648.5	366.0	4,831.8

LIABILITIES AND SHAREHOLDERS' EQUITY	R\$ Millions				
	Dec 2007	Sep 2007	Dec 2006	Percentage Change	
				Dec 2007 - Sep 2007	Dec 2007 - Dec 2006
Current and Long-Term Liabilities.....	17,682.6	17,384.5	14,346.4	298.1	3,336.3
Deposits.....	12,366.0	11,308.5	10,352.9	1,057.5	2,013.0
Demand Deposits.....	1,827.7	1,268.8	1,331.1	558.9	496.6
Savings Deposits.....	4,633.8	4,138.4	3,820.2	495.4	813.6
Interbank Deposits.....	3.5	61.6	75.1	(58.1)	(71.6)
Time Deposits.....	5,881.1	5,827.5	5,108.4	53.7	772.7
Other Deposits.....	19.8	12.1	18.0	7.7	1.8
Money Market Funding.....	2,228.1	2,662.5	1,753.2	(434.4)	474.9
Interbank and Interbranch Accounts.....	107.5	311.6	108.5	(204.2)	(1.0)
Borrowings and Onlendings.....	942.3	860.8	646.7	81.5	295.6
Derivatives.....	21.9	21.9	11.5	(0.0)	10.4
Other Payables.....	2,016.9	2,219.2	1,473.6	(202.3)	543.3
Collected Taxes and Other.....	27.3	102.4	27.1	(75.1)	0.2
Foreign Exchange Portfolio.....	22.5	40.2	9.9	(17.7)	12.6
Social and Statutory.....	51.6	128.1	1.1	(76.5)	50.4
Tax and Social Security.....	427.5	481.4	445.6	(53.8)	(18.1)
Trading Account.....	3.3	2.9	6.3	0.4	(3.0)
Financial and Development Funds.....	696.4	692.1	218.6	4.3	477.8
Sundry.....	788.3	772.1	765.0	16.2	23.3
Deferred Income.....	4.3	6.0	6.0	(1.7)	(1.7)
Minority Interest.....	1.4	1.2	1.1	0.2	0.3
Shareholders' Equity.....	2,792.0	2,722.6	1,295.1	69.4	1,496.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	20,480.3	20,114.4	15,648.5	366.0	4,831.8

PRO FORMA CONSOLIDATED BALANCE SHEET

Consolidated Pro Forma Statement of Income

	R\$ Millions					
	Percentage Change					
	4Q07	3Q07	2007	2006	4Q07 - 3Q07	2007 - 2006
Financial Income	810.3	731.2	2,896.5	2,939.7	79.1	(43.2)
Financial Expenses	356.2	316.2	1,248.4	1,301.5	39.9	(53.1)
Financial Margin	454.2	415.0	1,648.1	1,638.2	39.2	9.9
Allowance for loan losses	(49.5)	(55.6)	(223.4)	(240.9)	6.1	17.5
Gross Profits from Financial Operations	404.6	359.4	1,424.7	1,397.4	45.3	27.3
Other Operating Income (Expenses)	(223.7)	(194.6)	(798.9)	(834.9)	(29.1)	36.0
Income from services rendered.....	144.5	137.9	549.0	554.5	6.6	(5.5)
Personnel expenses.....	(181.5)	(203.1)	(739.7)	(699.9)	21.6	(39.8)
Other administrative expenses.....	(135.5)	(143.3)	(527.6)	(524.3)	7.8	(3.3)
Other operating income.....	29.5	78.8	234.1	146.3	(49.3)	87.8
Tax expenses.....	(40.8)	(38.1)	(153.4)	(181.7)	(2.7)	28.3
Other operating expenses.....	(39.9)	(26.8)	(161.3)	(129.7)	(13.1)	(31.6)
Income from Operations	180.9	164.8	625.8	562.5	16.2	63.3
Non-Operating (Expenses) Income, Net	(1.3)	10.9	7.3	0.2	(12.2)	7.1
Income Before Taxes on Income	179.7	175.7	633.1	562.7	4.0	70.4
Income and Social Contribution Taxes	(59.7)	(42.8)	345.8	(175.4)	(16.9)	521.2
Statutory Interest	(5.1)	(56.2)	(62.2)	(25.5)	51.2	(36.7)
Minority Interest	(0.2)	(0.0)	(0.3)	(0.1)	(0.2)	(0.2)
NET INCOME	114.6	76.6	916.4	361.7	38.0	554.7
(-) Extraordinary Events	0.0	0.0	(508.6)	0.0	0.0	(508.6)
ADJUSTED NET INCOME	114.6	76.6	407.8	361.7	38.0	46.1



CORPORATE RESPONSIBILITY

Banrisul is committed to social responsibility and quality management. In 2007, approximately 100,000 youth benefited from Banrisul's social programs in five major areas: education, sports, culture, environment and health. Investments in social responsibility reached R\$ 22.4 million in the year.

Banrisul's corporate responsibility includes strategies towards social environmental care, among them the rational use of energy through Banrisul's energy program (*PROGEB*), residue management and environmental education through the recycling program *Reciclar* and sustained rural development through different lines of credit.

IMPORTANT AWARDS IN 2007

- ☑ First among the 16 favorite banking institutions of the people of Rio Grande do Sul, according to a survey by the Instituto Dataulbra.
- ☑ Preferred Brand in the banking category and ranked second most remembered bank, according to the survey *Marcas de Quem Decide*, conducted by *Jornal do Comércio* and research institute QualiData.
- ☑ Top of Mind 2007 from *Amanhã* magazine – Banrisul was elected by the population of Rio Grande do Sul as the best remembered financial institution and one of the most important brands in the state.
- ☑ E-finance 2007, by *Executivos Financeiros* magazine – Best Enterprise Resource Planning (ERP) Management and Implementation Model.
- ☑ The *Conjuntura Econômica* magazine, in its June 2007 issue, contained a report about financial conglomerates in Brazil. Banrisul was ranked second among the five best government-owned banks in Brazil. The Data Management Division at the Brazilian Institute of Economics of the Getulio Vargas Foundation conducted the study.
- ☑ *Top Ser Humano* from the Brazilian Human Resources Association (ABRH) of Rio Grande do Sul - awarded for the work carried out by Banrisul's Internal Committee for Accident Prevention (CIPA).
- ☑ Top of Marketing, from the Association of Sales and Marketing Managers of Brazil (ADVB), RS, for social responsibility.
- ☑ *Mérito Lojista 2007* Award, from the Shopowners' Chamber of Representatives (CDL) RS - Banrisul won awards in two categories:



Financial Institution for Capital and Debit Cards, which highlighted the efficiency of Banricompras.

- ☑ Best Marketing 2007 from the Brazilian Association of Business and Marketing (ABMN), Rio de Janeiro – national award in social responsibility for the case “*Crianças e Adolescentes - Desenhando um Futuro de Oportunidades*” (Children and Teens - Designing a Future of Opportunities”).
- ☑ Banrisul was ranked first in the list of 2007’s highest yielding stock funds, according to a survey published by *Isto é Dinheiro* and *Época* magazines, issues of December 2007.
- ☑ Banrisul is the first banking institution from the financial and insurance sector in the country to give investors a 45.21% yield, the best on stockholders’ equity. This performance is among the 20 best across all the sectors in Brazil surveyed by the consulting firm *Econômática* and published in *Isto É Dinheiro* magazine. The survey compared September 2006 and September 2007.
- ☑ According to a survey by the journal *Anuário Análise – Companhias Abertas*, 2007 edition, Banrisul is Brazil’s 4th most profitable and 8th largest government-owned institution in terms of net revenue.





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