



BANCO DO ESTADO DO RIO GRANDE DO SUL

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# / Institutional Presentation

INVESTOR RELATIONS

June / 21



## / Institutional Presentation

This presentation contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of Banrisul.

These are merely projections and, as such, are based exclusively on the expectations of Banrisul's management concerning the future of the business and its continued access to capital to fund the Company's business plan.

Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in Banrisul's filed disclosure documents and are, therefore, subject to change without prior notice.

■ CORPORATE  
PROFILE

■ BUSINESS  
STRATEGY

■ FINANCIAL  
SUMMARY



## / Corporate Profile

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■ CORPORATE PROFILE

■ TIMELINE

■ ADMINISTRATIVE STRUCTURE

■ MANAGEMENT AND  
COMMITTEES

■ EXECUTIVE BOARD

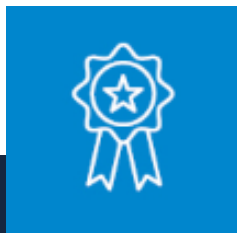
■ BANRISUL GROUP

■ CORPORATE GOVERNANCE

■ ESG

■ HUMAN RESOURCES

■ AWARDS



## Efficiency

Focusing on the efficiency of management, centering objectives on faster, simplified processes, improving IT infrastructure and architecture, improving risk management and also adhering to best management practices.



## Transformation

Following the path of transformation, through the implementation of new business models and new technologies, to maintain Banrisul's competitiveness.



## Employees

The strength of its employees is key to achieve organizational success. To this end, the Bank has developed a challenging, agile environment, fostering the engagement and improving the management of human resources.



## Customers

Considering the similarity of products in the financial market, the entry of new competitors and the perception of value and innovation, Banrisul intensifies focus on customer, in order to provide the best experience in financial solutions and raise their level of satisfaction.



## Essence

Reinforce the commitment to being a retail bank, with a focus on Rio Grande do Sul.

## / Timeline

2 Q 2 0 2 1



1 9 2 8

On September 12, 1928 Banrisul starts operating as rural credit and mortgage public bank and its main activity was the long term lending with mortgage as collateral.



1 9 3 1

In the beginning of the 30's years, after incorporating the Pelotense Bank, Banrisul started being the tax collector for the State of Rio Grande do Sul. Listed on the Stock exchange in September, 1931.



1 9 4 3

Banrisul receives its first female employees on its office force.



1 9 6 4

With 35 years of existence and highlighted position at the national banking scene, Banrisul inaugurates its current main office, at the Capitão Montanha Street, at the heart of Porto Alegre.

## / Timeline

2 Q 2 0 2 1



2 0 0 5

Banrisul launches the Banrisul Internet Card with smart chip, innovation at Latin America.



2 0 0 7

Capitalization and secondary emission of preferred shares joining the Level 1 of Corporative Governance. The operation was the largest primary offer of shares with banks in Latin America in the year.



2 0 1 2

Bem Promotora comes up, a company which acts as payroll loans originator.



2 0 1 5

Rio Grande Seguros e Previdência S.A. was created, which operates exclusively for the selling of life insurance and private pension plan products through Banrisul's distribution channels.



## / Timeline

2 Q 2 0 2 1



2 0 1 4

Banrisul launches its new multibrand acquirer company, Vero.



2 0 1 7

Banrisul launched the Banrisul Digital app.



2 0 1 9

Banrisul launched the campaign "Agro is our business", focusing on rural credit.

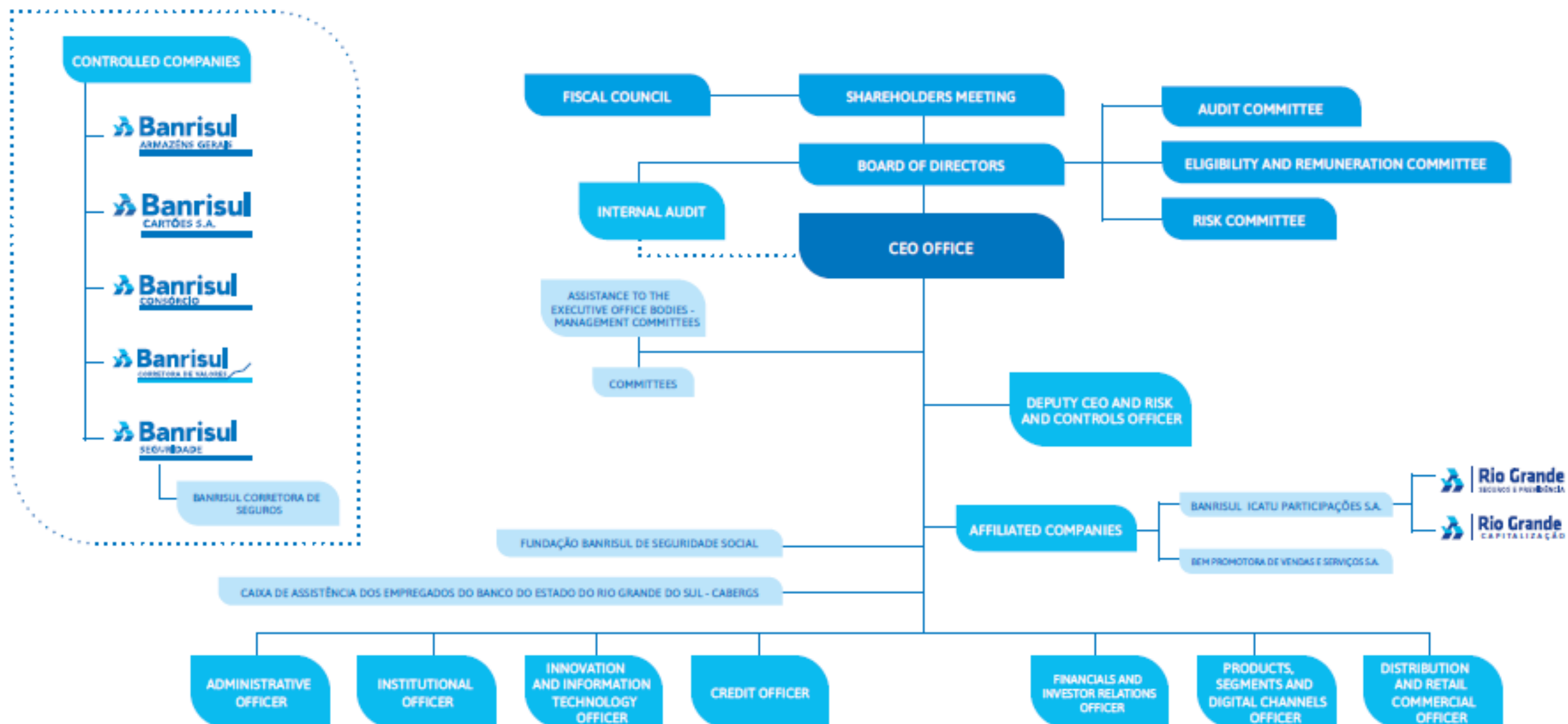


2 0 2 0

Banritech innovation hub is launched and also Banrisul Corretora de Seguros was created.

## / Administrative Structure

2 Q 2 0 2 1





# / Management and Committees



Board of Directors is composed by up to 11 members, of which at least 25% are independent members.

Minority Shareholders elect 2 members to the Board of Directors.

The Fiscal Council is composed by 5 members (with equal number of alternate members) must have higher education level and experience.

Owners of preferred shares and minority shareholders elect 2 members to the Fiscal Council.

## Risk Committee

Comprised of at least 3 and at most 5 members appointed and removable by the Board of Directors at any time.

## Audit Committee

Composed of 3 members elected by the Board of Directors in the first meeting held after the Shareholders' Meeting.

## Eligibility and Compensation Committee

Composed of 3 members, residing in the country with education standards and technical skills according to the duties of the position.

## Other Committees

Banrisul has other 15 committees assisting the Executive Board.

## / Executive Board

2 Q 2 0 2 1



Cláudio Coutinho  
Mendes

CEO



Irany de Oliveira  
Sant'Anna Junior

Deputy CEO and Risk and  
Controls Officer



Marcus Vinícius  
Feijó Staffen

CFO and Investor  
Relations Officer



Jorge Fernando  
Krug Santos

Innovation and IT  
Officer



Wagner  
Lenhart

Institutional Officer



Fernando  
Postal

Distribution and Retail  
Commercial Officer



Claíse Müller  
Rauber

Products, Segments and  
Digital Channels Officer



Osvaldo Lobo  
Pires

Credit Officer



Marivania Ghisleni  
Fontana

Administrative Officer

### Subsidiaries



Acquirer of the payment means sector with wide coverage of establishments in Rio Grande do Sul.



Intermediary with B3 in spot, options, term, future and fixed income markets through Tesouro Direto.



Manages consortium groups for the acquisition of automobiles, trucks, motorcycles, real estate and services.



It acts as a Bonded Warehouse and Certified Bonded Warehouse / dry dock.



Focus on maximizing the distribution of insurance, private pension and capitalization products.



Wholly-owned subsidiary of the holding company Banrisul Seguridade Participações AS, a company whose capital is wholly owned by Banrisul.

## Affiliated Companies

### BANRISUL ICATU PARTICIPAÇÕES S.A.

UMA EMPRESA DOS GRUPOS



Holding company in partnership with Icatu Seguros SA. Through its subsidiaries, BIPAR sells life insurance, private pension plans products and savings bonds.



Operates exclusively into Banrisul's distributions channels offering life insurance and private pension plans products.



Offers savings bonds through the Bank's distribution channels with exclusive rights.



Acts as originator of payroll loans offered to INSS retirees and pensioners and federal civil servants.



## Aligned with Good Market Practices

- Annual Financial Statements in International Standard IFRS / IASB.
- 100% tag along for all Banrisul shares.
- Resolution of disputes or controversies by the Market Arbitration Chamber.



## Prevention Program for Money Laundering Fighting and Financing of Terrorism

- Establishes mechanisms, procedures and rules that guide the performance of employees in conducting business, in order to prevent the occurrence of operations related to these illegal acts in the institution.
- These principles cover all Banrisul Group companies.



## Interest on Equity and Dividend Policy

- Transparent Shareholder Remuneration Policy regarding the distribution of dividends and / or payment of interest on equity, always observing the Company's capital structure.
- From January to June 2021, R\$218.4 million were paid out as interests on equity, net of taxes.



## Other Policies

- Disclosure.
- Security Trading.
- Anti-corruption.
- Related Party Transactions.
- Indication and Succession.
- Capital and Corporate Risk Management.
- Code of Ethics and Conduct.



Strengthening of actions related to ESG aspects



Banrisul assumes its commitment to sustainable development and is attentive to the growing demands and requirements of the financial market in socio-environmental aspects.

## Voluntary Commitments



**Pacto Global**  
Rede Brasil

Signatory to the Global Compact of United Nations  
Since 2013



Adhering to the Goals of Sustainable Development – UN  
Since 2013



Adherence to the Brazilian GHG Protocol Program  
In 2021



## / Human Resources

2 Q 2 0 2 1



### Profile

- 55% men and 45% women, being that 39% of leadership and top management functions are occupied by women.
- IT professionals correspond to 13% of employees, approximately - distinguished career framework and low turnover.



### Qualification

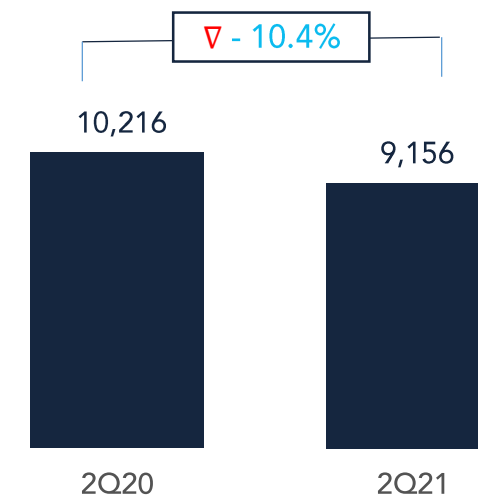
- In 1H21, 1,564 improvement and qualification courses.
- 29.7 thousand participations.
- 167.9 hours of professional qualification per employee.



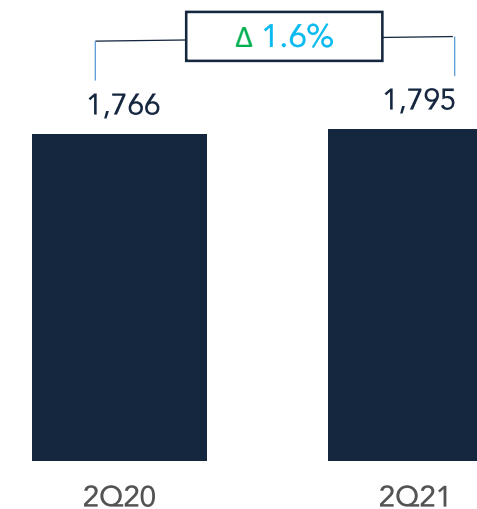
### Relation with Employees

- Banrisul hires employees through public tender.
- Teams with local work regime and home office.
- Health advise from Moinhos de Vento Hospital to help define the protocols for preventing Covid-19.
- Equity of opportunity and professional development.

### Employees

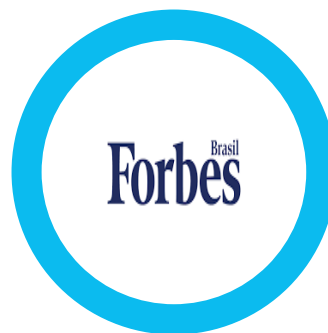


### Interns





Apr/21: Featured among the 100 best banks in the world by CEOWorld Magazine



Apr/21: featured in the World's Best Banks 2021 report, by Forbes



Apr/21: Featured in the Top 20 stocks with the best dividend yield in the last 10 years - Economatica Survey



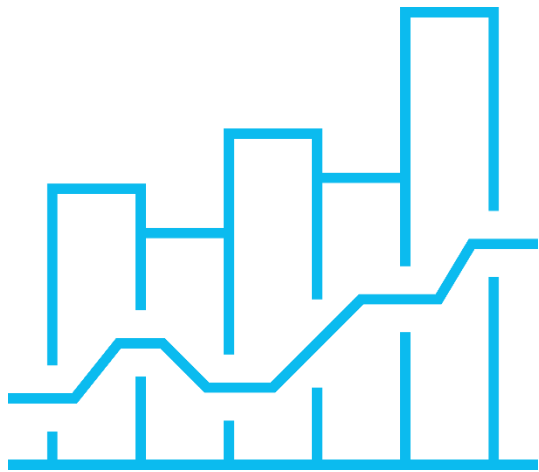
Apr/21: Featured as the Greatest Brand from Rio Grande do Sul at Marcas de Quem Decide Survey



Feb/21: Elected the best fixed-income investment fund manager



Dec/20: Nominated in the Best Small/Middle Cap IR Practice and Initiative Category



## / Business Strategy

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■ BUSINESS STRATEGY

■ PORTFOLIO

■ HIGH-NET-WORTH

■ COMPANIES

■ RURAL CREDIT

■ PRODUCTS AND SERVICES

■ TECH MODERNIZATION

■ DIGITAL TRANSFORMATION

■ BANRITECH

■ DIGITAL CHANNELS

■ MARKET SHARE



The focus of commercial activity in the individual segment prioritizes, within the public sector, particularly payroll credit lines offered to civil servants and INSS retirees, as well as the to improve relationship with self employed professionals, young public and high net-worth customers.



As for companies, the focus is on offering of credit products for collateralized working capital, investments in sustainable projects, advancement of receivables, receivable-backed working capital lines and credit cards, as well as the supply of acquiring equipment by Vero and services such as collection, payroll management and general management of electronic payments.



In relation to earmarked credit lines, the Bank promotes agricultural loans for funding, investment, marketing and industrialization of agricultural goods, serving family farmers, medium-sized producers, business farmers and rural cooperatives.

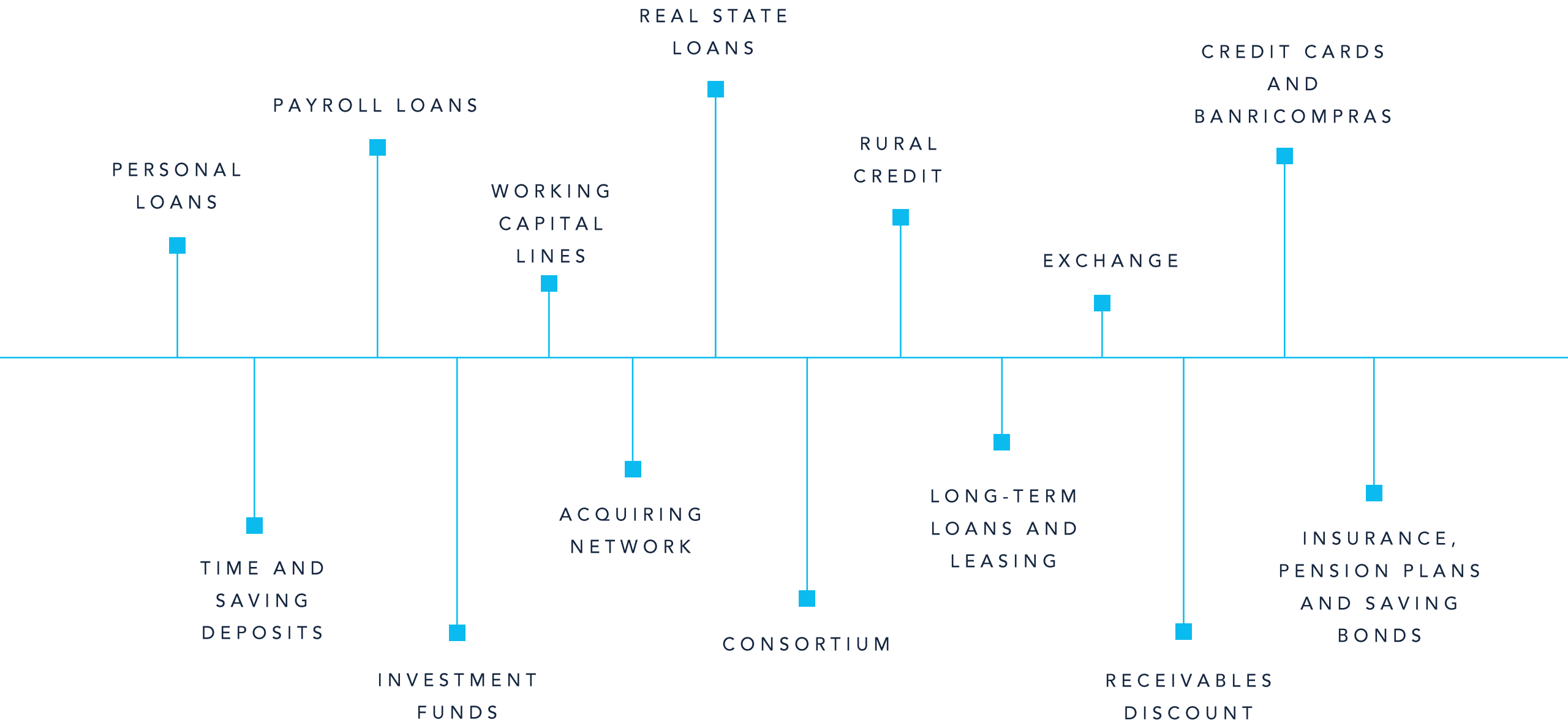


The diversification of the service fees portfolio as a way of generating revenues for the Institution is an important factor for covering fixed costs. Thus, the Bank focuses efforts on products such as credit cards, acquiring network, consortium and insurance, increasing the number of products used by its customers.

# / We are prepared to capture the best of this new moment

2 Q 2 0 2 1









As it recognizes the different customer profiles and their diverse needs and with the objective of providing a more comprehensive service to those who need financial advice, especially on investments, means of payment, private pension and insurance, in 2012 Banrisul launched Banrisul Afinidade.

- 
- Special service hours.
  - 23 Afinidade Spaces.
  - Exclusive products and services.
  - Specialized and skilled professionals.

### Support to entrepreneurship

We offer complete financial solutions for companies of all segments and sizes.

#### Commercial Credit Lines

- Working Capital
- Guarantee Accounts
- Real Guaranteed Operations
- Receivables Discount
- Payroll Financing
- Compror/Vendor
- Microcredit

#### Direct Credit Lines

- Sustainability Credit Lines
- Banrisul Fomentation
- Automatic BNDES Lines
- Small Companies BNDES
- FINAME
- FINAME – Renewable Energy
- Real Estate

#### Services

- Business Cards
- Digital Certificate
- Consortiums
- Billing of Banking Bills
- Payroll
- Insurance
- Vero Solutions







Contribute to the economic development of the State, by fostering agribusiness in partnership with the State Government.

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Bring new technologies to farmers.

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Promote Agribusiness sustainability and productivity.

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Banrisul has a Strong presence in agribusiness.

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Strengthen partnerships with all participants in the production chains, increasing competitiveness.

O AGRO  
é o nosso  
CHÃO.



Plano Safra 2021/2022



Credit granting  
in half the time

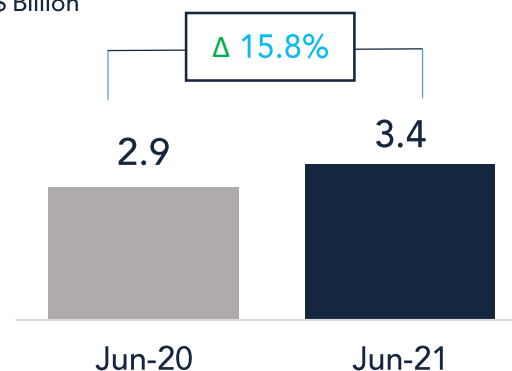
350 branches  
with operations specialized in  
agribusiness

6 Agro Spaces  
dedicated to rural credit

AgroInvest 4.0  
to finance new technologies in  
agricultural production

### Rural Credit Portfolio

R\$ Billion



### Credit Quality

Individuals

0.16%

NPL > 90d  
Jun/21

Companies

0.54%

NPL > 90d  
Jun/21

THE LARGEST CROP PLAN  
FINANCING IN OUR  
HISTORY

R\$ 5.2 billion  
in credit

+27%  
in relation to the previous plan

50k  
farmers benefited





## Vero Network



- Net Income of R\$122.6 million.<sup>1</sup>
- 140.1 thousand active accredited establishments<sup>1</sup>



- Revenue of R\$667.9 million.<sup>1</sup>



## Insurance, Pension Plans and Saving Bonds



- On January, 2021 Banrisul Corretora de Seguros S.A. entered into operational phase.
- R\$1,1 bilhão in collection of insurance premiums, pension contributions and capitalization bonds
- R\$82,8<sup>1</sup> million in brokerage revenues.
- Net income of R\$46,9<sup>1</sup> million.



## Consortiums



- R\$4.59billion in total volume of credit letters<sup>1</sup>.
- 71.6 thousand consortium members<sup>1</sup>.
- 155<sup>1</sup> groups.
- R\$326<sup>1</sup> million in credit for the acquisition of consumption goods<sup>1</sup>.
- Net Income of 24.9 million<sup>1</sup>.



## Investment Funds



- R\$13.4 billion in assets under management.<sup>1</sup>
- 96.7% in fixed income funds and 3.3% in variable income funds.
- 37% of assets under management from RPPS.

<sup>1</sup> 1H2021

## / Tech Modernization

Barrisul's technological modernization process is focused on:

- Digital Transformation.
- IT Infrastructure.
- IT Security.

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In 1H21, Barrisul invested R\$168.8 million in technological modernization and increasing IT infrastructure.

2Q2021





# / Digital Transformation

Aiming to harmoniously integrate business strategies with technological possibilities.



The rapid migration to the work from home model allowed the continuity of work on new products and the evolution of existing solutions.



Continuity of the dissemination of agile culture within the corporate environment, in the same way that it has continued to evolve in the modernization of technological processes and tools, fundamental for gains of scale in the development of digital products.

Adoption of digital models



End-to-End Journey

Agile methodologies



Customer centered

## Highlights



New investment home in Bannisul Digital app, push communication and creation of financial goals.



Inclusion of new features in Vero Wallet's onboarding, such as QR Code generation in the BR Code model.



Important investments in the journey of financing the cost of Agribusiness



### Hub Space

Collaborative space in coworking format, aimed at promoting new ideas, research, experimentation and co-creation.



### Hub Startup

It is the acceleration program for startups incubated at BanriTech. Public notice launched to select 30 startups from all over the country.



### Hub Education

It promotes a culture of innovation, training and building improvements, encouraging knowledge throughout the ecosystem, combined with the development of RS.



### Hub Venture

It is the pillar that seeks to stimulate actions that add value and enhance the results of partner Startups through investment funds.

## / Market Share

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Rio Grande  
do Sul<sup>1</sup>



Brazil<sup>2</sup>

■ Time Deposits

39.7%

2.8%

■ Demand Deposits

23.5%

1.1%

■ Credit

17.6%

0.9%

■ Saving Deposits

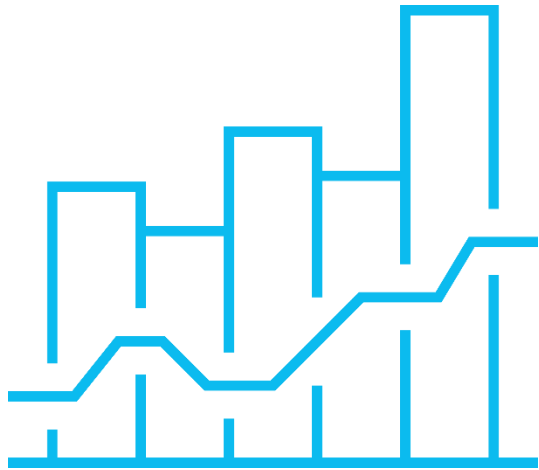
12.4%

1.1%

■ Branches

31.7%

2.8%



## / Financial Summary

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■ HIGHLIGHTS

■ PROFITABILITY

■ NII & NIM

■ FUNDING

■ EXPENSES AND BANKING FEES

■ CREDIT PORTFOLIO

■ PAYROLL LOANS

■ ALLOWANCE FOR LOAN LOSS

■ CREDIT QUALITY

■ BASEL RATIO

■ RATINGS

■ GUIDANCE

# / Highlights

2 Q 2 0 2 1

ADJUSTED NET INCOME  
2 Q 2 1

R\$281.9 mi  
Δ12m: 135.3%

LOAN  
PORTFOLIO

R\$36.6 bi  
Δ12m: 1.9%

PAYROLL  
LOANS

R\$17.1 bi  
Δ12m: 5.1%

FUNDING

R\$65.7 bi  
Δ12m: 4.3%

PERSONNEL EXPENSES  
1 H 2 1

R\$912.9 mi  
▽ 12m: - 7.3%

DEFAULT RATE  
90 DAYS

2.2%

COVERAGE RATIO  
90 DAYS

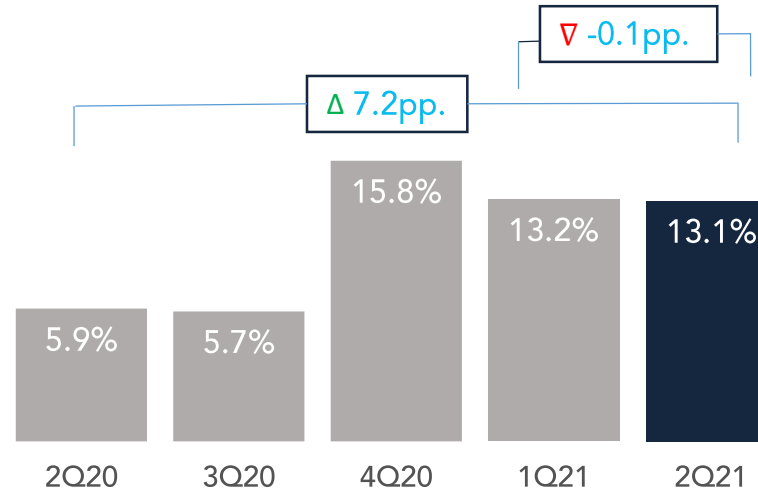
327.8%

# / Profitability

2Q21 Adjusted Net Income impacted by:

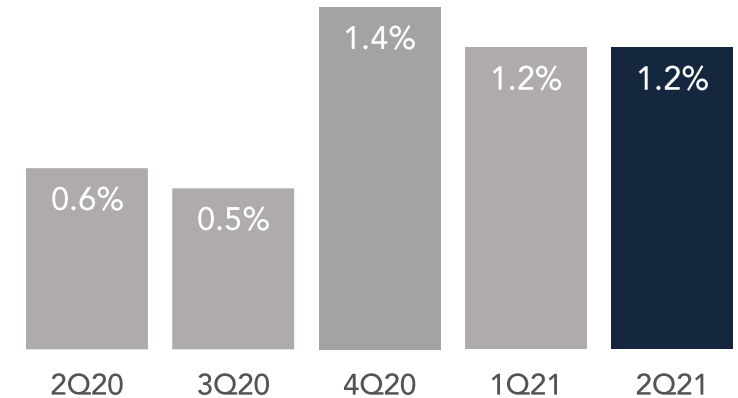
- ▽ Loan Loss Provisions;
- ▽ Personnel Expenses;
- ▽ Financial Margin;
- △ Taxes on Profit;

## Adjusted ROAE



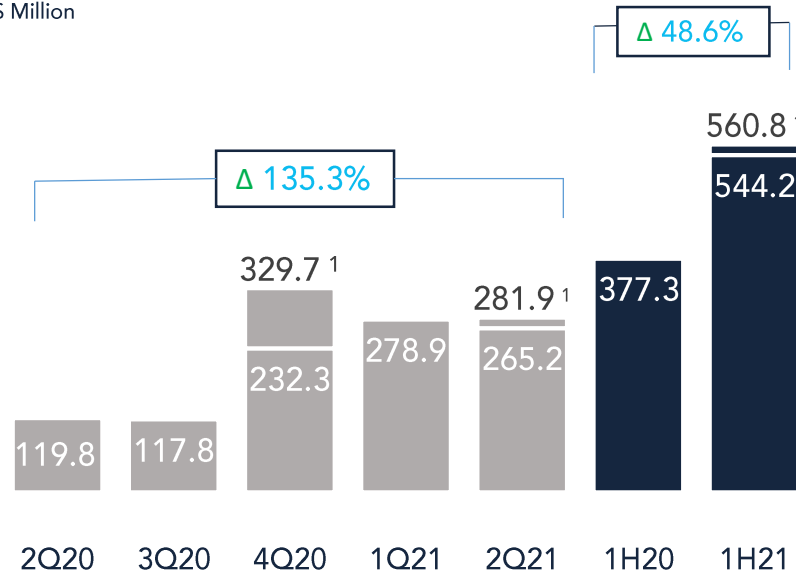
## Adjusted ROAA

2 Q 2 0 2 1



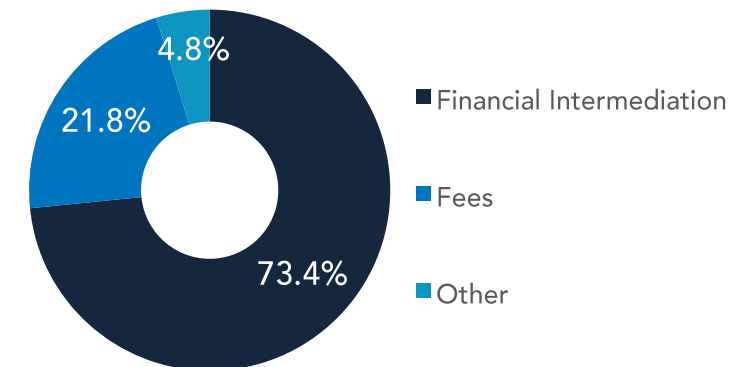
## Net Income

R\$ Million



<sup>1</sup>Adjusted Net Income

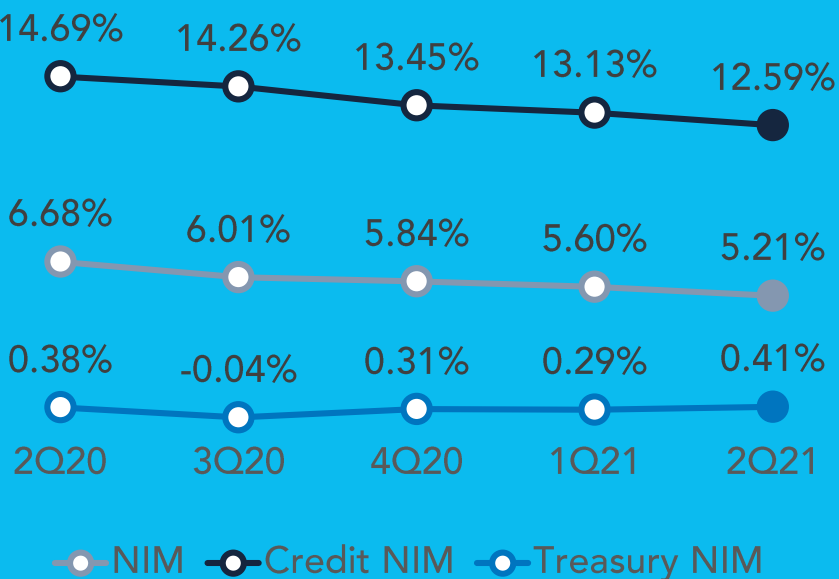
## Revenues





# / NII & NIM

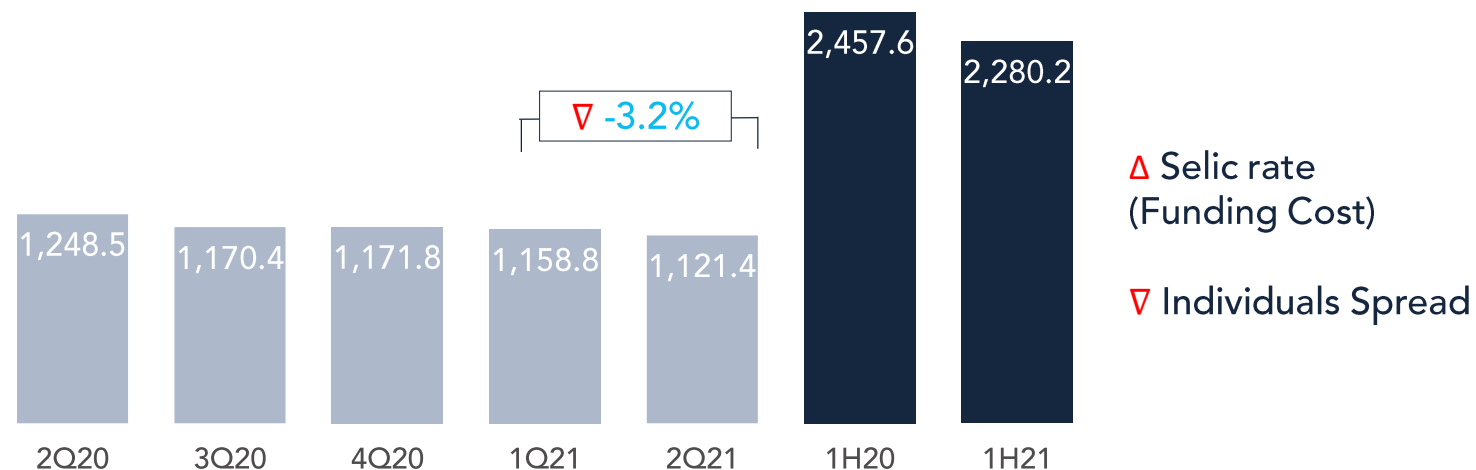
## Managerial NIM on Profitable Assets



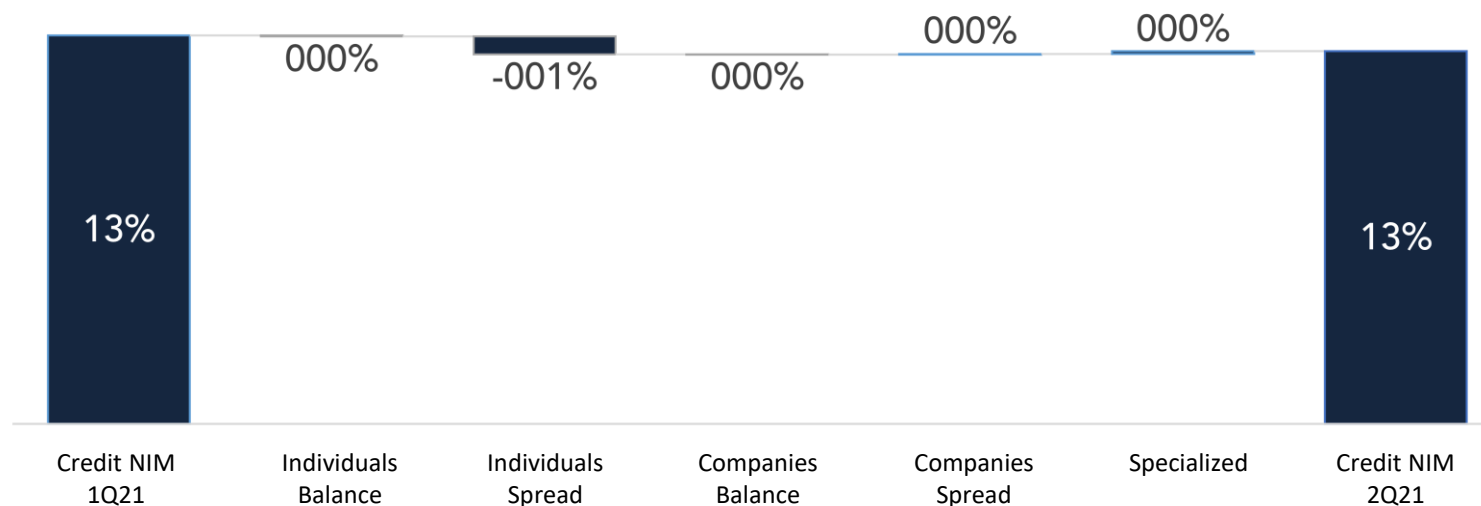
## Managerial NII<sup>1</sup>

R\$ Million

2 Q 2 0 2 1



## Credit NIM Build up<sup>1</sup>



<sup>1</sup> Excluding revenues from recovery of credits written off as losses.

# / Funding

■ **88.1%**  
of Interbank Deposit Rate  
Average Funding Cost in Time Deposits

■ Pulverized Funding, grounded on its recognized retail banking DNA in the Southern Region of Brazil.

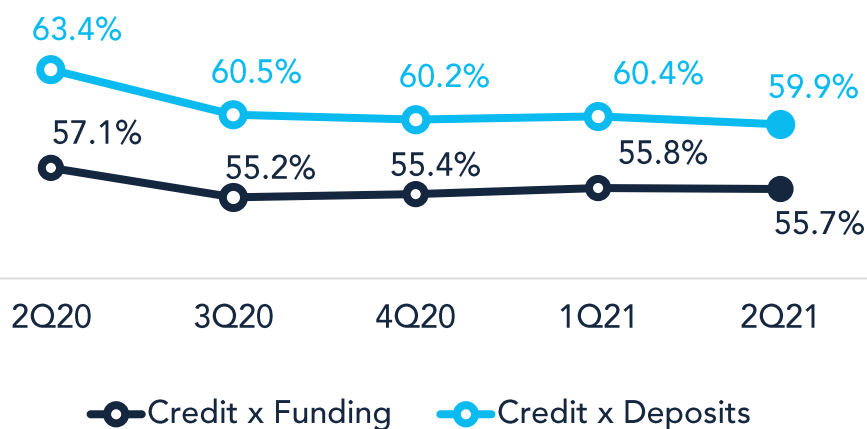
## Evolution

▲ 12m: 4.3%

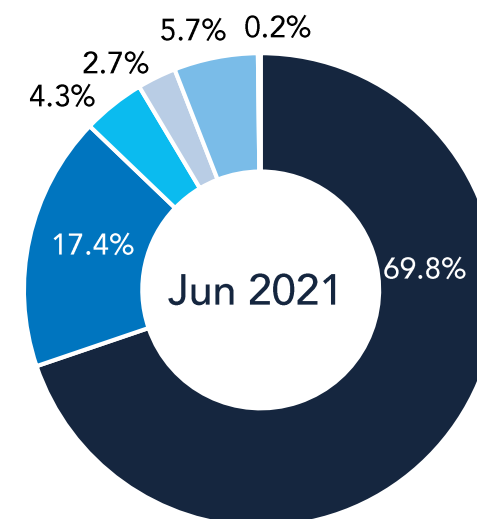
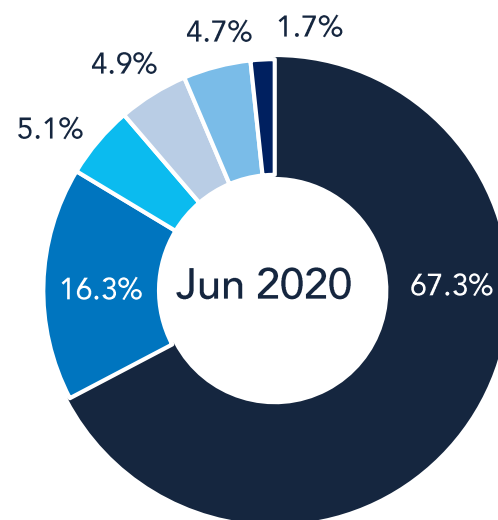
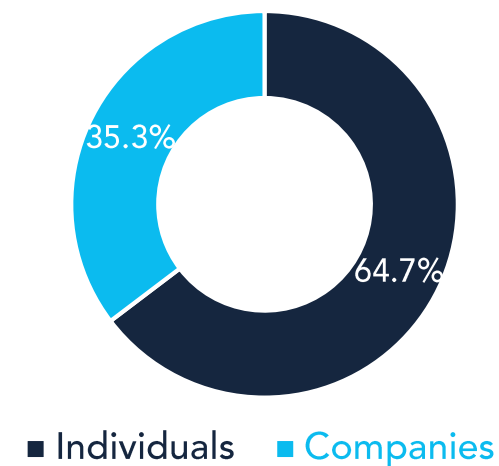
▼ 3m: -0.4%

2 Q 2 0 2 1

### Credit x Funding Relation



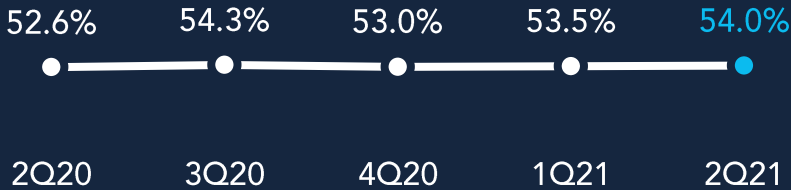
### Funding by source



■ Time Deposits ■ Savings Deposits ■ Bonds ■ Bank Notes ■ Demand Deposits ■ Interbank

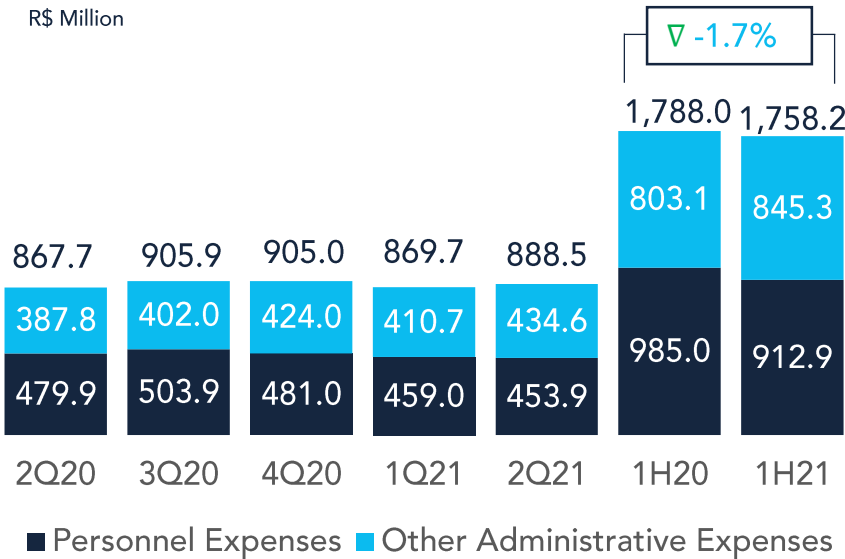
# / Expenses and Banking Fess

## Adjusted Efficiency Ratio - 12 m

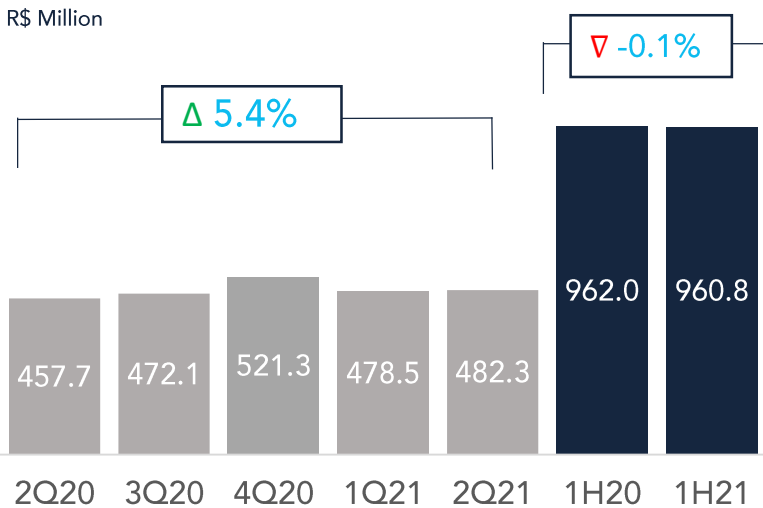


Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Income – Other Expenses).

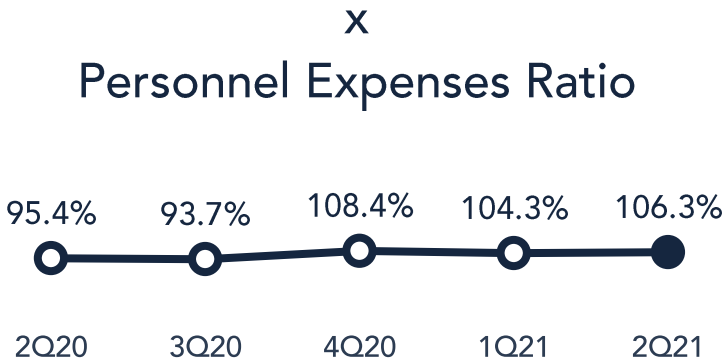
## Adjusted Administrative Expenses



## Banking Fees



## Banking Fees



Banking Fees / Personnel Expenses

2 Q 2 0 2 1

■ Diligence in costs;  
■ PDV Benefits;

# / Credit Portfolio

## Renegotiated Loans

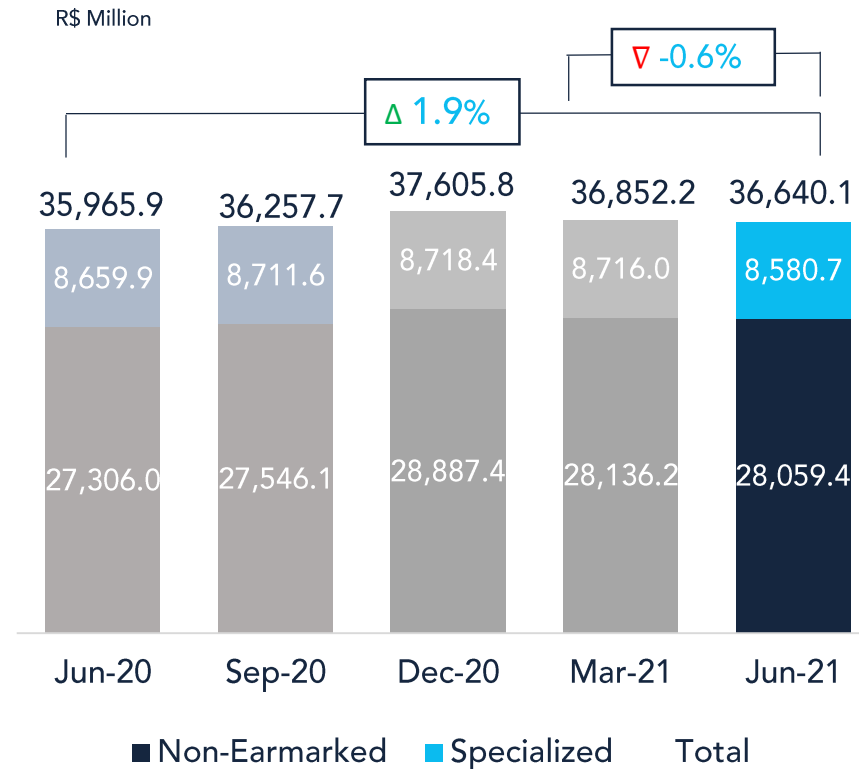
**R\$208.6 million**

(Balance as of Jun/21)

**72%**  
already amortized

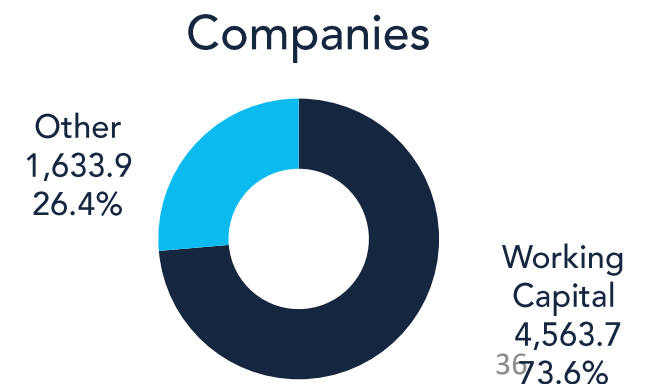
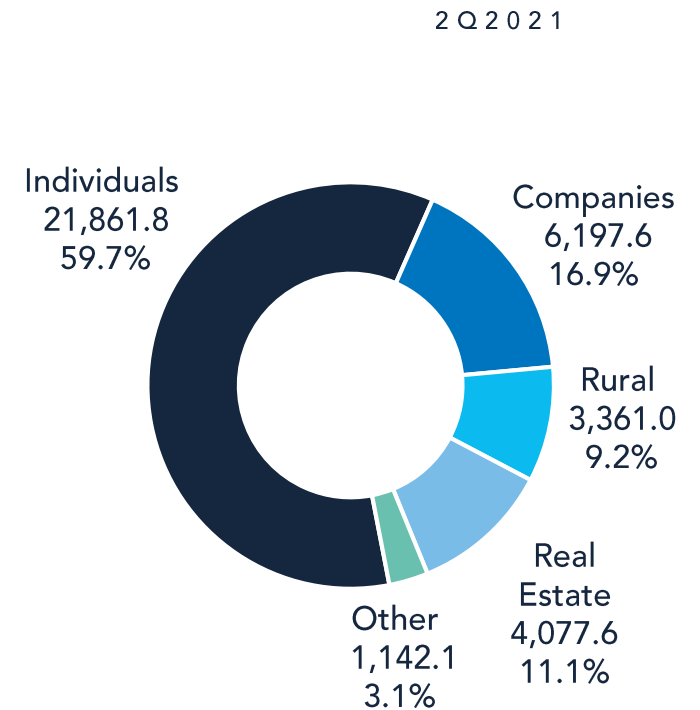
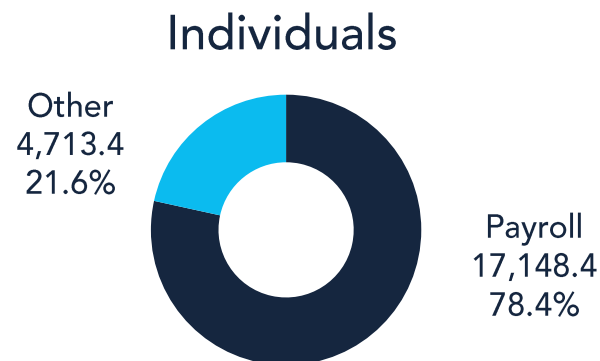
**87.7%**  
classified as  
AA to C Risk  
Ratings

**4.6%**  
R\$9.5 million  
NPL > 90 days



## Non-Earmarked Credit

R\$ Million and %



# / Payroll Loans

Evolution :

With Customers

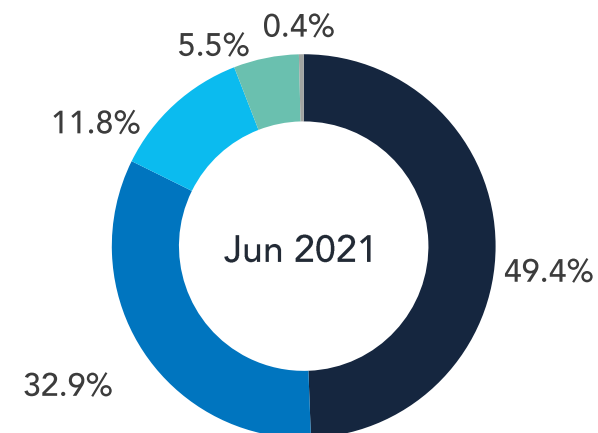
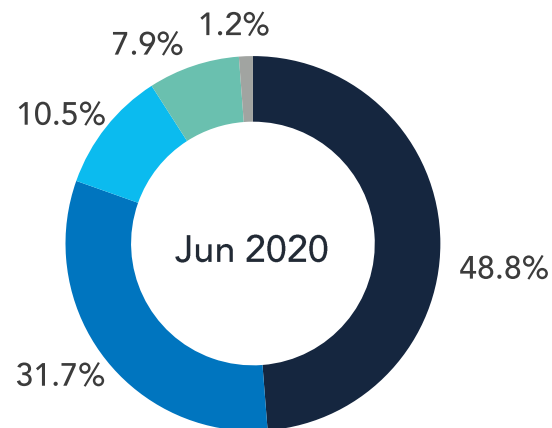
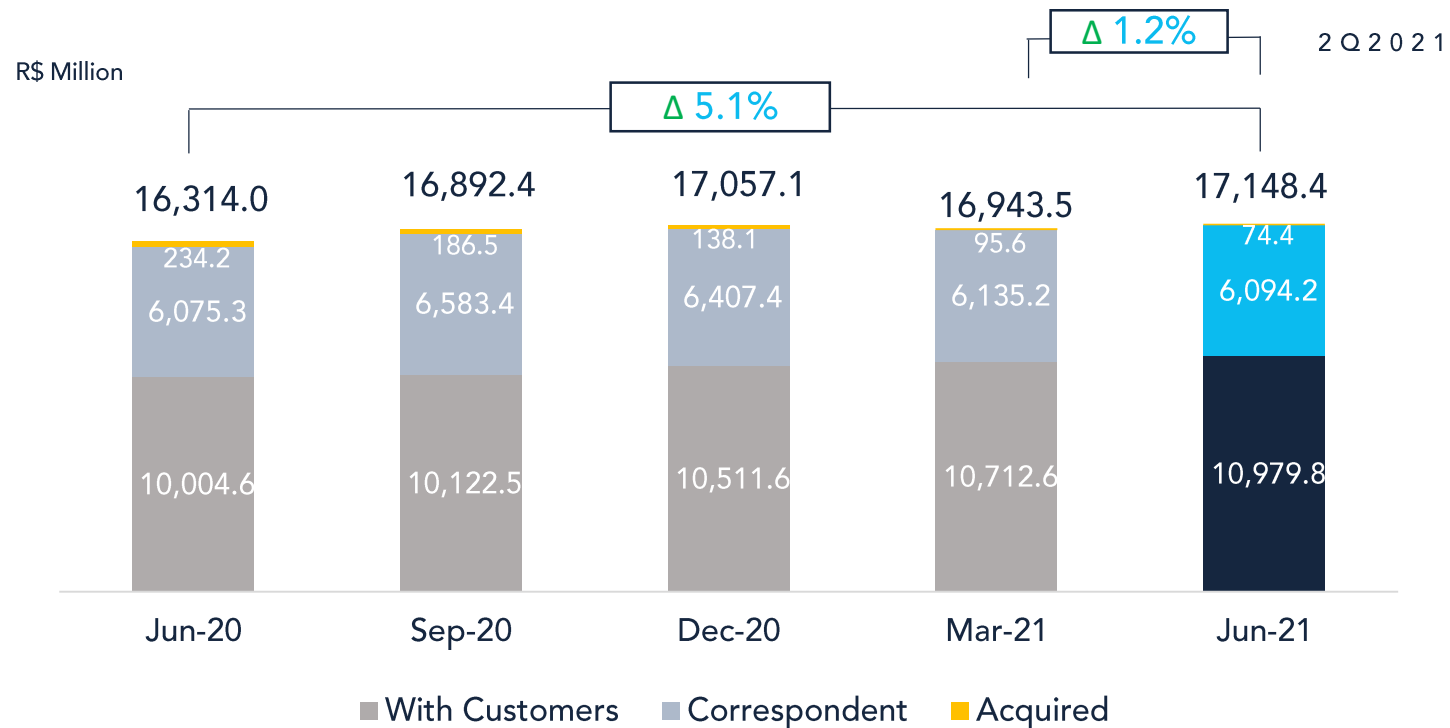
3m  $\Delta$  2.5%

12m  $\Delta$  9.7%

Correspondent

3m  $\nabla$  -0.6%

12m  $\Delta$  0.3%



# / Loan Loss Provisions

- Stabilization of portfolio risk

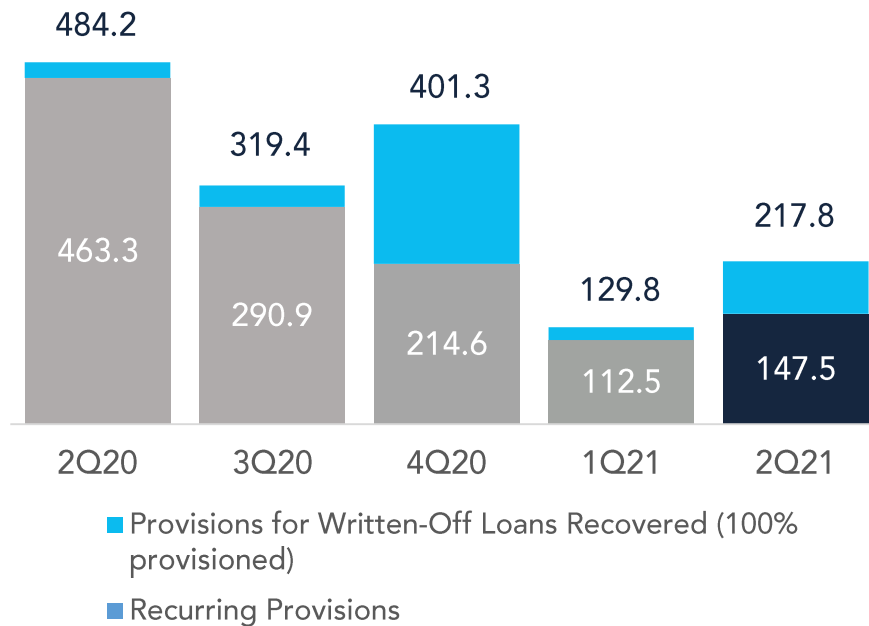
- Performance aligned to best estimates

Reduction in recurring provision expenses

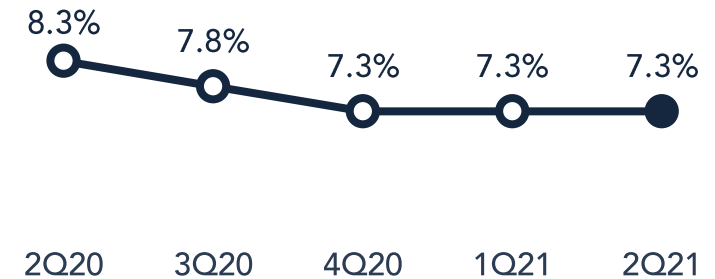
12m ▼ -68.1%

## Provision Expenses

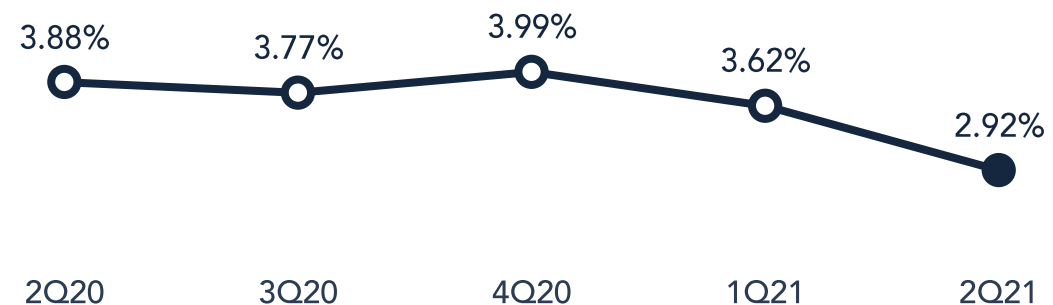
R\$ Million



## Provisioning Index

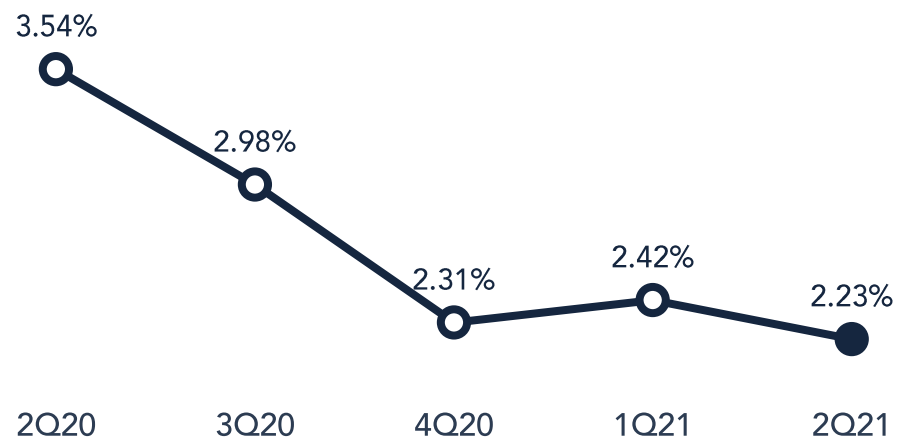


## 12m Provision Expenses / Credit Portfolio

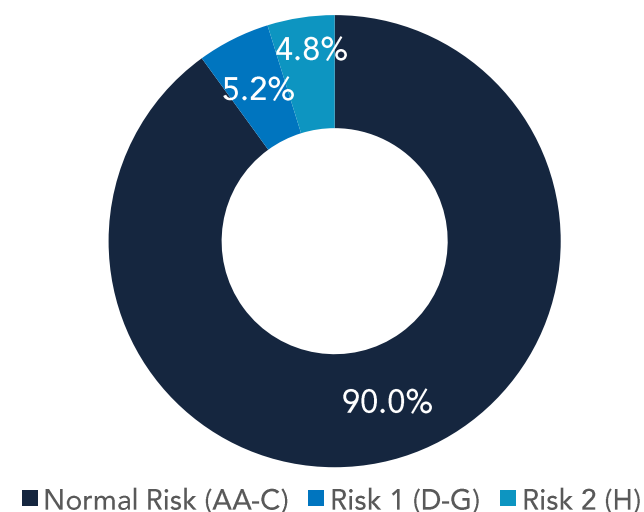


2 Q 2 0 2 1

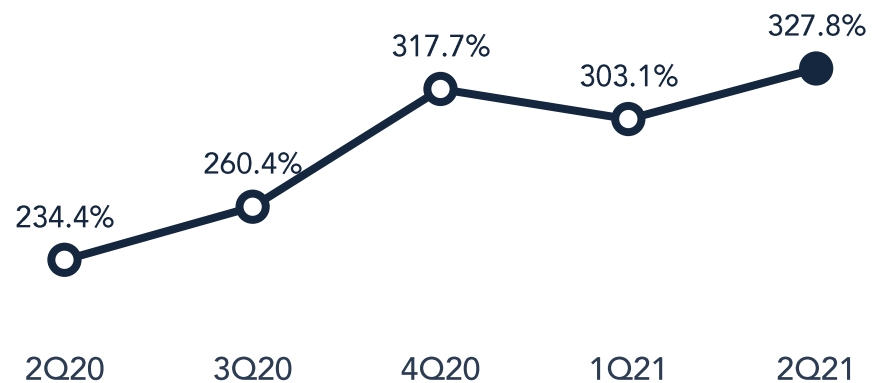
## Default Rate > 90 days



## Rating Breakdown



## Coverage Ratio > 90 days

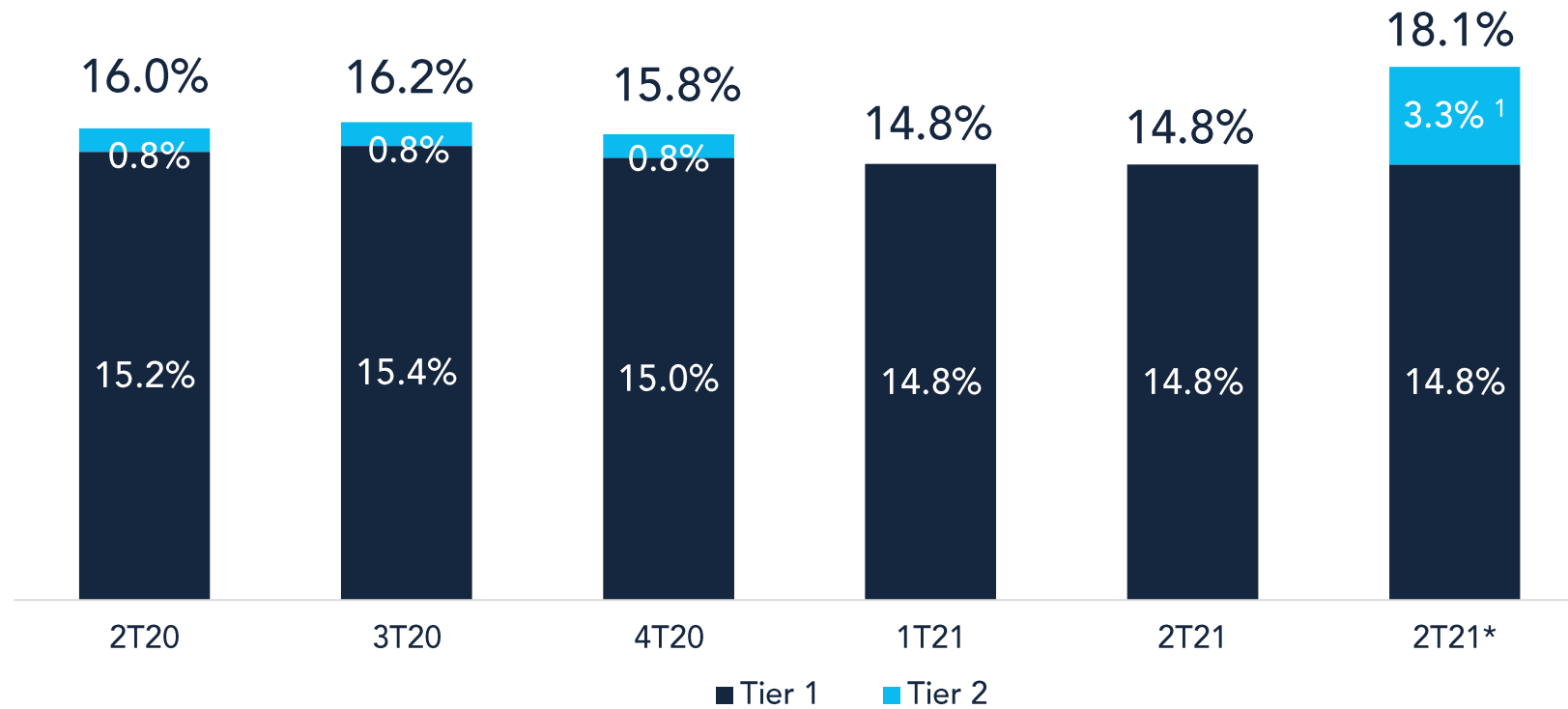


## Concentration

Largest Debtor	0.4%
Top 10 Next	2.4%
Top 20 Next	3.1%
Top 50 Next	3.7%

Comfortable  
capital for credit  
portfolio growth

## Basel Ratio



\*Proforma after the  
issuance of Tier 2  
Subordinated  
Notes<sub>40</sub>

<sup>1</sup> Considers the exchange rate of June, 30 of 2021 with a quotation of R\$5.00.





Issuer Credit Rating — BB-  
Global Scale

Issuer Credit Rating — brAA+  
National Scale

Outlook — Stable



Foreign Currency — BB-  
Long-Term IDR

Long-Term National — A+(bra)  
Scale Rating

Outlook — Negative



Baseline Credit — ba3  
Assessment

Deposits National — Ba3/NP  
Scale Rating

Outlook — Negative

# / Guidance Update

	Projected	Revised
■ <b>Loan Portfolio</b>	10% to 15%	7% to 12%
Non-direct Lending – Individuals	10% to 15%	5% to 10%
Non-direct Lending – Companies	11% to 16%	8% to 13%
Rural Loans	22% to 27%	Maintained
■ <b>Loan Loss Provision Expenses / Loan Portfolio</b>	3.5% to 4.5%	2% to 3%
■ <b>Funding<sup>1</sup></b>	4% to 8%	Maintained
■ <b>Return on Average Equity</b>	10% to 14%	Maintained
■ <b>Efficiency Ratio</b>	50% to 54%	54% to 59%
■ <b>Net Interest Margin on Earning Assets</b>	6% to 7%	Maintained

<sup>1</sup>Funding: Deposits + Bank Notes and Similar



/ Institutional Presentation

INVESTOR RELATIONS