FINANCIAL STATEMENTS

December 2023

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PRESS RELEASE

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We summarize below Banrisul's performance in the fourth quarter and full year of 2023.

Business Scenario

Over the course of 2023, the international scenario was marked by extended cycles of rising interest rates in the advanced economies, in response to the resilient pace of growth of the economic activity and the job market, especially in the USA. In Brazil, the record expansion of the agricultural sector in the first half of 2023 produced positive effects that spread across other economic sectors, such as services. As for inflation, the Extended National Consumer Price Index (IPCA) increased by 4.62% in 12 months through December 2023. The IPCA index approached the central target of 3.25% in 2023, which was formally considered as achieved, since the index varied between 1.75% and 4.75%. Selic, Brazil's interest rate, closed 2023 at 11.75% per year.

The loan volume in Brazil, in 12 months through 2023, maintained its declining pace of growth of 10.5%, especially the individuals segment, which increased by 13.7%. The average default rate in the period was 3.4%, increasing 2.8% from 2022.

On November 13, 2023, Banrisul's New Executive Board took office, starting the restructuring of the Bank's Management, based on three pillars: a publicly-held bank; the world and the new learning, improvement, growth and solution design trends; a smart company strategically using data, analyses, automation and emerging technologies to enhance efficiency, innovation and decision making within the organization; and Banrisul toward 100+ years of operations, with a forward-looking sustainability-based strategy, improved customer experience and operational efficiency, promotion of digital transformation and the culture of innovation; and a change in mindset to develop a digital and learning approach.

In late 2023, Banrisul began a project to modernize the set of equipment belonging to the Branch Network and Management, involving the acquisition of 10,551 desktops and 941 laptops for immediate replacement. This renewal aims to provide clients with an improved and faster service experience through more agile, secure and high-performing computers, increasing workers' productivity and economizing maintenance and electric power resources. To reduce its environmental impact and social risk, Banrisul has adequately reused equipment and responsibly disposed of obsolete electronic waste, in line with the Sustentare Project.

To strengthen the team after the last Voluntary Separation Program - PDV and bring in new talents to the Bank, in 2023, 244 employees joined the IT areas and 898 employees joined the branch network. Within the scope of the PDV, 504 employees left the Bank in the period.

To expand its area of operation and improve its clients' experience, Banrisul announced that the Banricompras card will be accepted by authorized commercial establishments across Brazil. The registration of these establishments with Banricompras will not happen automatically, and the acceptance of this card by new businesses is expected to occur in the market as of 2024.

Economic and Financial Indicators

Main Income Statement Accounts - R$ million	2023	2022	4Q2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Financial Margin	5,488.7	4,668.8	1,476.6	1,369.3	1,280.4	17.6%	15.3%	7.8%
Expenses with Provisions for Loan Losses	1,330.5	968.7	216.8	435.7	282.0	37.3%	-23.1%	-50.2%
Income from Services Rendered and Banking Fees	2,232.9	2,083.5	604.0	574.5	550.6	7.2%	9.7%	5.1%
Adjusted Administrative Expenses (1)	4,145.9	3,911.8	1,070.3	1,047.7	1,004.0	6.0%	6.6%	2.2%
Civil, Tax, and Labor Provisions	(463.3)	(661.5)	(133.1)	(125.9)	(81.0)	-30.0%	64.4%	5.7%
Other Operating Income / Expenses	(158.8)	70.8	(33.0)	(80.3)	29.5	-324.4%	-211.7%	-59.0%
Adjusted Net Income	871.1	781.3	304.0	127.4	251.2	11.5%	21.0%	138.6%
Net Income	871.1	715.4	304.0	127.4	251.2	21.8%	21.0%	138.6%

Main Balance Sheet Accounts – R$ million	Dec 2023	Dec 2022	Sep 2023	Dec 2023/ Dec 2022	Dec 2023/ Sep 2023
Total Assets	125,063.7	113,166.2	123,563.6	10.5%	1.2%
Securities (2)	33,567.9	31,559.5	31,086.6	6.4%	8.0%
Total Loan Portfolio	53,669.3	49,121.9	52,456.9	9.3%	2.3%
Provision for Loan Losses	2,572.2	2,439.8	2,644.5	5.4%	-2.7%
Past Due Loans > 90 Days	1,047.1	777.9	1,043.4	34.6%	0.4%
Funds Raised and Managed	95,938.9	87,922.6	91,320.5	9.1%	5.1%
Equity	9,668.9	9,420.1	9,485.1	2.6%	1.9%
Prudential Conglomerate Reference Equity	9,609.3	9,291.8	8,907.3	3.4%	7.9%

Key Stock Market Information - R$ Million	2023	2022	4Q2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Interest on Equity / Dividends (3)	434.9	360.3	74.9	70.0	24.8	20.7%	201.80%	7.0%
Market Capitalization	5,459.8	3,967.1	5,459.8	5,034.5	3,967.1	37.6%	37.6%	8.4%
Book Value per Share	23.64	23.03	23.64	23.19	23.03	2.6%	2.6%	1.9%
Average Price per Share (R$)	11.65	10.22	11.78	13.39	10.76	14.0%	9.5%	-12.0%
Earnings per Share (R$)	2.13	1.75	0.74	0.31	0.61	21.7%	21.3%	138.7%

Financial Indexes	2023	2022	4Q2023	3Q2023	4Q2022
Annualized Adjusted ROAA (4)	0.7%	0.7%	1.0%	0.4%	0.9%
Annualized Adjusted ROAE (5)	9.1%	8.5%	12.7%	5.4%	10.9%
Adjusted Efficiency Ratio (6)	58.4%	63.5%	58.4%	58.6%	63.5%
Interest Margin on Interest-Earning Assets	5.31%	4.85%	5.42%	5.21%	5.14%
Default Rate > 90 Days (7)	1.95%	1.58%	1.95%	1.99%	1.58%
Coverage Ratio 90 days (8)	245.6%	313.6%	245.6%	253.4%	313.6%
Provisioning Index (9)	4.8%	5.0%	4.8%	5.0%	5.0%
Basel Ratio (Prudential Conglomerate)	16.8%	17.6%	16.8%	16.1%	17.6%

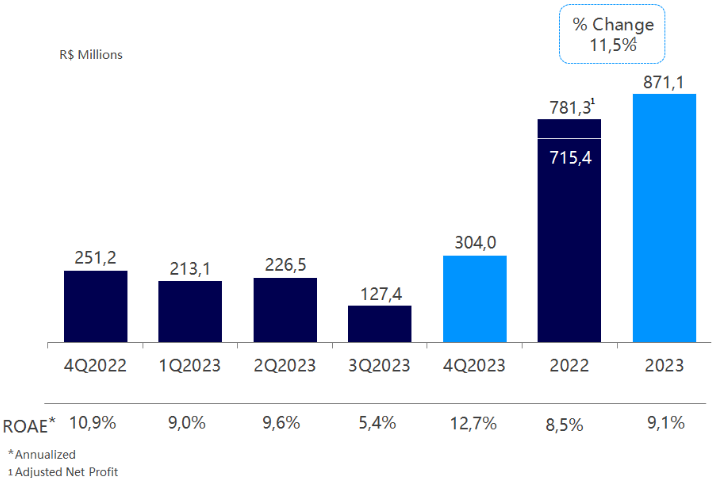
Structural Indicators	Dec 2023	Dec 2022	Sep 2023
Branches	492	495	493
Service Stations	127	131	127
Electronic Service Stations	413	437	420
Employees	9,089	8,658	8,958

Economic Indicators	2023	2022	4Q2023	3Q2023	4Q2022
Selic Rate (YTD)	13.04%	12.39%	2.83%	3.22%	3.20%
Exchange Rate Variation (%)	-7.21%	-6.50%	-3.32%	3.91%	-3.49%
IGP-M (General Market Price Index)	-3.18%	5.46%	1.84%	-0.49%	-1.08%
IPCA (Extended Consumer Price Index)	4.62%	5.78%	1.08%	0.61%	1.63%

(1) Includes adjusted personnel expenses and other administrative expenses. (2) Includes derivative financial instruments, interbank liquidity investments, and cash and cash equivalents and deduces repurchase obligations. (3) Interest on equity and dividends paid credited and/or provisioned (before retention of income tax). (4) Net income over average total assets. (5) Net income over average equity. (6) Personnel expenses + other administrative expenses / financial margin + Income from Services Rendered and Banking Fees + (other operating income - other operating expenses - civil, tax, and labor expenses). Considers LTM income and expenses. (7) Past due loans > 90 days / loan portfolio. (8) Provisions for loan losses / past due loans > 90 days. (9) Provisions for loan losses / loan portfolio.

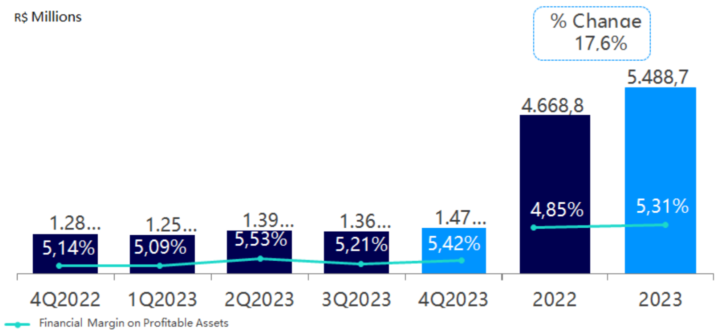
Financial Highlights

Net income reached **R$871.1 million** in 2023, up by 11.5% or R$89.8 million from the adjusted net income for 2022, reflecting: (i) the increase in financial margin, (ii) the increase in provision expenses for loan losses, (iii) higher service revenue, (iv) higher adjusted administrative expenses, (v) an unfavorable result in other operating income and expenses, (vi) lower expenses with labor, tax and civil provisions, and (vii) the subsequent tax effect and the Profit Sharing Program - PPR.



Compared to 3Q2023, net income in 4Q2023 increased by 138.6% or R$176.6 million, mainly due to: (i) the increase in financial margin, (ii) the decrease in provision expenses for loan losses, (iii) higher service revenue, (iv) higher administrative expenses, (v) a favorable result in other operating income and expenses, (vi) higher expenses with labor, tax and civil provisions, and (vii) the subsequent tax effect and the PPR.

2022 net income was impacted by R$65.9 million, due to the 2022 Voluntary Separation Program and related tax effects, which were treated, for the purpose of this performance analysis, as non-recurring items.



The **financial margin** reported in 2023 totaled **R$5,488.7 million**, up by 17.6% or R$819.9 million from 2022, mainly reflecting the substantial increase in interest income in relation to increased interest expenses, under a scenario with a rising effective Selic Rate and higher loan volumes. The financial margin increased by 7.8%, or R$107.3 million, quarter on quarter in 4Q2023, reflecting lower interest expenses in relation to relatively flat interest income.

The **financial margin on interest-earning assets** rose by 0.46 p.p. year on year in 2023 and by 0.21 p.p. quarter on quarter in 4Q2023.

Expenses with provision for loan losses came to R$1.330,5 million in 2023, up by 37.3% or R$361.8 million over 2022, mainly due to the rolling over of the loan portfolio according to the credit rating levels and the increase in overdue loans, within a context of higher loan operations. Said expenses totaled R$216.8 million, down by 50.2% or R$218.9 million quarter on quarter in 4Q2023, mainly reflecting the rolling over of the loan portfolio according to the credit rating levels, the settlement of loans for which full provisions were created, and the revision of the rural credit provision policy.

Income from Services Rendered and Banking Fees increased by 7.2%, or R$149.4 million, year on year in 2023, mainly due to the growth in revenues from Banrisul Pagamentos and credit cards, offset by lower revenues from checking account fees. Said revenues increased by 5.1%, or R$29.5 million, quarter on quarter in 4Q2023, mainly reflecting the higher revenue from Banrisul Pagamentos, income from fund management services, revenues from insurance brokerage commissions, and fee income from credit cards.

Breakdown of Income from Services Rendered and Banking Fees - R$ million

	2023	2022	4Q2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Banrisul Pagamentos	817.3	741.9	220.3	206.8	204.4	10.2%	7.8%	6.5%
Insurance Commissions	287.9	266.8	74.2	70.8	74.8	7.9%	-0.7%	4.9%
Checking Account Fees	555.6	583.7	140.6	138.5	145.2	-4.8%	-3.1%	1.5%
Management Sales Poll Groups Fees	131.4	99.1	35.1	34.3	28.6	32.6%	22.7%	2.4%
Other Revenues (1)	440.7	391.9	133.8	124.1	97.6	12.5%	37.1%	7.8%
Total	**2,232.9**	**2,083.5**	**604.0**	**574.5**	**550.6**	**7.2%**	**9.7%**	**5.1%**

(1) Includes mainly debit account income, collection services, credit card, fund management, collection, and custody services.

Administrative expenses, comprised of personnel and other administrative expenses, increased by 6.0% year on year in 2023 and by 2.2% quarter on quarter in 4Q2023. Personnel expenses increased by 7.1% in comparison with 2023 and the adjusted personnel expenses reported in 2022, influenced by collective bargaining agreements and the hiring of new employees; while other administrative expenses grew by 4.7% in the period, mainly influenced by the increase in expenses with specialized technical services, advertising, promotions, marketing, and amortization and depreciation. Personnel expenses remained virtually flat quarter on quarter in 4Q2023, and other administrative expenses grew by 3.7% in the period, mainly reflecting higher expenses with asset maintenance and preservation, communications, depreciation and amortization, advertising, promotions, marketing, third-party services, and specialized technical services.

Breakdown of Administrative Expenses - R$ million

	2023	2022	4Q2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Adjusted Personnel Expenses	2,181.4	2,036.0	558.4	554.1	533.4	7.1%	4.7%	0.8%
Other Administrative Expenses	1,964.5	1,875.8	512.0	493.5	470.6	4.7%	8.8%	3.7%
Amortization and Depreciation	276.0	254.2	72.5	69.6	68.2	8.6%	6.4%	4.2%
Water, Electricity, and Gas	29.9	33.7	6.6	5.9	6.2	-11.3%	6.9%	11.9%
Rentals and Condominiums	160.6	147.4	40.8	41.1	37.1	8.9%	10.1%	-0.6%
Data Processing	177.2	157.4	49.3	49.7	39.1	12.6%	26.1%	-0.8%
Advertising, Promotions and Publicity	139.4	116.3	37.6	36.2	27.7	19.9%	35.7%	4.0%
Third-Party Services	545.4	589.2	134.1	132.7	138.3	-7.4%	-3.0%	1.1%
Specialized Technical Services	223.7	183.4	59.8	58.6	51.2	22.0%	16.6%	2.1%
Surveillance, Security and Transp. of Values	137.2	135.2	35.4	35.6	33.7	1.5%	5.1%	-0.7%
Other (1)	275.2	259.1	75.9	64.3	69.2	6.2%	9.7%	18.1%
Total	**4,145.9**	**3,911.8**	**1,070.3**	**1,047.7**	**1,004.0**	**6.0%**	**6.6%**	**2.2%**

(1) Includes mainly communications, materials, asset maintenance and preservation expenses, and services of the financial system.

The **efficiency ratio** reached 58.4% in 2023 compared to 63.5% in 2022, reflecting a 17.6% increase in financial margin, a 7.2% increase in service revenues, the unfavorable performance of other operating expenses (net of other operating income), and a 30.0% decrease in expenses with civil, tax and labor provisions, compared to a 6.0% increase in adjusted administrative expenses.

Operational Highlights

Total assets reached R$125,063.7 million in December 2023, up by 10.5% over December 2022 and by 1.2% over September 2023. The main components of assets and liabilities will be discussed below.

Treasury investments (Securities, derivative financial instruments, interbank liquidity investments, and cash and cash equivalents) totaled R$50,341.3 million in December 2023. Treasury investments net of repo operations increased by R$2,008.4 million from December 2022 and by R$2,481.3 million from September 2023, mainly reflecting the growth in fundraising, the rise of 9.3% and 2.3% in loan operations, respectively, and compliance with the compulsory deposits required by the Central Bank of Brazil.

Loan operations reached R$53,669.3 million in December 2023, up by 9.3%, or R$4.547,4 million, over December 2022 and by 2.3%, or R$1,212.4 million, over September 2023, mainly influenced by the expansion in rural, real estate and commercial loans.

Loan Portfolio - R$ million

	Dec 2023	Total Loan (%)	Sep 2023	Dec 2022	Dec 2023/ Dec 2022	Dec 2023/ Sep 2023
Foreign Exchange	886.2	1.7%	862.4	1,014.3	-12.6%	2.8%
Commercial	34,832.8	64.9%	34,506.0	34,411.9	1.2%	0.9%
Individuals	26,127.2	48.7%	25,967.5	25,517.5	2.4%	0.6%
Payroll Loans (1)	19,783.7	36.9%	20,039.5	20,092.3	-1.5%	-1.3%
Others	6,343.5	11.8%	5,928.0	5,425.2	16.9%	7.0%
Companies	8,705.6	16.2%	8,538.5	8,894.4	-2.1%	2.0%
Working Capital	6,824.2	12.7%	6,644.4	6,999.4	-2.5%	2.7%
Others	1,881.4	3.5%	1,894.1	1,895.0	-0.7%	-0.7%
Long-Term Financing	486.5	0.9%	476.0	547.1	-11.1%	2.2%
Real Estate	5,961.4	11.1%	5,733.7	5,139.7	16.0%	4.0%
Rural	11,359.1	21.2%	10,747.8	7,879.5	44.2%	5.7%
Other (2)	143.4	0.3%	131.0	129.4	10.8%	9.4%
Total	**53,669.3**	**100.0%**	**52,456.9**	**49,121.9**	**9.3%**	**2.3%**

(1) Includes credits linked to transactions acquired in assignments.
(2) Includes leasing and the public sector.

The **90-day delinquency rate** reached 1.95% in December 2023, up by 0.37 p.p. YoY and down by 0.04 p.p. QoQ. The balance of loan operations overdue for more than 90 days increased by 34.6% YoY, with relative stability QoQ. The balance of provisions for loan losses increased by 5.4% YoY, reflecting the rolling over of the loan portfolio according to the credit rating levels, the increase in overdue loans, and the growth in loan operations; and decreased by 2.7% QoQ, reflecting the rolling over of the loan portfolio according to the credit rating levels, the settlement of loans for which full provisions were created, and the revision of the rural credit provision policy.

Asset Quality Indicators (%)

	Dec 2023	Sep 2023	Dec 2022
Loan Portfolio Normal Risk / Total Loan Portfolio	93.5%	93.0%	93.4%
Loan Portfolio Risks 1 and 2 / Total Loan Portfolio	6.5%	7.0%	6.6%
Default Rate > 90 Days	1.95%	1.99%	1.58%
Coverage Ratio > 90 Days (1)	245.6%	253.4%	313.6%
Provisioning Ratio (2)	4.8%	5.0%	5.0%

(1) Provision for expected loan losses / past due loans > 90 days.
(2) Provision for expected loan losses / loan portfolio.

Funds raised and managed, consisting of deposits, proceeds from bank notes, subordinated debt, and managed third-party funds, reached R$95,938.9 million in December 2023, up by R$8,016.3 million in twelve months, and by R$4,618.4 over September 2023, mainly influenced by the rise in deposits and funds in bank notes.

Funds Raised and Managed - R$ Million

	Dec 2023	Sep 2023	Dec 2022	Dec 2023/ Dec 2022	Dec 2023/ Sep 2023
Total Deposits	71,131.1	68,555.7	67,615.9	5.2%	3.8%
Proceeds from Bank Notes (1)	6,581.7	5,048.3	3,271.5	101.2%	30.4%
Subordinated Debt (2)	1,450.7	1,104.6	1,170.4	23.9%	31.3%
Total Funds Raised	**79,163.5**	**74,708.7**	**72,057.8**	**9.9%**	**6.0%**
Funds Managed	16,775.3	16,611.9	15,864.8	5.7%	1.0%
Total Funds Raised and Managed	**95,938.9**	**91,320.5**	**87,922.6**	**9.1%**	**5.1%**

(1) Bank notes, subordinated bank notes and real estate and agribusiness letters of credit.
(2) Refers to the subordinated foreign fundraising.

Equity reached R$9.668,9 million in December 2023, up by 2.6% or R$248.8 million over December 2022, mainly due to the recognition of results, payments of interest on equity and accrued dividends, re-measuring of actuarial liabilities of post-employment benefits (CPC 33 - R1), as well as the reclassification of FX variations with the write-offs of foreign investments. Compared to September 2023, equity grew by 1.9%, or R$183.8 million, reflecting the recognition of results, accrued dividends, the reclassification of FX variations as a result of the write-off of investments abroad and the reallocation of treasury shares in the stock market.

In terms of its **own taxes and contributions**, Banrisul collected and provisioned R$917.5 million in 2023. Withheld and transferred taxes, levied directly on financial intermediation and other payments, totaled R$1,240.4 million in the year.

Guidance

Even facing the challenging macroeconomic scenario in Brazil, Banrisul ends 2023 with profitability within the projected range.

The performance of the Total Loan Portfolio was in line with the published range, resulting from the above-expected growth in the Rural Loan Portfolio, partially offset by the Commercial Portfolio, which performed below the floor. For the next year, credit growth is projected to slow down with greater focus on profitability rather than volume. The Bank continues to ensure that this growth remains sustainable, maintaining the quality of the credits granted.

Fundraising recorded growth slightly above expectations, which resulted in a financial margin slightly below expectations, but still at higher levels than the previous year. For 2024, given a scenario of lower interest rates and a focus on resuming profitability, greater expansion of the financial margin is projected.

Regarding administrative expenses, Banrisul continues to keep its expenses under control, recording growth within expectations in 2023. Next year, projections consider the making of greater investments aimed at the continuity and improvement of business and processes, in particular, technological modernization projects.

Banrisul Outlook		**Year of 2023**	
	Projected (3)	**Reviewed**(4)	**Delivered**
Total Loan Portfolio	10% to 15%	9% to 14%	9.3%
Non-direct Lending - Individual Clients	7% to 12%	5% to 10%	2.4%
Non-direct Lending – Companies	10% to 15%	7% to 12%	-2.1%
Rural Loans	24% to 29%	35% to 40%	44.2%
Financial Margin	19% to 23%	18% to 22%	17.6%
Provision Expenses / Loan Portfolio	1.5% to 2.5%	2% to 3%	2.5%
Funding (1)	8% to 12%	6% to 10%	10.5%
Administrative Expenses (2)	6% to 10%	5% to 9%	6.7%
Return on Average Equity	11% to 15%	9% to 13%	9.1%

(1) Funding: Deposits (excluding Interbank Deposits) + Resources from bank notes and similar, except subordinate.
(2) Administrative Expenses excluded fee commissions on banking correspondents.
(3) Disclosed in 4Q2022 and sustained in 1Q2023.
(4) Released in 1H2023.

	Year 2024
	Projected
Total Loan Portfolio	2% to 7%
Financial Margin	25% to 30%
Provision Expenses / Loan Portfolio	2.5% to 3.5%
Administrative Expenses (1)	6% to 10%

(1) Administrative Expenses excluded fee commissions on banking correspondents.

Such information reflects the wishes and expectations of the Company's management. The words "anticipates", "wants", "expects", "anticipates", intends to "plans", "predicts", "projects", "aims" and the like identify that, mainly, they involve known and unknown risks. Known risks include uncertainties not limited to the impact of price and product competitiveness, acceptance of products on the market, product transitions from the Company and its competitors, regulatory approval, currency fluctuations, changes in product mix, and other risks described in the Company's reports. This Guidance is up to date with current data and Banrisul may or may not update it upon new and/or future events.

Porto Alegre, February 9, 2024.

PERFORMANCE ANALYSIS

December 2023

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PERFORMANCE ANALYSIS

We present the Performance Analysis of Banco do Estado do Rio Grande do Sul S.A. for the fourth quarter and fiscal year of 2023.

Net Income

Net income for the fiscal year of 2023 reached R$871.1 million, up by 11.5% or R$89.8 million from the adjusted net income in 2022, mainly due to: (i) the R$819.9 million increase in financial margin; (ii) the R$361.8 million increase in provision expenses for loan losses; (iii) higher service revenue, by R$149.4 million; (iv) higher adjusted administrative expenses, by R$234.2 million; (v) lower expenses with labor, tax and civil provisions, by R$198.2 million; (vi) an unfavorable result in other operating income and expenses, by R$229.6 million; and (vii) the subsequent tax effect and the Profit Sharing Program(PPR).

Net income in 4Q2023 reached R$304.0 million, up by 21.0% or R$52.8 million over the net income in 4Q2022, mainly due to: (i) increase in financial margin, by R$196.2 million; (ii) lower provision expenses for loan losses, by R$65.2 million; (iii) higher service revenue, by R$53.4 million; (iv) higher administrative expenses, by R$66.3 million; (v) an unfavorable result in other operating income and expenses, in the amount of R$62.5 million; (vi) higher expenses with labor, tax and civil provisions, by R$52.1 million; and (vii) the subsequent tax effect and the PPR.

Compared to 3Q2023, net income in 4Q2023 increased by 138.6% or R$176.6 million, mainly due to: (i) increase in financial margin, by R$107.3 million; (ii) lower provision expenses for loan losses, by R$218.9 million; (iii) higher service revenue, by R$29.5 million; (iv) higher administrative expenses, by R$22.7 million; (v) a favorable result in other operating income net of other operating expenses, in the amount of R$47.4 million; (vi) higher expenses with labor, tax and civil provisions, by R$7.2 million, and (vii) the subsequent tax effect and the PPR.

Net Income for 2022 was impacted by R$65.9 million, due to the 2022 Voluntary Separation Program and related tax effects, which were treated, for the purpose of this performance analysis, as non-recurring items.

Analytical Financial Margin

The analytical financial margin presented was calculated based on the average balances of assets and liabilities, which were calculated based on the closing balances of the months making up the respective periods under analysis. The following table describes the income-producing assets and onerous liabilities, the corresponding amounts of income from financial intermediation on assets and financial intermediation expenses on liabilities, as well as the actual average rates. Income from loan transactions overdue for more than 60 days – regardless of their risk levels – is only recognized as such when it is effectively received. The average balances of short-term interbank investments and funds invested or raised in the interbank market correspond to the redemption amount, excluding income or expenses to be recognized that are equivalent to future periods. The average balance of deposits, open market funding, and obligations arising from loans and transfers include charges that are mandatory up to the reporting date of the Financial Statements, recognized on a pro-rata basis. As for expenses linked to these accounts, those related to deposits include expenses resulting from contributions made to the Credit Guarantee Fund - FGC.

The margin on interest-earning assets increased by 0.46 p.p. between the years of 2022 and 2023, reaching 5.31% in 2023. The average interest-earning assets increased by 7.5% and onerous liabilities increased by 8.8%.

The exchange rate variation, especially due to loan transactions (foreign exchange and financings in foreign currency), derivative financial instruments, subordinated debt, international transfers, and the rise in the Selic rate had an impact on the rates of interest-earning assets and onerous liabilities in the period. Besides the economy's basic interest rates on which financial transactions are referenced, the structure of assets and liabilities, as well as the agreed-upon terms and interest, are determining factors when calculating the margin in every reporting period.

As for the structure, among the interest-earning assets, we highlight the following: a) loan transactions, accounting for 46.1% of these assets, increasing by 2.8 p.p. between the years of 2022 and 2023; securities transactions, accounting for 43.7% of these assets, reducing by 1.9 p.p. in the period. In relation to onerous liabilities, we highlight the following: a) term deposits, accounting for 54.0% of these liabilities in 2023, decreasing by 2.6 p.p. from 2022; b) open market funding, accounting for 16.2% of onerous liabilities, increasing by 0.1 p.p. in the period; and c) savings deposits, accounting for 12.0% of onerous liabilities, decreasing by 1.5 p.p. in the period.

Analytical Financial Margin - R$ Million and %

	2023			2022			2021		
	Average Balance	Revenue Expense	Average Rate	Average Balance	Revenue Expense	Average Rate	Average Balance	Revenue Expense	Average Rate
Interest-Earning Assets	**103,429.5**	**15,734.1**	**15.21%**	**96,247.3**	**12,992.5**	**13.50%**	**87,482.6**	**8,212.2**	**9.39%**
Loan Transactions (1)	47,644.7	8,949.8	18.78%	41,657.3	7,381.3	17.72%	34,901.2	5,808.2	16.64%
Securities (2)	45,205.4	5,602.7	12.39%	43,872.1	5,182.0	11.81%	42,795.3	1,941.0	4.54%
Derivative Financial Instruments (3)	(566.7)	(113.4)	20.01%	13.2	(725.2)	5,494.09%	852.0	63.0	7.39%
Compulsory Deposits	10,124.6	1,223.5	12.08%	9,514.8	1,075.5	11.30%	7,768.8	338.1	4.35%
Others	1,021.5	71.5	7.00%	1,190.0	78.9	6.63%	1,165.2	62.0	5.32%
Non-Interest-Earning Assets	**14,307.0**	**-**	**-**	**13,620.7**	**-**	**-**	**11,688.3**	**-**	**-**
Total Assets	**117,736.5**	**15,734.1**	**13.36%**	**109,867.9**	**12,992.5**	**11.83%**	**99,170.9**	**8,212.2**	**8.28%**
Onerous Liabilities	**92,840.7**	**(10,245.3)**	**11.04%**	**85,292.7**	**(8,323.7)**	**9.76%**	**77,073.1**	**(3,366.6)**	**4.37%**
Interbank Deposits	2,620.0	(202.5)	7.73%	1,284.9	(76.2)	5.93%	1,195.8	(19.4)	1.62%
Savings Deposits	11,144.2	(840.5)	7.54%	11,494.7	(854.6)	7.43%	11,334.9	(389.3)	3.43%
Term Deposits	50,166.3	(5,478.1)	10.92%	48,258.8	(5,042.0)	10.45%	46,000.6	(1,836.0)	3.99%
Open Market Funding	15,053.3	(1,927.1)	12.80%	13,734.7	(1,723.2)	12.55%	8,278.5	(429.4)	5.19%
Proceeds from Bank Notes (4)	4,439.7	(511.7)	11.53%	2,348.2	(266.8)	11.36%	1,847.8	(72.9)	3.95%
Subordinated Debt	1,163.0	(375.3)	32.27%	1,713.5	447.7	-26.12%	4,487.5	(377.1)	8.40%
Obligations arising from Domestic Loans and Transfers	2,384.3	(133.9)	5.61%	1,747.1	(82.4)	4.72%	1,397.1	(50.4)	3.60%
Obligations arising from International Loans and Transfers	907.3	(74.9)	8.25%	1,104.0	(169.3)	15.34%	557.9	(91.2)	16.35%
Financial and Development Funds	4,962.8	(701.5)	14.13%	3,606.8	(556.7)	15.44%	1,973.1	(100.8)	5.11%
Non-Onerous Liabilities	**15,375.6**	**-**	**-**	**15,494.9**	**-**	**-**	**13,397.7**	**-**	**-**
Equity	**9,520.2**	**-**	**-**	**9,080.3**	**-**	**-**	**8,700.0**	**-**	**-**
Liabilities and Equity	**117,736.5**	**(10,245.3)**	**8.70%**	**109,867.9**	**(8,323.7)**	**7.58%**	**99,170.9**	**(3,366.6)**	**3.39%**
Spread			**4.66%**			**4.25%**			**4.89%**
Financial Margin		**5,488.7**	**5.31%**		**4,668.8**	**4.85%**		**4,845.6**	**5.54%**

(1) Includes advances on foreign exchange contracts, leasing operations and other credits with credit granting characteristics. The leasing operations are demonstrated by the net present value of lease agreements.
(2) Includes short-term interbank investments.
(3) Includes swap positions and DI futures contracts.
(4) Includes bank notes, subordinated financial bills, real estate letters of credit, and agribusiness letters of credit.

Variations in interest income and expenses: volume and rates

The financial margin in 2023, in the amount of R$5,488.7 million, increased by 17.6% or R$819.9 million from 2022, reflecting the increase in interest income, which had a substantially higher volume than the rise in interest expense. The growth in revenue was related to the increase in the average volume of interest-earning assets, especially in loan transactions and financial derivative instruments, as well as the increase in average rates, mainly for loan transactions and treasury investments, influenced by the rise the effective Selic rate. This growth in expenses was mainly due to the higher average volume, particularly for bank notes, term deposits, financial and development funds, open market funding, as well as the increase in average rates for onerous liabilities, mainly subordinated debt, reflecting the variation in exchange rate and mark-to-market, and term deposits, impacted by the rise in the effective Selic rate, from 12.39% in 2022 to 13.04% in 2023.

Variations in volume and interest rates were calculated based on the changes in average balances in the period and the variations in average interest rates, including exchange rate variations on interest-earning assets and onerous liabilities. The interest rate variation was calculated by the interest rate fluctuation in the period multiplied by the average interest-earning assets or average onerous liabilities in the second period. The change in volume was calculated as the difference between the interest volume of the most recent period and the previous one.

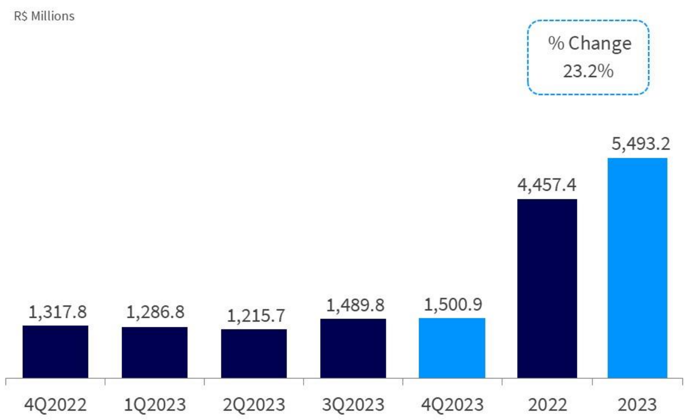
The following table describes the variations in interest income and expenses as a result of the change in the average volume of interest-earning assets and onerous liabilities, as well as the variation in the average interest rate on these assets and liabilities, comparing (i) 2023 vs 2022 and (ii) 2022 vs 2021.

Variations in Interest Income and Expenses: Volumes and Rates - R$ Million

	2023/2022			2022/2021		
	Increase / Decrease Due to the Variation in:			Increase / Decrease Due to the Variation in:		
	Average Volume	Interest Rate	Net Variation	Average Volume	Interest Rate	Net Variation
Interest-Earning Assets						
Loan Transactions, Leasing, and Other Loans	1,105.9	462.6	1,568.5	1,178.9	394.3	1,573.1
Securities	160.5	260.2	420.6	50.0	3,191.0	3,241.1
Derivative Financial Instruments (1)	598.2	13.7	611.8	(112.3)	(675.9)	(788.2)
Compulsory Deposits	71.2	76.8	148.1	90.9	646.4	737.4
Others	(11.6)	4.1	(7.5)	1.3	15.6	17.0
Total (a)	**1,924.1**	**817.4**	**2,741.5**	**1,208.9**	**3,571.4**	**4,780.3**
Onerous Liabilities						
Interbank Deposits	(97.8)	(28.5)	(126.3)	(1.6)	(55.2)	(56.8)
Savings Deposits	26.3	(12.2)	14.2	(5.6)	(459.7)	(465.3)
Term Deposits	(203.5)	(232.6)	(436.1)	(94.4)	(3,111.6)	(3,206.0)
Open Market Funding	(168.2)	(35.8)	(204.0)	(410.4)	(883.4)	(1,293.8)
Proceeds from Bank Notes (2)	(241.0)	(3.9)	(244.8)	(24.4)	(169.5)	(193.9)
Subordinated Debt	(103.4)	(719.5)	(822.9)	402.7	422.1	824.8
Obligations arising from Domestic Loans and Transfers	(33.8)	(17.6)	(51.4)	(14.4)	(17.7)	(32.1)
Obligations arising from International Loans and Transfers	38.9	55.6	94.5	(83.4)	5.3	(78.1)
Financial and Development Funds	(186.6)	41.8	(144.7)	(132.5)	(323.4)	(455.9)
Total (b)	**(969.0)**	**(952.6)**	**(1,921.6)**	**(364.0)**	**(4,593.1)**	**(4,957.1)**
Financial Margin (a + b)	**955.1**	**(135.2)**	**819.9**	**844.9**	**(1,021.7)**	**(176.8)**

(1) Includes swap positions and DI futures contracts. Banrisul uses derivative financial instruments to mitigate currency fluctuation risks arising from international funding and variations in the CDI rate for operations linked to fixed-rate Treasury Bills. In this sense, the variations presented should be analyzed together with the associated assets and liabilities.
(2) Includes bank notes, subordinated financial bills, real estate letters of credit, and agribusiness letters of credit.

Treasury Results



The result of treasury investments (securities plus the result from derivative financial instruments) in 2023 grew by 23.2% or R$1,035.8 million over 2022, reflecting the favorable growth in derivative financial instruments due to swap exchanges, exchange rate variation, mark-to-market in the period, and an increase in the securities line arising from a higher Selic rate.

The result of treasury investments in 4Q2023 grew by 13.9% or R$183.1 million over 4Q2022, reflecting the increase in derivative financial instruments due to swap exchanges, exchange rate variation and the mark-to-market in the period, in addition to the result for securities, mainly due to its higher balance.

Compared to 3Q2023, results from treasury investments remained relatively flat in 4Q2023, increasing by R$11.1 million and reflecting the rise in derivative financial instruments due to swap exchanges, exchange rate variation, and the mark-to-market in the period, offset by the retraction in securities resulting from the reduction in the effective Selic rate and a smaller number of business days.

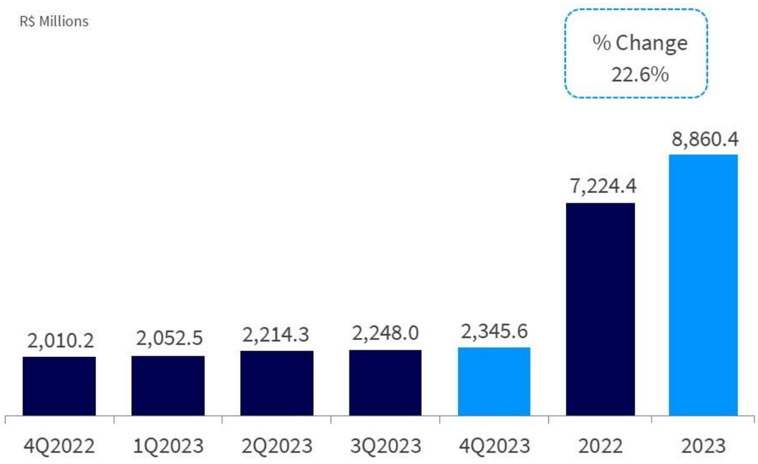
Income from Compulsory Investments

Compulsory investments totaled R$1,291.1 million in 2023, up by 11.9% or R$137.2 million against 2022, mainly due to the increase in income from compulsory deposits linked to term deposits, resulting mainly from the rise in the effective Selic rate and a higher balance of compulsory deposits on term deposits.

In the comparison between 4Q2023 and 4Q2022, income from compulsory investments fell by 2.9% or R$9.4 million, mainly due to a lower income from loans linked to term deposits and savings deposits, particularly because of the decline in the effective Selic rate and a smaller number of business days in the period, partially offset by the increase in income from Financial Treasury Letter – LFTs in custody, influenced by the increase in volume for LFTs linked to the rate.

Compared to 3Q2023, income from compulsory investments fell by 6.8% or R$22.9 million in 4Q2023, mainly due to lower income from loans linked to term deposits, particularly because of the lower effective Selic rate and a smaller number of business days in the period.

Income from Loan Transactions



In 2023, income from loan transactions, which includes income from leasing and other loans, increased by 22.6% or R$1,636.0 million over 2022, mainly due to the rise in income from commercial loans and rural loans. In the comparison between 4Q2023 and 4Q2022, income from loan operations increased by 16.7% or R$335.5 million, mainly due to the growth in income from commercial loans and rural loans and recovery of loans written off as losses.

In relation to 3Q2023, income from loan operations increased by 4.3% or R$97.6 million in 4Q2023, mainly influenced by higher income with the recovery of loans written off as losses and income from rural loans.

Income from Commercial Loans - Individuals and Companies

In 2023, income from commercial loans for individual clients accounted for 74.7% of the total commercial loan portfolio, up by 15.7% or R$684.3 million over 2022. In the comparison between 4Q2023 and 4Q2022, income from commercial loans for individual clients increased by 11.9% or R$139.4 million. The growth in these comparison periods was mainly driven by higher payroll-deductible loans, consumer loans, and credit cards, impacted by the rise in average rates for the credit card and payroll-deductible products, and a higher balance for consumer loans and credit card operations. Compared to 3Q2023, income from commercial loans for individual clients increased by 2.7% or R$34.8 million in 4Q2023, mainly influenced by the rise in payroll-deductible loans, which was driven by the increase in average rates.

Income from commercial loans for companies accounted for 25.3% of the total commercial loan portfolio in 2023, increasing by 22.5% or R$314.5 million over 2022, mainly driven by the increase in working capital and debit accounts, driven by the rise in average rates for these products. In the comparison between 4Q2023 and 4Q2022, income from commercial loans for companies grew by 3.8% or R$15.4 million, reflecting an increase in income from debit accounts and working capital lines, due to the higher average rate and balance of the debit accounts. Compared to 3Q2023, income from commercial loans for companies fell by 1.7% or R$7.2 million, influenced mainly by a decline in income from debit accounts resulting from a lower average rate in the period and the balance.

In 2023, income from commercial loans increased by 17.4% or R$998.8 million over 2022, of which 68.5% originated as income from individual clients. In the comparison between 4Q2023 and 4Q2022, income from commercial loans increased by 9.8% or R$154.8 million, of which 90.0% originated as income from commercial loans for individual clients. Compared to 3Q2023, income from commercial loans grew by 1.6% or R$27.6 million in 4Q2023, due to the rise in commercial loans to individual clients and offset by the retraction in commercial loans for companies.

Income from Commercial Loans - Individuals and Companies - R$ Million

	2023	2022	4T2023	3Q2023	4Q2022	2023/ 2022	4T2023/ 4Q2022	4T2023/ 3Q2023
Individuals	**5,045.5**	**4,361.2**	**1,306.7**	**1,271.9**	**1,167.4**	**15.7%**	**11.9%**	**2.7%**
Consumer Loans (Non-Deductible)	62.1	52.2	14.5	15.6	14.9	19.0%	-2.3%	-6.9%
Credit Card (1)	338.9	229.4	93.1	85.3	65.3	47.7%	42.6%	9.2%
Overdraft	508.8	446.9	126.6	129.3	113.6	13.9%	11.5%	-2.0%
Payroll-Deductible Loans	3,413.7	3,088.6	884.5	851.7	826.3	10.5%	7.0%	3.8%
Personal Loans (Non-Deductible)	585.7	421.1	150.8	155.4	117.1	39.1%	28.8%	-2.9%
Others	136.2	123.0	37.1	34.7	30.2	10.7%	22.9%	7.0%
Companies	**1,709.6**	**1,395.1**	**424.3**	**431.5**	**408.9**	**22.5%**	**3.8%**	**-1.7%**
Consumer Loans	53.4	46.4	12.0	13.2	13.9	15.0%	-13.6%	-9.3%
Credit Card (1)	14.1	8.1	4.4	4.0	2.1	73.7%	114.5%	9.9%
Working Capital	1,235.0	1,009.9	306.2	307.6	300.1	22.3%	2.0%	-0.4%
Debit Accounts	300.8	212.5	74.7	80.7	58.7	41.6%	27.4%	-7.5%
Others	106.3	118.4	26.9	26.0	34.2	-10.0%	-21.2%	3.8%
Total	**6,755.2**	**5,756.3**	**1,731.1**	**1,703.4**	**1,576.2**	**17.4%**	**9.8%**	**1.6%**

(1) Refers to revolving credit cards.

Average monthly rates of commercial loans increased in 2023 over 2022, as well as in the quarterly comparisons between 4Q2023 and 4Q2022, with emphasis on the rise in average monthly rates for the credit card product in the individual and companies commercial loan portfolios, as well as for debit accounts in commercial loans for companies. Compared to 3Q2023, average monthly rates of commercial loans decreased in 4Q2023, driven mainly by the reduction in average rates for the consumer loan product of the commercial loans for individual clients, as well as the debit accounts in the commercial loans for companies.

Average monthly rates for payroll-deductible loans, the main product in the commercial loans for individual clients, increased in all comparison periods. Average monthly rates of commercial loans for individual clients were affected by the inventory of fixed transactions and market competition.

Average monthly rates for working capital, the main product in the commercial loans for companies, increased in the annual and fell in the quarterly comparison periods, in line with the trajectory of the basic interest rate, also impacted by competitive conditions in the credit market.

Average Monthly Rates of Commercial Loans - Individuals and Companies (% and p.p.)

	2023	2022	4T2023	3Q2023	4Q2022	2023/ 2022	4T2023/ 4Q2022	4Q2023/ 3Q2023
Individuals	**1.90%**	**1.71%**	**1.92%**	**1.94%**	**1.77%**	**0.19**	**0.15**	**(0.02)**
Consumer Loans (Non-Deductible)	1.44%	1.33%	1.42%	1.48%	1.44%	0.11	(0.02)	(0.06)
Credit Card (1)	9.98%	8.60%	10.07%	10.30%	9.22%	1.38	0.85	(0.23)
Overdraft	7.95%	7.91%	7.97%	7.97%	7.91%	0.04	0.06	-
Payroll-Deductible Loans	1.48%	1.37%	1.52%	1.49%	1.41%	0.11	0.11	0.03
Personal Loans (Non-Deductible)	3.35%	3.44%	3.01%	3.48%	3.39%	(0.09)	(0.38)	(0.47)
Others	1.30%	1.31%	1.33%	1.29%	1.29%	(0.01)	0.04	0.04
Companies	**1.67%**	**1.50%**	**1.64%**	**1.73%**	**1.61%**	**0.17**	**0.03**	**(0.09)**
Consumer Loans	1.40%	1.33%	1.37%	1.45%	1.46%	0.07	(0.09)	(0.08)
Credit Card (1)	12.05%	11.87%	12.23%	12.33%	11.61%	0.18	0.62	(0.10)
Working Capital	1.53%	1.42%	1.49%	1.59%	1.53%	0.11	(0.04)	(0.10)
Debit Accounts	6.35%	5.03%	6.33%	6.44%	5.73%	1.32	0.60	(0.11)
Others	0.67%	0.68%	0.66%	0.66%	0.71%	(0.01)	(0.05)	-
Total	**1.84%**	**1.65%**	**1.85%**	**1.88%**	**1.73%**	**0.19**	**0.12**	**(0.03)**

(1) Refers to the average monthly rate of revolving credit cards.

Income from Foreign Exchange Transactions

The result of foreign exchange transactions totaled R$89.3 million in 2023, down by R$67.5 million from 2022, reflecting the lower transaction volume and the variation of the Brazilian currency against the U.S. dollar. In the quarterly comparisons, the result from foreign exchange transactions in 4Q2023 fell by R$7.8 million versus 4Q2022, and by R$71.7 million over 3Q2023. These trajectories reflect mainly the variation of the Brazilian currency against the U.S. dollar, which had a lower appreciation in 4Q2023, of 3.32%, lower than in 4Q2022, of 3.49%, and a depreciation of 3.91% in 3Q2023.

Banrisul's foreign exchange transactions are linked to foreign-currency funding. As a result, the variation in income was proportionally offset by the variation in expenses with obligations arising from foreign-currency loans and transfers.

Market Funding Expenses

Market funding expenses increased in 2023 increased by 24.8% or R$1,854.3 million over the expenses reported in 2022, reflecting mainly the growth in subordinated debt, which was impacted by the exchange rate variation and mark-to-market of the obligation, the rise in expenses with deposits, expenses with proceeds from bank notes and repurchase agreements, particularly impacted by the rise in the effective Selic rate, which references most of the funding, and by the increase in balance.

In 4Q2023, funding expenses increased by 15.1% or R$328.9 million over 4Q2022, mainly influenced by the increase in subordinated debt resulting from the exchange rate variation and mark-to-market of the obligation, and the rise in expenses with proceeds from bank notes and repurchase agreements, offset by the reduction in expenses with deposits.

Compared to 3Q2023, funding expenses remained relatively flat in 4Q2023, increasing by R$4.2 million and reflecting the higher result from subordinated debt and expenses with proceeds from bank notes, offset by the reduction in expenses with deposits and repurchase agreements, which were particularly impacted by the decline in the effective Selic rate, in addition to the substitution of certain CDB-linked products for others with fixed rates.

Market Funding Expenses - R$ Million

	2023	2022	4T2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Deposits (1)	6,521.0	5,938.5	1,504.6	1,711.7	1,639.8	9.8%	-8.2%	-12.1%
Repurchase Agreements	1,927.1	1,723.2	495.9	586.3	438.6	11.8%	13.1%	-15.4%
Proceeds from Bank Notes (2)	511.7	266.8	155.5	131.9	95.1	91.8%	63.6%	17.9%
Subordinated Debt (3)	375.3	(447.7)	346.1	68.1	(0.2)	-183.8%	-	408.5%
Total	**9,335.1**	**7,480.9**	**2,502.1**	**2,497.9**	**2,173.2**	**24.8%**	**15.1%**	**0.2%**

(1) Includes expenses related to FGC. (2) Includes Subordinated Financial Bills. (3) In February 2022, the foreign funding carried out in January 2012 was settled.

Funding Cost

The funding cost was calculated based on the average balance of funds raised, which are linked to the corresponding amounts of effective funding expenses, thus generating the average rates. Deposits and funds from acceptance and instrument issues were grouped into funding products under liabilities.

In 4Q2023, the average funding price, of 2.21%, fell in relation to 4Q2022 and 3Q2023, in line with the trajectory of the effective Selic rate. The average cost indicator in relation to the effective Selic rate reached 77.95% in 4Q2023, up by 0.69 p.p. from 4Q2022, and down by 1.22 p.p. from 3Q2023.

The average cost of term deposits – whose balance accounts represent 68.9% of the lines shown in the table below – reached 85.70% of the effective Selic rate in 4Q2023, down by 0.06 p.p. from 4Q2022 and by 2.20 p.p. from 3Q2023.

Funding Cost - R$ Million and %

	4T2023			3Q2023			4Q2022		
	Average Balance (1)	Accumulated Expense	Average Cost	Average Balance (1)	Accumulated Expense	Average Cost	Average Balance (1)	Accumulated Expense	Average Cost
Term Deposits	51,755.2	(1,257.2)	2.43%	50,514.6	(1,429.7)	2.83%	49,519.0	(1,358.1)	2.74%
Savings Deposits	11,079.3	(189.8)	1.71%	11,156.8	(215.3)	1.93%	11,371.5	(221.9)	1.95%
Demand Deposits	4,018.0	-	0.00%	3,633.1	-	0.00%	3,937.8	-	0.00%
Interbank Deposits	2,257.4	(36.2)	1.60%	2,425.7	(46.2)	1.91%	2,246.6	(39.9)	1.78%
Other Deposits	222.1	(0.0)	0.01%	151.9	(0.0)	0.03%	16.4	(0.0)	0.18%
Financial Bills (2)	1,296.6	(40.4)	3.12%	1,276.4	(44.8)	3.51%	1,055.9	(36.9)	3.49%
Real Estate Letters of Credit	946.0	(22.7)	2.40%	1,121.4	(32.2)	2.87%	975.2	(27.7)	2.84%
Agribusiness Letters of Credit	3,564.9	(92.4)	2.59%	2,038.1	(54.9)	2.69%	1,093.0	(30.5)	2.79%
FGC Contribution Expenses	-	(21.4)	-	-	(20.4)	-	-	(19.8)	-
Total Average Balance / Total Expense	**75,139.7**	**(1,660.1)**	**2.21%**	**72,318.0**	**(1,843.6)**	**2.55%**	**70,215.3**	**(1,734.8)**	**2.47%**
Selic Rate			**2.83%**			**3.22%**			**3.20%**
Average Cost / Selic Rate			**77.95%**			**79.17%**			**77.26%**
Term Deposit Cost / Selic Rate			**85.70%**			**87.90%**			**85.76%**

(1) Average balances based on the final balances for the months composing the analyzed periods.
(2) Includes Subordinated Financial Bills.

Loan, Assignment, and Transfer Expenses

In 2023, expenses with loans, assignment, and transfers increased by 8.0% or R$67.3 million over the expenses reported in 2022, mainly due to the higher expenses with the reserve fund for court deposits, in line with the higher balance and offset by the decrease in expenses with transfers in foreign currency, impacted by the exchange rate variation in the period.

In the comparison between 4Q2023 and 4Q2022, expenses with loans, assignments and transfers fell by 4.6% or R$8.2 million, influenced mainly by the drop in expenses for the reserve fund for court deposits and partially offset by the increase in expenses for transfers in foreign currency, impacted by the exchange rate variation in the period.

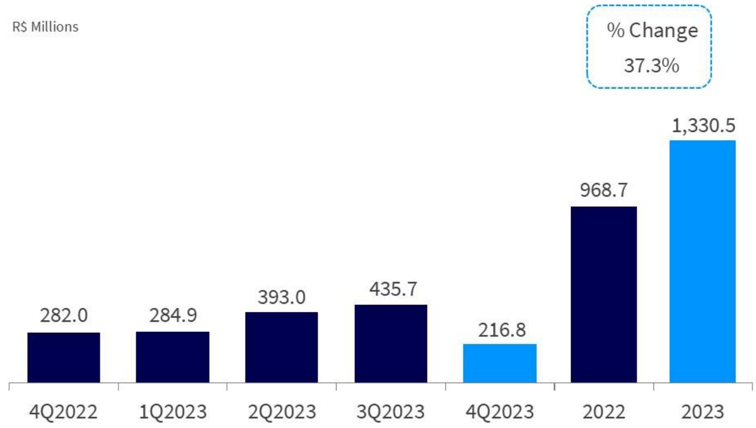
Compared to 3Q2023, expenses with loans, assignments and transfers fell by 36.3% or R$97.4 million in 4Q2023, influenced mainly by the drop in expenses for transfers in foreign currency, which was impacted mainly by the exchange rate variation in the period, and the reduction in expenses for the reserve fund for court deposits, impacted by the effective Selic rate.

Loan and Transfer Expenses - R$ Million

	2023	2022	4Q2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Reserve Fund for Court Deposits	701.5	556.7	151.7	172.7	180.0	26.0%	-15.7%	-12.2%
Foreign Currency Transfer	74.9	169.3	(12.4)	63.8	(34.4)	-55.8%	-63.9%	-119.5%
Other (1)	133.9	116.8	31.4	31.6	33.3	14.6%	-5.8%	-0.6%
Total	**910.2**	**842.9**	**170.7**	**268.1**	**178.9**	**8.0%**	**-4.6%**	**-36.3%**

(1) Includes, in particular, onlendings from BNDES and FINAME. Until September 2022, included expenses with the Rural DI Rate, which, as of 4Q2022, are recorded under expenses with market fundraising.

Expenses with Allowance for Loan Losses



Expenses with allowance for loan losses totaled R$1,330.5 million in 2023, up by 37.3% or R$361.8 million over 2022, mainly due to the rolling over of the loan portfolio according to the credit rating levels, the increase of past due loans, and the rise in loan operations. Expenses with allowance for loan losses totaled R$216.8 million in 4Q2023, down by 23.1% or R$65.2 million from 4Q2022, and by 50.2% or R$218.9 million from 3Q2023. The results in both comparison periods reflect mainly the rolling over of the loan portfolio according to the credit rating levels, the settlement of loans for which were 100% provisioned, and the revision of the rural credit provision policy.

Income from Services

In 2023, income from services increased by 7.2% or R$149.4 million over 2022, and in the comparison between 4Q2023 and 4Q2022, income from services increased by 9.7% or R$53.4 million. The growth recorded in both comparison periods was mainly driven by the increase in income from Banrisul Pagamentos, income from credit cards, and income from management of sales poll groups fees, partially offset by the reduction in income from checking account fees.

Compared to 3Q2023, income from services increased by 5.1% or R$29.5 million in 4Q2023, mainly due to the increase in income from Banrisul Pagamentos, income from asset management, income from commissions from insurance and income from credit cards.

Breakdown of Income from Services - R$ Million

	2023	2022	4Q2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Asset Management Fees	85.8	81.8	25.7	20.7	20.4	4.9%	26.2%	24.4%
Banrisul Pagamentos	817.3	741.9	220.3	206.8	204.4	10.2%	7.8%	6.5%
Credit Card	127.3	52.5	52.5	49.1	12.9	142.3%	308.0%	7.0%
Bill Collection and Custody Services	54.6	67.9	12.4	12.1	16.8	-19.7%	-26.3%	2.4%
Insurance Commissions	287.9	266.8	74.2	70.8	74.8	7.9%	-0.7%	4.9%
Bank Fees for Checking Accounts	555.6	583.7	140.6	138.5	145.2	-4.8%	-3.1%	1.5%
Management of Sales Poll Groups Fees	131.4	99.1	35.1	34.3	28.6	32.6%	22.7%	2.4%
Other Revenues (1)	173.0	189.6	43.1	42.2	47.5	-8.8%	-9.3%	2.2%
Total	**2,232.9**	**2,083.5**	**604.0**	**574.5**	**550.6**	**7.2%**	**9.7%**	**5.1%**

(1) Mainly includes income from debit transactions, collection services, and check returns.

Adjusted Administrative Expenses

Administrative expenses in 2023 grew by 6.0% or R$234.2 million over the adjusted administrative expenses in 2022. In 4Q2023, these expenses grew by 6.6% or R$66.3 million over 4Q2022, and by 2.2% or R$22.7 million over the administrative expenses in 3Q2023.

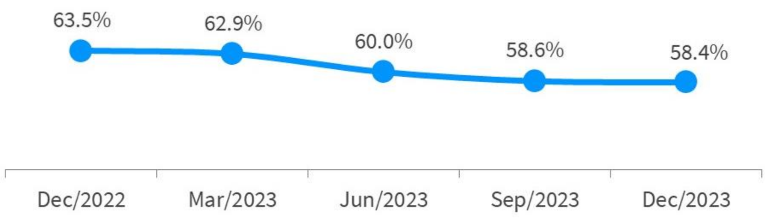
Personnel expenses increased by 7.1% or R$145.4 million in 2023 over the adjusted personnel expenses in 2022, mainly driven by the collective bargaining agreements and hiring of new employees during a period of layoffs of employees who joined the VSP. In the comparison between 4Q2023 and 4Q2022, personnel expenses increased by 4.7% or R$25.0 million, reflecting the collective bargaining agreement and hiring of new employees. Compared to 3Q2023, personnel expenses remained relatively flat in 4Q2023.

In 2023, other administrative expenses grew by 4.7% or R$88.7 million over 2022, and by 8.8% or R$41.3 million between 4Q2023 and 4Q2022, mainly due to higher expenses with specialized technical services, promotions and advertising, depreciation and amortization, data processing, and rentals and condominiums, and was partially offset by the reduction in expenses with third-party services. Compared to 3Q2023, other administrative expenses grew by 3.7% or R$18.5 million in 4Q2023, reflecting mainly the increase in expenses with asset maintenance and preservation, communications, amortization and depreciation, promotions and advertising, third-party services and specialized technical services.

Breakdown of Adjusted Administrative Expenses - R$ Million

	2023	2022	4Q2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Adjusted Personnel Expenses	**2,181.4**	**2,036.0**	**558.4**	**554.1**	**533.4**	**7.1%**	**4.7%**	**0.8%**
Compensation, Benefits, and Social Security	2,176.2	2,031.5	557.1	552.2	531.7	7.1%	4.8%	0.9%
Training	5.3	4.5	1.3	1.9	1.7	18.2%	-21.7%	-31.8%
Other Administrative Expenses	**1,964.5**	**1,875.8**	**512.0**	**493.5**	**470.6**	**4.7%**	**8.8%**	**3.7%**
Amortization and Depreciation	276.0	254.2	72.5	69.6	68.2	8.6%	6.4%	4.2%
Water, Electricity, and Gas	29.9	33.7	6.6	5.9	6.2	-11.3%	6.9%	11.9%
Rentals and Condominiums	160.6	147.4	40.8	41.1	37.1	8.9%	10.1%	-0.6%
Communications	50.5	51.1	13.4	9.7	11.0	-1.2%	21.5%	37.8%
Asset Maintenance and Preservation	68.1	64.3	18.3	13.4	15.5	5.8%	17.7%	36.9%
Materials	12.4	16.7	2.2	2.7	4.3	-26.1%	-47.5%	-16.6%
Data Processing	177.2	157.4	49.3	49.7	39.1	12.6%	26.1%	-0.8%
Promotions and Advertising	139.4	116.3	37.6	36.2	27.7	19.9%	35.7%	4.0%
Third-Party Services	545.4	589.2	134.1	132.7	138.3	-7.4%	-3.0%	1.1%
Specialized Technical Services	223.7	183.4	59.8	58.6	51.2	22.0%	16.6%	2.1%
Surveillance, Security and Transportation of Values	137.2	135.2	35.4	35.6	33.7	1.5%	5.1%	-0.7%
Financial System Services	46.6	43.6	12.9	13.1	15.8	7.0%	-17.9%	-1.2%
Other Expenses	97.7	83.4	29.0	25.4	22.6	17.3%	28.5%	14.4%
Total	**4,145.9**	**3,911.8**	**1,070.3**	**1,047.7**	**1,004.0**	**6.0%**	**6.6%**	**2.2%**

Efficiency Ratio



The efficiency ratio in 2023 reached 58.4%, compared to 63.5% in 2022, reflecting the 17.6% increase in financial margin, the 7.2% increase in income from services, the drop in other operating expenses, net of other operating income, and the 30.0% decline in expenses for civil, tax, and labor provisions, against the 6.0% increase in adjusted administrative expenses.

Civil, Tax, and Labor Provisions

Expenses with civil, tax, and labor provisions fell by 30.0% or R$198.2 million in the comparison between 2023 and 2022, mainly due to lower expenses with labor and tax provisions, which was partially offset by the reversal of a provision in the comparison period arising from a final and unappealable legal ruling for the annulment of a fine in a tax assessment imposed by Bacen relating to alleged irregularities in foreign exchange transactions from 1987 and 1989.

In 4Q2023, expenses with civil, tax, and labor provisions rose by 64.4% or R$52.1 million over 4Q2022, mainly due to the increase in expenses with labor and civil provisions.

In comparison to 3Q2023, expenses with civil, tax, and labor provisions grew by 5.7% or R$7.2 million in 4Q2023, mainly due to the increase in expenses with civil provisions and offset by the decline in expenses with labor provisions.

Other Operating Income and Expenses

Other operating income, totaling R$549.7 million in 2023, fell by 14.8% or R$95.5 million over 2022, mainly due to the decline in other card revenues, caused by the effect in the comparison base and referring to the difference in the pricing of contracts by the Centralization of the Compensation Fund for Wage Variations - FCVS against the restated acquisition amount upon the replacement of a portion of the acquired loan portfolio linked to the Financial Housing System, arising from the FCVS, and the reclassification of exchange rate variations with the write-off of foreign investments, partially offset by the increase in income with the portability of loan transactions and the recovery of employer social security contributions.

Other operating revenues, totaling R$182.9 million in 4Q2023, reduced by 5.9% or R$11.4 million from 4Q2022, mainly driven by the decline in revenues from FCVS, in revenues from cards and revenues from receivables acquired in advance, partially offset by revenue from exchange rate variation due to lower foreign investments and the rise in revenue from the portability of loan transactions. Compared to 3Q2023, other operating income increased by 63.0% or R$70.7 million, in particular due to the increase in revenue from exchange rate variation with the write-off of foreign investments and the re-measuring of actuarial liabilities of post-employment benefits (CPC 33 - R1), partially offset by the effects from the comparison base of the recovery of employer social security contributions in 3Q2023.

Other operating expenses, totaling R$708.5 million in 2023, grew by 23.4% or R$134.1 million over 2022, in which we highlight the increase in expenses with INSS fees, payroll processing services, and discounts granted in renegotiations, partially offset by the re-measuring of actuarial liabilities referring to post-employment benefits (CPC 33 - R1).

Other operating expenses in 4Q2023, totaling R$215.9 million, increased by 31.0% or R$51.1 million from 4Q2022, mainly due to the increase in expenses with INSS fees, portability of loan transactions, and payroll processing services. Compared to 3Q2023, other operating expenses increased by 12.1% or R$23.3 million in 4Q2023, mainly due to the re-measuring of actuarial liabilities referring to post-employment benefits (CPC 33 - R1) and expenses with INSS fees.

EQUITY PERFORMANCE

Treasury

Treasury investments (securities, derivative financial instruments, short-term interbank investments, and cash and cash equivalents) totaled R$50,341.3 million in December 2023. The majority of these securities consist of federal instruments, which together represent 93.8% of the total amount. Securities totaled R$43,050.9 million in December 2023, consisting of 78.1% in held-to-maturity securities and 21.8% in held-for-trading securities.

Treasury investments less repurchase agreements totaled R$33,567.9 million in December 2023, up by 6.4% or R$2,008.4 million over December 2022, reflecting mainly the 5.2% growth in fundraising, proceeds from bank notes, directing of resources to the loan portfolio, which rose by 9.3%, and compliance with compulsory deposits required by Bacen.

Compared to September 2023, treasury investments less repurchase agreements increased by 8.0% or R$2,481.3 million, reflecting mainly the 3.8% growth in fundraising, increase in proceeds from bank notes, a reduction in compulsory deposits at the Central Bank (Bacen), and the directing of resources to the loan portfolio, which grew by 2.3%.

Compulsory Deposits at the Central Bank of Brazil (Bacen)

The balance of compulsory deposits with the Central Bank (Bacen) totaled R$11,320.0 million in December 2023, up by 4.8% or R$521.5 million from December 2022, influenced by the increase in compulsory deposits on term deposits and electronic currency deposits, partially offset by the reduction in compulsory deposits on demand deposits, savings deposits, and the instant payment account.

The balance of compulsory deposits with the Central Bank (Bacen) fell by 1.4% or R$163.9 million in December 2023 over September 2023, mainly influenced by the decrease in compulsory deposits on demand deposits, partially offset by the increase in compulsory deposits on term deposits.

Loan Transactions

Banrisul's loan portfolio reached R$53,669.3 million in December 2023, increasing by 9.3% or R$4.547,4 million from December 2022, and by 2.3% or R$1,212.4 million over September 2023, mainly influenced by the expansion in rural, real estate and commercial loans.

Breakdown of Credit Portfolio - R$ Million

	Dec 2023	Sep 2023	Dec 2022	Dec 2023/ Dec 2022	Dec 2023/ Sep 2023
Private Sector	**53,533.1**	**52,333.5**	**49,002.0**	**9.2%**	**2.3%**
Commercial	34,832.8	34,506.0	34,411.9	1.2%	0.9%
Real Estate	5,961.4	5,733.7	5,139.7	16.0%	4.0%
Rural	11,359.1	10,747.8	7,879.5	44.2%	5.7%
Long-Term Financing	486.5	476.0	547.1	-11.1%	2.2%
Foreign Exchange	886.2	862.4	1,014.3	-12.6%	2.8%
Leasing	7.1	7.5	9.6	-25.5%	-5.2%
Public Sector	**136.2**	**123.5**	**119.8**	**13.7%**	**10.3%**
Total Loan Transactions Loans Granted	**53,669.3**	**52,456.9**	**49,121.9**	**9.3%**	**2.3%**
Co-obligations and Risks on Granted Guarantees	156.1	155.8	242.4	-35.6%	0.2%
Total	**53,825.4**	**52,612.7**	**49,364.3**	**9.0%**	**2.3%**

Commercial Loans

The commercial loan portfolio totaled R$34,832.8 million in December 2023, accounting for 64.9% of the Bank's total loan transactions. In December 2023, loans for individual clients accounted for 75.0% of the commercial loans balance, while loans for companies accounted for 25.0%.

Breakdown of Commercial Loans - Individuals and Companies - R$ Million

	Dec 2023	Sep 2023	Dec 2022	Dec 2023/ Dec 2022	Dec 2023/ Sep 2023
Individuals	**26,127.2**	**25,967.5**	**25,517.5**	**2.4%**	**0.6%**
Consumer Loans (Non-Deductible) (1)	335.5	346.7	359.2	-6.6%	-3.2%
Credit and Debit Cards (2)	2,958.3	2,734.2	2,692.4	9.9%	8.2%
Overdraft	485.1	499.8	437.6	10.8%	-2.9%
Payroll-Deductible Loans	19,783.7	20,039.5	20,092.3	-1.5%	-1.3%
Personal Loans (Non-Deductible)	1,889.6	1,742.0	1,318.0	43.4%	8.5%
Others	675.0	605.3	617.9	9.2%	11.5%
Companies	**8,705.6**	**8,538.5**	**8,894.4**	**-2.1%**	**2.0%**
Consumer Loans (1)	291.4	296.2	330.4	-11.8%	-1.6%
Credit and Debit Cards (2)	194.8	181.1	169.0	15.3%	7.6%
Working Capital	6,824.2	6,644.4	6,999.4	-2.5%	2.7%
Debit Accounts	371.9	434.4	330.2	12.6%	-14.4%
Others	1,023.2	982.5	1,065.4	-10.0%	3.8%
Total	**34,832.8**	**34,506.0**	**34,411.9**	**1.2%**	**0.9%**

(1) Includes CDC Sustentabilidade.
(2) Of the balance of R$3,153.1 million, R$490.4 million refers to revolving credit cards.

Commercial loans for individual clients, comprised of lower risk lines, reached R$26,127.2 million in December 2023, up by 2.4% or R$609.7 million over December 2022, and remained relatively flat against September 2023, increasing by R$159.7 million, mainly due to the rise in individual loans and the credit and debit card products, offset by the reduction in payroll-deductible loans in both comparison periods.

Breakdown of Payroll-Deductible Loans - R$ Million

	Dec 2023	Sep 2023	Dec 2022	Dec 2023/	Dec 2023
Branch Network	12,390.7	12,527.3	12,510.9	-1.0%	-1.1%
Banking Correspondents	7,392.9	7,511.7	7,575.4	-2.4%	-1.6%
Payroll-Deductible Loans (Acquired)	0.1	0.4	6.1	-98.8%	-81.1%
Total	**19,783.7**	**20,039.5**	**20,092.3**	**-1.5%**	**-1.3%**

Commercial loans for companies totaled R$8,705.6 million in December 2023, down by 2.1% or R$188.8 million from December 2022, reflecting mainly the decline in working capital lines. Compared to September 2023, commercial loans for companies grew by 2.0% or R$167.1 million, mainly influenced by the increase in balance for the working capital lines.

Specialized Loans

Rural loans reached a balance of R$11,359.1 million in December 2023, accounting for 21.2% of total loan assets, increasing by 44.2% or R$3,479.5 million from December 2022, and by 5.7% or R$611.2 million from September 2023. Agribusiness is one of the Bank's priorities, which offers credit lines through its own funds, transfers of BNDES lines, and funds equalized by the Treasury Department. resources to small- and medium-sized producers in the State of Rio Grande do Sul.

Real estate loans, which totaled R$5,961.4 million in December 2023, increased by 16.0% or R$821.7 million from December 2022 and by 4.0% or R$227.7 million from September 2023. The real estate loan portfolio accounted for 11.1% of Banrisul's total loan transactions in December 2023.

The foreign exchange portfolio reached R$886.2 million in December 2023, down by 12.6% or R$128.0 million from December 2022 and up by 2.8% or R$23.8 million from September 2023.

The balance of long-term financing reached R$486.5 million in December 2023, down by 11.1% or R$60.6 million from December 2022, and up by 2.2% or R$10.4 million from September 2023.

Loan Breakdown by Company Size

Companies loans totaled R$11,341.7 million in December 2023, accounting for 21.1% of the total loan portfolio. Of the amount of loans destined for companies, 61.9% is allocated to micro-, small- and medium-sized enterprises.

Commercial loans for companies fell by 1.4% or R$156.6 million in twelve months, driven by the decrease in loans to large enterprises, partially offset by the increase in loans to small- and medium-sized enterprises. Compared to September 2023, commercial loans for companies increased by 1.6% or R$173.2 million, driven by the increase in loans to medium-, small- and micro-sized enterprises, partially offset by the decline in loans to large-sized enterprises.

Loan Breakdown by Company Size - R$ Million

	Dec 2023			Sep 2023			Dec 2022			Balance Change	
	Balance	% Companies	% Total	Balance	% Companies	% Total	Balance	% Companies	% Total	Dec 2023/ Dec 2022	Dec 2023/ Sep 2023
Large Enterprises	4,316.5	38.1%	8.0%	4,381.0	39.2%	8.4%	4,799.4	41.7%	9.8%	-10.1%	-1.5%
Micro/Small/Medium	7,025.2	61.9%	13.1%	6,787.5	60.8%	12.9%	6,698.9	58.3%	13.6%	4.9%	3.5%
Medium Enterprises	3,908.9	34.5%	7.3%	3,761.7	33.7%	7.2%	3,753.1	32.6%	7.6%	4.2%	3.9%
Small Enterprises	2,672.9	23.6%	5.0%	2,627.1	23.5%	5.0%	2,501.5	21.8%	5.1%	6.9%	1.7%
Microenterprises	443.3	3.9%	0.8%	398.8	3.6%	0.8%	444.3	3.9%	0.9%	-0.2%	11.2%
Total	**11,341.7**	**100.0%**	**21.1%**	**11,168.5**	**100.0%**	**21.3%**	**11,498.3**	**100.0%**	**23.4%**	**-1.4%**	**1.6%**

Criteria used - average monthly revenue: Microenterprises (up to R$30 thousand); small enterprises (up to R$400 thousand); medium enterprises (up to R$25 million). Large enterprises: over R$25 million or with Total Assets above R$240 million.

Breakdown of Disbursement by Financing Line

The volume of loans granted in 2023, in the amount of R$47,721.5 million, increased by 6.0% or R$2,686.5 million over the volume granted in 2022, mainly due to higher volumes in rural loans and commercial loans for individual clients, and was partially offset by the reduction in volume in commercial loan for companies.

In the comparison period between 4Q2023 and 4Q2022, the volume of loans granted increased by 24.7% or R$2,561.3 million, mainly influenced by the higher volume in commercial loans for individual clients. In the comparison period between 4Q2023 and 3Q2023, the volume of loans granted remained relatively flat.

Breakdown of Loans Granted by Financing Line - R$ Million

	2023	2022	4Q2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Foreign Exchange	1,413.8	1,722.4	275.2	316.4	359.9	-17.9%	-23.5%	-13.0%
Commercial (1)	35,616.8	34,859.2	10,384.4	9,366.7	7,974.2	2.2%	30.2%	10.9%
Individuals	24,162.8	22,762.1	7,171.5	6,678.1	4,765.6	6.2%	50.5%	7.4%
Companies	11,454.0	12,097.2	3,212.9	2,688.6	3,208.6	-5.3%	0.1%	19.5%
Long-Term Financing	250.4	363.5	59.3	65.1	40.7	-31.1%	45.7%	-9.0%
Real Estate	1,553.9	1,634.1	440.9	458.6	281.6	-4.9%	56.6%	-3.9%
Rural	8,886.6	6,455.8	1,776.8	2,748.2	1,718.8	37.7%	3.4%	-35.3%
Total	**47,721.5**	**45,035.0**	**12,936.6**	**12,955.1**	**10,375.2**	**6.0%**	**24.7%**	**-0.1%**

(1) The volume granted does not include amounts to be billed/debited from credit and debit cards.

Quality of the Loan Portfolio

Allowance for Loan Losses

Provision for loan losses, which includes provisions for loans arising from leasing and other credits characterized as loans, reached R$2,572.2 million in December 2023, up by 5.4% or R$132.4 million from December 2022, reflecting the rolling over of the loan portfolio according to the credit rating levels, the increase in volume in overdue loans and growth in loan transactions. In relation to September 2023, provision for loan losses fell by 2.7% or R$72.3 million, reflecting the rolling over of the loan portfolio according to the credit rating levels, settlement of loans that were 100% provisioned, and the revision of the rural credit provision policy.

In December 2023, provisions for loan losses were detailed in CMN Resolution 2,682/99, with supplemental amounts as follows: (i) R$973.8 million for installments overdue for more than 60 days; and (ii) R$1,598.4 million for contracts falling due or contracts with installments overdue under 60 days.

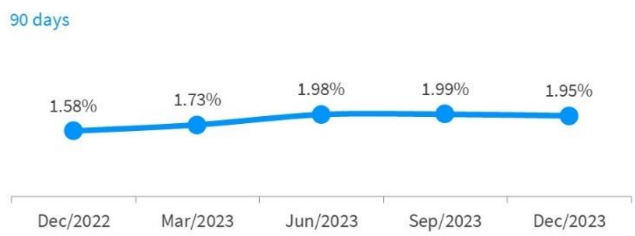
Balance of the Allowance for Loan Losses - R$ Million

Risk Levels	Required Provision (%)	Total Portfolio	Accumulated Relative Share (%)	Overdue Loans	Falling Due Loans	Minimum Provision		Total Provision	Provision / Portfolio (%)
						Overdue	Falling Due		
AA	0.0%	7,245.5	13.50%	-	7,245.5	-	-	-	0.00%
A	0.5%	39,726.7	87.52%	-	39,726.7	-	198.6	198.6	0.50%
B	1.0%	2,414.7	92.02%	-	2,414.7	-	24.1	24.1	1.00%
C	3.0%	794.3	93.50%	50.9	743.4	1.5	22.3	23.8	3.00%
D	10.0%	595.4	94.61%	83.7	511.7	8.4	51.2	59.5	10.00%
E	30.0%	502.6	95.55%	132.7	369.8	39.8	111.0	150.8	30.00%
F	50.0%	253.8	96.02%	111.1	142.7	55.6	71.4	126.9	50.00%
G	70.0%	493.2	96.94%	173.9	319.4	121.7	223.5	345.2	70.00%
H	100.0%	1,643.1	100.00%	746.8	896.3	746.8	896.3	1,643.1	100.00%
Total		**53,669.3**		**1,299.0**	**52,370.3**	**973.8**	**1,598.4**	**2,572.2**	**4.8%**

Breakdown of Loans by Credit Rating

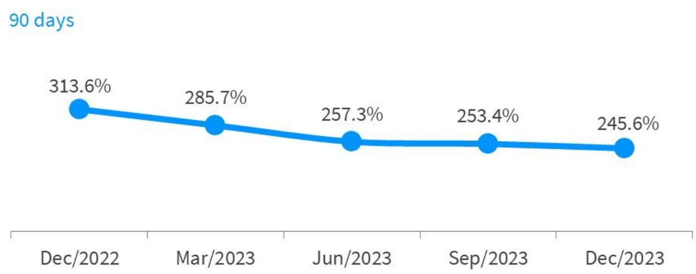
Loan transactions rated as normal (from AA to C), according to the rules established by CMN Resolution 2,682/99, accounted for 93.5% of the loan portfolio in December 2023. The indicator grew by 0.1 p.p. from December 2022, and by 0.5 p.p. from September 2023.

Default Rate



The delinquency rate represents the amount of loan transactions overdue for more than 90 days against the total amount of active loan transactions. Default over 90 days reached 1.95% of the loan transactions in December 2023, increasing by 0.37 p.p. in twelve months and declining by 0.04 p.p. in three months. The balance of loan transactions overdue for more than 90 days reached R$1,047.1 million in December 2023, increasing by 34.6% or R$269.2 million from December 2022, and remained relatively flat in relation to September 2023.

Coverage Ratio



The coverage ratio consists of the ratio between the allowance for loan losses and the balance of loan transactions overdue for more than 90 days, showing that the provision can cover default. The coverage ratio of loan transactions overdue for more than 90 days in December 2023 was 245.6%, down by 68.0 p.p. from December 2022, mainly due to the increase in overdue loan transactions in greater volume than the increase in the balance of provision for loan losses. Compared to September 2023, the coverage ratio of loan transactions overdue for more than 90 days fell by 7.8 p.p., reflecting mainly the retraction in the balance of the provision for loan losses and a relatively flat balance in overdue loans.

Funds Raised and Under Management

Funds raised, comprised of deposits, proceeds from bank notes, subordinated debt, and funds managed totaled R$95,938.9 million in December 2023, up by 9.1% or R$8,016.3 million in twelve months, and by 5.1% or R$4,618.4 million from September 2023, influenced by the increase in deposits, proceeds from bank notes, funds managed, and subordinated debt.

In 2023, Banrisul repositioned its rates for the real estate and agribusiness letters of credit, aiming to enhance its competitive potential in this product, in addition to strategically restructuring some CDB products, reducing maturity terms and replacing returns indexed to the CDI with fixed rates. The Bank also identified the opportunity to replace derivative financial instruments in the swap modality, thus reducing the cost of this protection.

Breakdown of Funds Raised and Under Management by Product Type - R$ Million

	Dec 2023	Sep 2023	Dec 2022	Dec 2023/ Dec 2022	Dec 2023/ Sep 2023
Deposits	71,131.1	68,555.7	67,615.9	5.2%	3.8%
Demand Deposits	5,235.7	3,655.6	4,788.2	9.3%	43.2%
Savings Deposits	11,085.0	11,086.5	11,294.5	-1.9%	0.0%
Interbank Deposits	2,224.8	2,390.5	2,563.7	-13.2%	-6.9%
Term Deposits	52,373.2	51,228.2	48,953.4	7.0%	2.2%
Other Deposits (1)	212.4	194.9	16.1	1,218.3%	9.0%
Proceeds from Bank Notes	6,581.7	5,048.3	3,271.5	101.2%	30.4%
Financial Bills (2)	1,331.6	1,288.3	1,069.8	24.5%	3.4%
Real Estate Letters of Credit	1,050.7	966.3	1,066.0	-1.4%	8.7%
Agribusiness Letters of Credit	4,199.4	2,793.7	1,135.7	269.8%	50.3%
Subordinated Debt (3)	1,450.7	1,104.6	1,170.4	23.9%	31.3%
Total Funds Raised	**79,163.5**	**74,708.7**	**72,057.8**	**9.9%**	**6.0%**
Funds Managed	16,775.3	16,611.9	15,864.8	5.7%	1.0%
Total Funds Raised and Managed	**95,938.9**	**91,320.5**	**87,922.6**	**9.1%**	**5.1%**

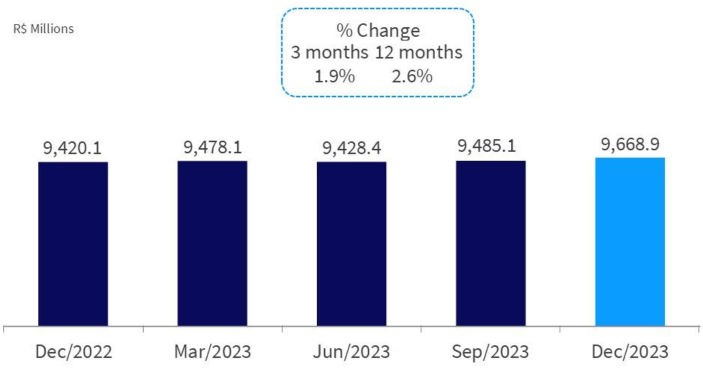
(1) Includes the values on benefit and corporate prepaid cards of the subsidiary Banrisul Pagamentos, authorized as an electronic currency issuer in July 2023.
(2) Includes Subordinated Financial Bills.
(3) Refers to the subordinated foreign fundraising.

Deposits - increased by 5.2% or R$3,515.2 million from December 2022, mainly influenced by the increase in term deposits. Compared to September 2023, deposits increased by 3.8% or R$2,575.4 million, mainly influenced by the increase in term deposits and demand deposits. In December 2023, term deposits, in the amount of R$52,373.2 million, represented 66.2% of funds raised, being the Bank's main funding instrument.

Proceeds from Bank Notes- the balance of bank notes, subordinated financial bills, real estate letters of credit, and agribusiness letters of credit in December 2023 increased by R$3,310.2 million in twelve months, and by R$1,533.4 million in three months, mainly influenced by the increase in balance for agribusiness letters of credit.

Subordinated Debt - in December 2023, subordinated debt had increased by 23.9% or R$280.3 million in twelve months, and by 31.3% or R$346.1 million in three months, reflecting mainly the exchange rate variation and the mark-to-market that occurred in the periods.

Equity



Banrisul's equity was R$9,668.9 million at the end of December 2023, up by 2.6% or R$248.8 million from December 2022, mainly due to the recognition of results, payments of interest on equity and accrued dividends, and the re-measuring of actuarial liabilities referring to post-employment benefits (CPC 33 - R1), as well as the reclassification of exchange rate variations on write-offs of foreign investments.

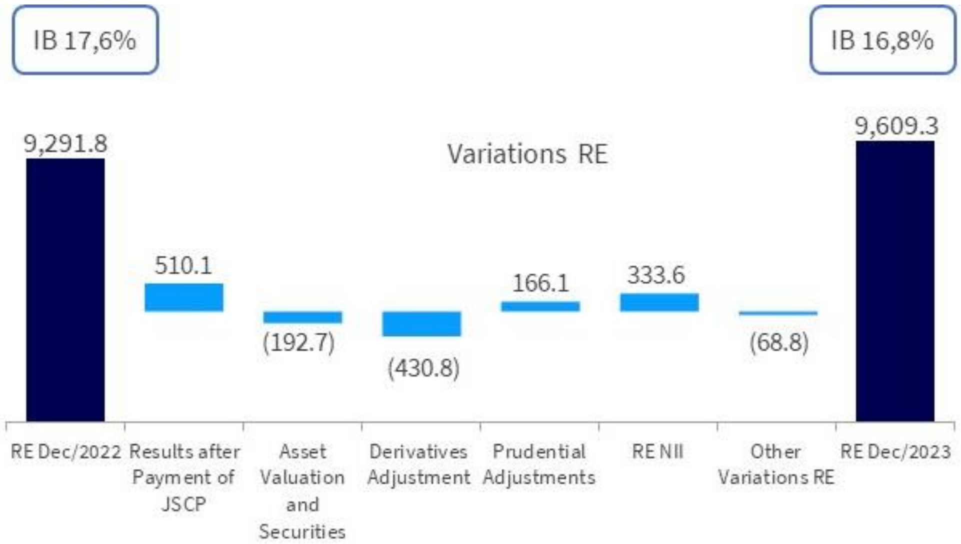
Compared to September 2023, equity grew by 1.9%, or R$183.8 million in December 2023, reflecting the recognition of results, accrued dividends, the re-measuring of actuarial liabilities referring to post-employment benefits (CPC 33 - R1), the reclassification of exchange rate variations on write-offs of foreign investments, and the resale of treasury shares.

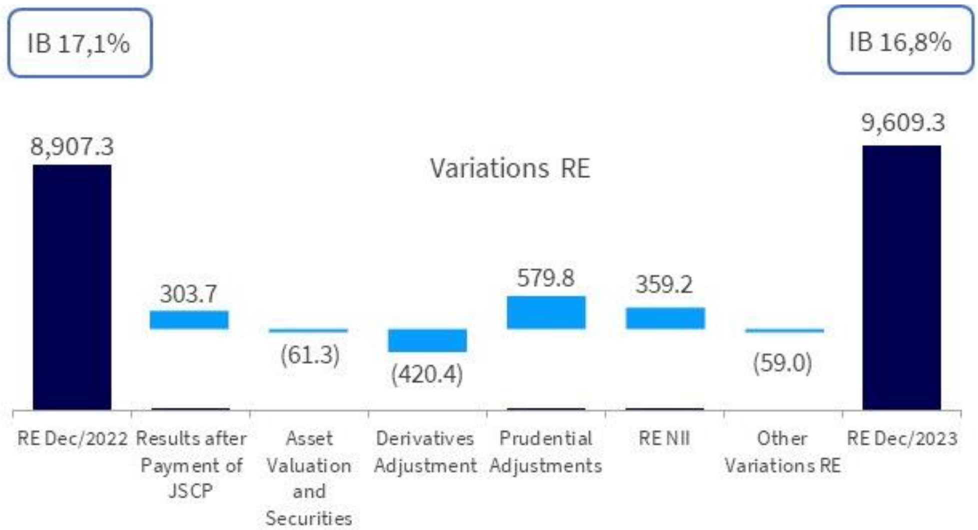
Basel Ratio

Bacen's BCB Resolutions 4,955/21 and 4,958/21 determine that the calculation of regulatory capital and risk-weighted assets be based on the Prudential Conglomerate. The Basel Ratio (BR) measures the ratio between the sum of the Tier I Capital - TIC and the Tier II Capital - TIIC, as well as the total risk-weighted assets calculated on the reference date. We maintain Capital Indexes above the levels defined by the regulator to protect Banrisul in the event of stress scenarios.

Capital Management seeks to maximize the use of funds available, besides ensuring the Institution's solvency. Banrisul's reference equity in December 2023 consisted of the sum of Tier I Capital, in the amount of R$7,790.8 million, and Tier II Capital, of R$1,818.4 million, totaling R$9,609.3 million. Reference equity varied by R$317.5 million from December 2022.

On December 31, 2023, the Basel Ratio reached 16.8%, 6.3 p.p. above the minimum regulatory level with additional core capital (10.5%). In the same period, the Core Capital Ratio and the Tier I Capital Ratio reached equal levels, ending the quarter at 13.6% and corresponding to 6.6 p.p. and 5.1 p.p., respectively, above the minimum regulatory level. The Basel Ratio and variations in Reference Equity are as follows.





COMPETITIVE MARKET

In June 2023 (the latest base date disclosed by Bacen), Banrisul ranked 13th in the competitive market in total assets among the banks that make up the National Financial System - SFN; 13th in equity; 13th in funding (total deposits, open market funding, and obligations arising from loans and transfers); and 6th in number of branches, according to the ranking disclosed by the Central Bank of Brazil, excluding the BNDES.

Competitive Market

	Brazil		Rio Grande do Sul State	
	Dec 2023 (1)	Dec 2022	Sep 2023 (2)	Sep 2022
Demand Deposits	1.4648%	1.3578%	27.1468%	25.7309%
Savings Deposits	1.1315%	1.1306%	12.5454%	12.5741%
Term Deposits	2.1672%	2.3331%	37.9615%	41.2222%
Loan Transactions	0.9281%	0.9162%	20.5174%	20.2155%
Number of Branches	2.9396%	2.8694%	32.7994%	32.6432%

(1) Latest information available, except for term deposits, in which the base date disclosed by Bacen refers to June 2023.
(2) Latest information available by Bacen

Summarized Consolidated Balance Sheet

R$ Thousand

Assets	Dec 2023	Sep 2023	Dec 2022	Dec 2023/ Dec 2022	Dec 2023/ Sep 2023
Cash and Cash Equivalents	1,123,167	1,049,695	1,004,366	11.8%	7.0%
Financial Assets	120,953,140	118,914,024	108,983,674	11.0%	1.7%
Short-Term Interbank Investments	6,167,235	7,772,282	3,521,401	75.1%	-20.7%
Compulsory Deposits at the Central Bank of Brazil	11,320,017	11,483,906	10,798,526	4.8%	-1.4%
Securities	43,050,879	40,760,502	39,454,807	9.1%	5.6%
Loan Transactions and Financial Lease	53,669,311	52,456,931	49,121,869	9.3%	2.3%
Other Financial Assets	6,745,698	6,440,403	6,087,071	10.8%	4.7%
Allowance for loan losses Related to the Credit Risk	(2,623,917)	(2,695,453)	(2,490,226)	5.4%	-2.7%
Tax Assets	3,677,620	4,212,500	3,633,690	1.2%	-12.7%
Other Assets	535,002	711,387	686,845	-22.1%	-24.8%
Investments	175,584	155,687	163,149	7.6%	12.8%
PP&E in Use	601,354	591,520	520,578	15.5%	1.7%
Intangible Assets	621,734	1,998,646	664,112	-6.4%	-68.9%
Total Assets	**125,063,684**	**123,563,572**	**113,166,188**	**10.5%**	**1.2%**
Liabilities	**Dec 2023**	**Sep 2023**	**Dec 2022**	**Dec 2023/ Dec 2022**	**Dec 2023/ Sep 2023**
Financial Liabilities	110,328,201	108,021,213	98,474,996	12.0%	2.1%
Deposits	71,131,132	68,555,722	67,615,882	5.2%	3.8%
Open Market Funding	16,773,360	18,495,891	12,421,035	35.0%	-9.3%
Funds from Acceptance and Issue of Securities	6,213,993	4,693,672	2,957,083	110.1%	32.4%
Subordinated Debt	1,818,423	1,459,263	1,484,828	22.5%	24.6%
Loan Obligations	828,917	751,160	1,012,985	-18.2%	10.4%
Transfer Obligations	2,207,349	2,258,896	2,501,887	-11.8%	-2.3%
Derivative Financial Instruments	17,236	654,915	670,298	-97.4%	-97.4%
Other Financial Liabilities	11,337,791	11,151,694	9,810,998	15.6%	1.7%
Civil, Tax, and Labor Provisions	2,668,103	2,653,738	2,631,798	1.4%	0.5%
Tax Liabilities	586,806	1,008,377	807,899	-27.4%	-41.8%
Other Liabilities	1,811,683	2,395,160	1,831,368	-1.1%	-24.4%
Equity	**9,668,891**	**9,485,084**	**9,420,127**	**2.6%**	**1.9%**
Total Liabilities and Equity	**125,063,684**	**123,563,572**	**113,166,188**	**10.5%**	**1.2%**

Consolidated Income Statement

R$ Thousand

	2023	2022	4Q2023	3Q2023	4Q2022	2023/ 2022	4Q2023/ 4Q2022	4Q2023/ 3Q2023
Income from Financial Intermediation	**15,734,051**	**12,992,510**	**4,149,362**	**4,135,266**	**3,632,453**	**21.1%**	**14.2%**	**0.3%**
Loan Transactions, Leasing, and Other Loans	8,860,400	7,224,370	2,345,614	2,248,015	2,010,163	22.6%	16.7%	4.3%
Income from Securities Transactions	5,606,587	5,182,615	1,358,520	1,478,552	1,337,141	8.2%	1.6%	-8.1%
Income (Loss) from Derivative Financial Instruments	(113,391)	(725,229)	142,369	11,234	(19,331)	-84.4%	-836.5%	1,167.3%
Income from Foreign Exchange Transactions	89,382	156,931	(9,362)	62,380	(17,133)	-43.0%	-45.4%	-115.0%
Income from Compulsory Investments	1,291,073	1,153,823	312,221	335,085	321,613	11.9%	-2.9%	-6.8%
Financial Intermediation Expenses	**10,245,338)**	**(8,323,715)**	**(2,672,786)**	**(2,765,970)**	**(2,352,085)**	**23.1%**	**13.6%**	**-3.4%**
Market Funding Transactions	(9,335,140)	(7,480,861)	(2,502,107)	(2,497,892)	(2,173,202)	24.8%	15.1%	0.2%
Loan, Assignment, and Transfer Transactions	(910,198)	(842,854)	(170,679)	(268,078)	(178,883)	8.0%	-4.6%	-36.3%
Income from Financial Intermediation	**5,488,713**	**4,668,795**	**1,476,576**	**1,369,296**	**1,280,368**	**17.6%**	**15.3%**	**7.8%**
Provision for Expected Losses of Financial Assets	**(1,330,489)**	**(968,690)**	**(216,829)**	**(435,688)**	**(282,012)**	**37.3%**	**-23.1%**	**-50.2%**
Other Adjusted Operating Revenues (Expenses)	**(2,946,765)**	**(2,812,521)**	**(744,955)**	**(782,777)**	**(607,496)**	**4.8%**	**22.6%**	**-4.8%**
Income from Services	2,232,921	2,083,514	604,036	574,510	550,604	7.2%	9.7%	5.1%
Adjusted Personnel Expenses	(2,181,429)	(2,035,965)	(558,358)	(554,143)	(533,359)	7.1%	4.7%	0.8%
Other Administrative Expenses	(1,964,503)	(1,875,792)	(511,980)	(493,510)	(470,650)	4.7%	8.8%	3.7%
Tax Expenses	(514,055)	(474,659)	(137,244)	(129,073)	(131,472)	8.3%	4.4%	6.3%
Equity in Affiliates	102,409	81,068	24,712	25,685	28,870	26.3%	-14.4%	-3.8%
Other Operating Income	549,700	645,184	182,881	112,219	194,248	-14.8%	-5.9%	63.0%
Other Operating Expenses	(708,534)	(574,402)	(215,854)	(192,546)	(164,736)	23.4%	31.0%	12.1%
Civil, Tax, and Labor Provisions	(463,274)	(661,469)	(133,148)	(125,919)	(81,001)	-30.0%	64.4%	5.7%
Operating Result	**1,211,459**	**887,584**	**514,792**	**150,831**	**390,860**	**36.5%**	**31.7%**	**241.3%**
Earnings Before Tax and Employee Profit Sharing	**1,211,459**	**887,584**	**514,792**	**150,831**	**390,860**	**36.5%**	**31.7%**	**241.3%**
Income Tax and Social Contribution	**(88,194)**	**77,178**	**(143,214)**	**35,650**	**(81,181)**	**-214.3%**	**76.4%**	**-501.7%**
Employee Profit Sharing	**(252,181)**	**(183,511)**	**(67,547)**	**(59,072)**	**(58,471)**	**37.4%**	**15.5%**	**14.3%**
Adjusted Net Income	**871,084**	**781,251**	**304,031**	**127,409**	**251,208**	**11.5%**	**21.0%**	**138.6%**
2022 Voluntary Separation Program	-	(119,814)	-	-	-	-100.0%	-	-
Tax Effects	-	53,916	-	-	-	**-100.0%**	-	-
Net Income	**871,084**	**715,353**	**304,031**	**127,409**	**251,208**	**21.8%**	**21.0%**	**138.6%**
Net Income Attributable to Controlling Shareholders	870,104	714,934	303,706	127,109	251,074	21.7%	21.0%	138.9%
Net Income Attributable to Non-Controlling Shareholders	980	419	325	300	134	133.9%	142.5%	8.3%

(Convenience Translation into English from the Original Previously Issued in Portuguese)

Banco do Estado do Rio Grande do Sul S.A.

Individual and Consolidated Financial Statements for the Six-month Period and Year Ended December 31, 2023 and Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

Deloitte Touche Tohmatsu
Av. Carlos Gomes, 222 -
2º andar - Boa Vista -
90480-000 - Porto Alegre - RS
Brasil

Tel.: + 55 (51) 3327-8800
Fax: + 55 (51) 3328-3031
www.deloitte.com.br

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INDEPENDENT AUDITOR'S REPORT ON THE
INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors, Management and Shareholders of
Banco do Estado do Rio Grande do Sul S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of Banco do Estado do Rio Grande do Sul S.A. and its subsidiaries ("Bank"), identified as Parent Company and Consolidated, respectively, which comprise the individual and consolidated balance sheets as at December 31, 2023 and the related individual and consolidated statements of income, of comprehensive income, of changes in equity and of individual and consolidated cash flows for the six-month period and year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Banco do Estado do Rio Grande do Sul S.A. as at December 31, 2023, and its individual and consolidated financial performance and its individual and consolidated cash flows for the six-month period and year then ended, in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil (BACEN).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Bank in accordance with the relevant ethical requirements set out in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current six-month period and year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Allowance for loan losses

The recognition of an allowance for loan losses involves a degree of judgment and the use of estimates by the Bank's Management. As disclosed in notes 3.g) and 9 to the individual and consolidated financial statements, loan transactions and other receivables with loan characteristics are classified by risk level, based on Management's judgment, taking into consideration the economic scenario, past experience and the risks specific to the transactions and to the debtors, considering the guidelines established by CMN (National Monetary Council) Resolution 2682/99. For this purpose, the Bank uses internal credit risk classification models for debtors and their related transactions, involving Management's assumptions and judgments in order to represent its best estimate of the credit risk underlying its portfolio.

The allowance for loan losses was considered a key audit matter due to the complexity of the relevant recognition model, the use of estimates and the degree of judgment by Management in determining the allowances recognized.

How was the matter addressed in our audit?

Our audit procedures included, but were not limited to: (a) understanding the allowance recognition criteria adopted by the Bank for loan transactions and other receivables with loan characteristics; (b) understanding the design and implementation of the relevant internal controls over the rating process of debtors and their related transactions; (c) reviewing the allowance recognition criteria and challenging the assumptions used by Management and their compliance with the guidelines set by CMN Resolution 2682/99, on a sampling basis, with the involvement of senior members of our team; (d) reviewing the level of the total allowance for the existing portfolios; and (e) assessing the disclosures made in the individual and consolidated financial statements.

We consider that the criteria and assumptions adopted by Management to estimate the allowance for loan losses are acceptable in the context of the individual and consolidated financial statements taken as a whole.

2. Information technology environment

The Bank's operations depend on an IT and infrastructure environment capable of supporting a high volume of transactions processed daily in its legacy information systems that provide input to its accounting records. The information technology-related processes, associated with its controls, may pose risks in the processing and generation of critical information, including that used in the preparation of financial statements, justifying our consideration as a key audit matter due to the significance in the context of the individual and consolidated financial statements.

How was the matter addressed in our audit?

Drawing on the support of our system audit specialists, we identified the significant systems supporting the Bank's key business activities, assessed the design of the general controls over the processing environment and tested the operating effectiveness of these controls, including, when applicable, the tests of compensatory controls over information security, development and maintenance of significant systems and the IT environment operations concerning the infrastructure that supports the Bank's business.

The evaluation of the information technology environment's processes and controls, associated with the testing procedures previously mentioned, allowed us to consider acceptable the information obtained from certain systems to plan the nature, timing and extent of our substantive procedures as appropriate in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Consolidated financial statements

The Bank has prepared a complete set of consolidated financial statements for the year ended December 31, 2023, in accordance with the International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board – IASB, which were separately presented, and we issued a separate, unmodified opinion thereon dated February 7, 2024.

Statements of value added

The individual and consolidated statements of value added ("DVA") for the six-month period and year ended December 31, 2023, prepared under the responsibility of the Bank's Management, which presentation is not required by the accounting practices adopted in Brazil applicable to financial institutions authorized to operate by BACEN, were subject to audit procedures performed together with the audit of the Bank's individual and consolidated financial statements. In forming our opinion, we assess whether these individual and consolidated statements of value added are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the independent auditor's report

Management is responsible for the other information. The other information comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by BACEN, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and, when applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current six-month period and year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

Porto Alegre, February 7, 2024

DELOITTE TOUCHE TOHMATSU	Carlos Claro
Auditores Independentes Ltda.	Engagement Partner

2024CB028657

FINANCIAL STATEMENTS

December 2023

banrisul

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MANAGEMENT REPORT

We present the Management Report and parent and consolidated Financial Statements of Banco do Estado do Rio Grande do Sul S.A., for fiscal year 2023, prepared according to the accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil.

Economic Scenario

Throughout 2023, the international scenario was marked by extended interest rate hiking cycles in advanced economies, in response to the resilience seen in the economic growth pace, as well as in the labor market, especially in the United States (US). Thus, as the effects of normalization of global supply chains and the impacts of geopolitical and climate factors were diluted, demand pressures limited deflation and, at least until mid-year, reinforced the global monetary authorities' strict positioning. On the other hand, China followed a very uneven path in its attempt to resume its strong growth pace, intensifying fiscal and monetary stimuli to try to curb deflation and the real estate industry crisis. Within this context, the international scenario ended the year on a brighter note as regards to interest rates prospects in the central economies, but with more evident signs of moderate growth in global activity.

In Brazil, agriculture and cattle raising reached record growth figures in the first half of the year, which led to positive impacts in other economic sectors, such as services, for example. Likewise, expansionary fiscal policies, coupled with a gradual cut of the country's basic interest rate, contributed to GDP growth well above what was projected at the start of the year. As for inflation, the official inflation rate – IPCA, rose by 4.62% in the last twelve months to December, closing the year on a more benign note, benefitting from global disinflation and the delayed effects of a restrictive monetary policy. Hence, the consumer price index came close to the central target of 3.25% in 2023, which was considered formally met, since the index fluctuated between 1.75% and 4.75%. The international scenario was less adverse and inflation estimates over the next few years declined, thus the Central Bank of Brasil began a cycle of cuts in the interest rate (Selic), which ended 2023 at 11.75% per year. As regards the volume of credit in Brazil, there was a further slowdown in the growth pace, with the total average balance in 2023 reaching 10.5% compared to the previous year, with the individual segment standing out, moving up by 13.7% in the same comparison. The average default rate over this period was 3.4%, higher than the 2.8% rate noted in 2022.

Regionally, drought effects were less severe than those seen in 2022. It is worth noting that the Rio Grande do Sul economy underperformed the Brazilian economy in the period, further impacted by a lower share of the service and mining sectors in the state's economy. Rio Grande do Sul's GDP fell by -0.1% in the third quarter of 2023 compared to the previous quarter. Compared to the same period in 2022, the state's economy recorded edged up by 0.1%, while Brazil expanded by 2% in the same period.

Company and business strategy

On November 13, 2023, the new Board of Directors of Banrisul took office. Banrisul is a publicly traded Retail Bank controlled by the State of Rio Grande do Sul, operating predominantly in Rio Grande do Sul state, with the purpose of promoting the state's economic and social development, as a financial and transformational agent in people's lives.

From this scenario, the Bank's Management began to be reformulated, grounded on three pillars:

Pillar 1: An open-minded company

To be a bank that is open to the world and to new trends in order to learn, improve, evolve and create new solutions. To be recognized in the domestic market as a solid and profitable institution, increasingly competitive and connected to the communities where it operates.

Pillar 2: A smart company

To strategically use data, analysis, automation and emerging technologies to improve efficiency, innovation and decision-making in the organization, allowing new digital transformation possibilities to result in a better customer experience.

Pillar 3: Banrisul on the road to another 100 years

To focus on a strategy for the future based on five pillars:

1. Sustainability

Banrisul values the prosperity of all, raising governance level, boosting processes, improving management practices and targeting sustainable and strategic businesses to leverage growth in profitability, creating value for customers and employees.

2. Improving customer experience

Customers are Banrisul's greatest asset, thus the Bank maintains its purpose of providing excellent service, generating a greater connection, whether face-to-face or digital, through a customized experience according to the needs and objectives of each customer.

3. Promoting digital transformation and culture of innovation

In a context where transformations are increasingly constant, Banrisul values an organizational culture that encourages innovation, constantly optimizing the Company's business and fostering partnerships that add value to the perception of the Bank by its various stakeholders.

4. Improving operational efficiency

Through synergy in the efforts of employees and business partners, the Bank seeks to maximize operational efficiency through solid and measurable results, communicating the objectives achieved in a clear, constant and objective way.

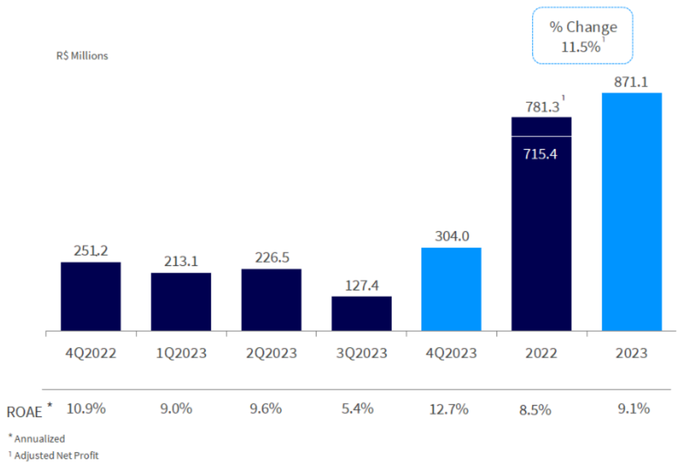
5. Changing the mindset to create a digital and learning attitude

Encouraging a digital mindset and openness to continuous learning, experimentation, collaboration, creativity and solving complex problems, providing greater adaptability to ongoing technological and market changes.

Consolidated Performance

Net Income

Banrisul's net income moved up 11.5% to R$871,1 million in 2023, or R$89.8 million higher than in 2022, which was impacted by the Voluntary Dismissal Program expenses and tax effects. The year-on-year increase was primarily driven by: (i) net interest income growth; (ii) a higher flow of expenses related to allowance for loan losses; (iii) higher fee and commission income; (iv) higher adjusted administrative expenses; (v) lower expenses related to provisions for civil, tax, and labor contingencies; (vi) higher other operating income and expenses, net of other operating revenue; and (vii) the subsequent tax and PPR (profit sharing plan) effects.



Measured by the concept of added value, Banrisul generated revenues of R$4,049.3 million in 2023, of which R$2,118.3 million or 52.3% were allocated for payroll; R$871.1 million or 21.5% for shareholder compensation;

R$917.5 million or 22.7% for the payment of taxes, fees, and contributions; and R$142.4 million or 3.5% for debt capital remuneration.

Shareholders' Equity

In December 2023, shareholders' equity came to R$9,668.9 million versus R$9,420.1 million in December 2022, mainly reflecting the incorporation of the results delivered, the payment of interest on equity and dividend provisioning, the actuarial liability re-measurement referring to post-employment benefits (CPC 33 - R1), reclassification of forex variation from the write-off of investments abroad.

Total Assets

Total assets came to R$125,063.7 million in December 2023, 10.5% higher than in December 2022. In assets composition, loan operations accounted for 42.9% of the total, treasury investments (marketable securities, added to interbank investments, cash and cash equivalents, and derivative financial instruments) 40.3%, compulsory deposits at Bacen 9.1%, and other assets 7.7%.

Treasury investments totaled R$50,341.3 million in December 2023, moving up 14.5% from December 2022, reflecting higher funding in the open market, deposits and financial bills investments, within a context of increase in loan operations. Banrisul has financial capacity evidenced by technical studies developed in-house and intends to hold until maturity the securities classified as "held-to-maturity," pursuant to Article 8 of the Central Bank of Brazil (Bacen) Circular Letter No. 3,068/01.

Products and Services

Loan Portfolio

Loan Portfolio
R$53,669.3 million
in December 2023

+9.3% YoY

Banrisul strongly and sustainably foments the economic and technological development of the regions in which it operates, enabling the development and maintenance of economic sectors and, consequently, generating employment and income. In addition to ensuring the Institution's sustainable growth, Banrisul is committed to improving customer experience in the physical and digital environment as well as boosting innovation.

The Bank remains focused on expanding its loan portfolio with lower-risk operations, especially its payroll-deductible loans to civil servants and retirees, prioritizing a closer commercial relationship with its customers, as well as reviewing its customer journey in order to guarantee a better experience.

Real estate loans continue to be a strategic portfolio for the Bank, both in terms of customer loyalty and because of their important role in the State's economic development. Agribusiness is a relevant portfolio for Banrisul. The Banks offers the segment credit lines with its own funds, BNDES onlending lines and funds coordinated by the Brazilian National Treasury Department to small and medium-sized producers in Rio Grande do Sul state.

The loan portfolio grew by R$4,547.4 million versus December 2022, mainly driven by the growth in rural, real estate and commercial loans. Below, a breakdown of loan operations by portfolio:

Total Loan Breakdown – R$ million	Dec 2023	Dec 2022	Dec 2023/ Dec 2022 Absolute Chg.	Dec 2023/ Dec 2022 Chg. %
Private Sector	**53,533.1**	**49,002.0**	**4,531.0**	**9.2%**
Commercial	34,832.8	34,411.9	420.9	1.2%
Individual (1)	26,127.2	25,517.5	609.7	2.4%
Companies	8,705.6	8,894.4	(188.8)	-2.1%
Real estate loans	5,961.4	5,139.7	821.7	16.0%
Rural	11,359.1	7,879.5	3,479.5	44.2%
Long-term financing	486.5	547.1	(60.6)	-11.1%
Foreign exchange	886.2	1,014.3	(128.0)	-12.6%

Leasing	7.1	9.6	(2.4)	-25.5%
Public Sector	**136.2**	**119.8**	**16.4**	**13.7%**
Total	**53,669.3**	**49,121.9**	**4,547.4**	**9.3%**

(1) It includes transfer of assets – accounted for as per Bacen Circular Letter No. 3,543/12, in loans linked to assignment acquirees.

The loan portfolio is rated by risk levels under procedures set forth by the Brazilian Monetary Council (CMN) Resolution No. 2,682/99. In December 2023, Normal Risk operations, which include risk levels AA to C, totaled R$50,181.2 million, or 93.5% of the total portfolio. Risk 1-rated operations, which include risk levels D to G, came to R$1,885.0 million, or 3.4% of the portfolio. Risk 2, solely composed of H-level operations, reached R$1,643.1 million, or 3.1% of the total.

Funding and asset management

Funding, consisted of deposits, funds in bank notes, subordinated debt, and assets under management, amounted to R$95,938.9 million in December 2023, mainly composed of 54.6% of time deposits, 17.5% of assets under management, and savings deposits with 11.6%.

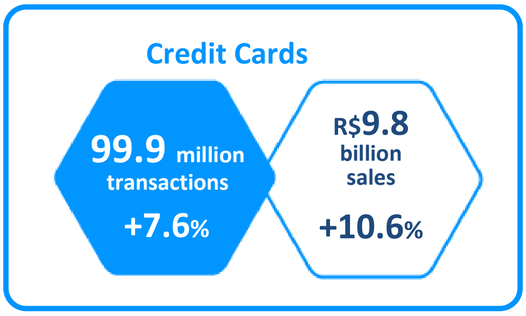
Breakdown of Funds by Product – RS Million	**Dec 2023**	**Dec 2022**	**Dec 2023/ Dec 2022**	
			Absolute Chg.	**Chg. %**
Total deposits	71,131.1	67,615.9	3,515.2	5.2%
Demand deposits	5,235.7	4,788.2	447.5	9.3%
Savings deposits	11,085.0	11,294.5	(209.4)	-1.9%
Interbank deposits	2,224.8	2,563.7	(338.9)	-13.2%
Time deposits	52,373.2	48,953.4	3,419.8	7.0%
Other deposits (1)	212.4	16.1	196.3	1,218.3%
Bank notes (2)	6,581.7	3,271.5	3,310.2	101.2%
Subordinated debt	1,450.7	1,170.4	280.3	23.9%
Total funding	**79,163.5**	**72,057.8**	**7,105.8**	**9.9%**
Assets under management	16,775.3	15,864.8	910.6	5.7%
Total funding	**95,938.9**	**87,922.6**	**8,016.3**	**9.1%**

(1) Includes prepaid credits in benefit and corporate card values of subsidiary Banrisul Pagamentos, authorized to operate as an electronic currency issuer in July/2023. (2) Bank, real estate loan, agribusiness, and subordinated notes.

In 2023, Banrisul reviewed the rates for Real Estate and Agribusiness Letters of Credit, aimed at increasing its competitive potential in these products, and strategically restructured some CDB products by reducing maturities and replacing the yield indexed to the CDI with a fixed rate. In addition, the Bank identified the opportunity to replace swap derivative financial instruments, thus reducing this protection's cost.

Credit and Debit Cards

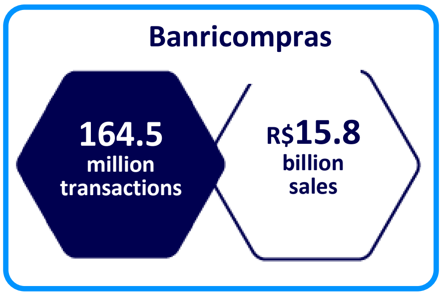
At the end of 2023, Banrisul recorded a base of 1.1 million credit cards under the Mastercard and Visa brands. Income from the credit, credit card fees, and BNDES cards totaled R$669.6 million in 2023. The BanriCard line of benefit and business cards grossed R$2.0 billion in 2023, 12.4% higher year on year.



In 2023, Banrisul's credit card app enhanced the functionalities offered to customers, such as the chatbot via the app, facilitating services with specific questions before directing the query to the operator. An option for evaluating services was made available in the Banrisul App's Credit Card menu, enabling users to submit improvement projects and new service options. In December 2023, 88% of credit card invoices were made available only in the online format, and the contracting of the INSS Banrisul Mastercard credit cards are now implemented by virtually signing the adhesion statement. Based on the improvements made during the year, Cardmonitor, a company specializing in analysis of electronic means of payment, placed the Banrisul App as the leader among credit card apps for offering the most service options and functionalities, with the largest number of those functionalities identified as essential and distinguished for credit card customers.

Banrisul's reward program, Banriclube offers customers the convenience and diversified products and services to redeem their points in travel and home appliances directly on the website or transfer them to business partners. The Banriclube can be accessed via Banrishopping, Banrisul's online store.

To bolster its performance area and enhance customers' experience, Banrisul announced that the Banricompras card can be accepted by different merchants accredited throughout Brazil, under the cash, backdated, and installment payment modes. Merchants' registration along with Banricompras does not occur automatically. We expect this brand's acceptance through new businesses on the market as of 2024.



Launched 2023, BanriPay is a digital card wherein payments using Banricompras are made on the Banrisul App via mobile phone and also in the App's initial screen. Banripay is exclusive for Android smartphones with contactless payment technology and can be used by individuals and corporate current account holders, at Vero acquiring network and TEFs of accredited merchants.

Vero acquiring network

Vero ended 2023 with 140.1 thousand active accredited merchants with transactions in the last 12 months. During 2023, 510.0 million transactions were captured, up 12.6% from 2022; of which 361.4 million were with debit cards, and 148.6 million credit card transactions. The financial volume transacted totaled R$46.5 billion, 8.2% higher than in 2022, of which R$25.9 billion came from debit cards and R$20.7 billion from credit card transactions.

In 2023, Vero launched the Tap On Phone solutions enabling customers to convert their smartphones into contactless payment machines, also payment links, to conveniently and safely receive online payments. Corporate customers are able to register with Vero and request machines via the Banrisul App, and have access to a new SmartPOS model with a physical keyboard that improves user accessibility and experience, besides a broader authorized app portfolio to be used in Vero Smart machines.

Insurance

Banrisul Corretora de Seguros (Insurer) makes available to customers a varied portfolio of insurance products, such as personal insurance, property insurance, rural insurance, savings bonds, and supplementary private pension plans. Aimed at bolstering business, enhancing processes and brand visibility as well as improving customer experience, several solutions were launched on different channels: i) development of the Banrisul Corretora de Seguros website (www.banrisulcorretoradeseguros.com. br); ii) offering Digital Life, a life insurance product that can be tailored by the customer, on the Banrisul App, and Seguro AP Atitude in the branch network, which is a personal accident insurance with protection above the claim through telemedicine assistance; iii) at the Branch channel, a new charging option for premium of credit insurance was also made available, in line with the format adopted by the insurance market; iv) in Rural insurance, a product was made available for rural properties; and v) the publication of the Life Insurance Booklet, which simple manner presents the product, its coverage and benefits. Banrisul adopted emergency measures with partner insurers to provide support and prioritize assistance in places affected by the floods in Rio Grande do Sul state that occurred in June and September 2023.

Insurance premium collection, pension contributions, and savings bonds came to R$3.6 billion in 2023, up 40.6% from 2022. Total revenue came to R$373.2 million, 12.2% higher than in 2022; out of these, income from insurance brokerage commissions totaled R$287.9 million in 2023. In December 2023, Banrisul recorded 2.1 million active insurance transactions.

Customer relationship

As part of the relentless pursuit of customer service advancement in the different channels, especially in its own on-site service stations, Banrisul completed the installation of the Customer Management Terminal – TGA in 3Q23. The TGA enables the Bank to generate corporate data and information on customer behavior at the service station. This information is used to manage service quality indicators, which have an impact on branch performance and are now part of the Bank's employee compensation and career planning metrics, helping to build a culture focused on service management.

Customer service at the branches has been revamped through back-office streamlining projects, which include using digital and electronic signatures, thus reducing the use of paper at on-site service stations, and the renovation of workstations at the branch network, which should be completed in the first quarter of 2024, leading to better customer service and doing business at the branches.

Aimed at agribusiness customers, the Bank has made available the Agro Spaces Banrisul, wherein it offers tailor-made services as well as technical and financial support through sector expert professionals in a customized ambiance.

To improve the on-site service network experience, Banrisul's customers rely on Banripontos, which are accredited merchants wherein various banking services are offered with freedom, handiness, flexible hours and convenience of more address options. In 2023, another convenience was made available for Banripontos users: the Pix Saque service.

On May 8, 2023, the Board of Directors approved to voluntarily shut down the Grand Cayman activities, and the respective investment was written-off in 2023.

1,032
Service stations

492 Branches	**471** branches in Rio Grande do Sul **17** in Santa Catarina **4** in other states	**413** service stations and ATMS-PAEs **127** service stations - PA

banri ponto

879
Banripontos

Banrisul relies on an Ombudsman Office as a last resort to analyze and solve customers'/users' complaints when primary service channels do not answer satisfactorily. Through this channel, 5,115 complaints were received in 2023, of which 1,017 referred to protocols registered in the Ombudsman channel, including letters answered, 1,512 referred to complaints registered at Bacen, and 2,586 from the Procon (Consumer Protection and Defense Program). Through careful analysis and identification of the root cause of the problem reported, complaints registered in the Ombudsman service channels are used as inputs to enhance processes, products, and services, seeking to avoid recurrences, preventing litigation, and offering a positive response to all customers and users. Weaknesses identified by the Ombudsman Office when treating demands are inserted into the same corporate environment used by the Bank's risk and controls departments, contributing to build a consolidated information framework that enables managers to better assess their risks.

Digital channels

In 2023, Banrisul reaffirmed the evolution of its digital transformation and innovation by enhancing customer experience on the App and Internet Banking through easy access to the main banking products (Pix, Payments and Credit Card), direct routing of marketing campaigns highlighted on App's initial screen, and a new product and service layout available on the Office Mobile, among other improvements. At the same time, the Bank implemented security improvements, especially a broader range of transactions covered by the Anti-Fraud System, extended chargebacks to corporate customers and enabled customizing financial transaction limits in the Office Banking and Office Mobile, providing customers with greater autonomy.

The Banrisul App was improved in 2023 and began to offer new products, including contracting sales poll quotas and life insurance; the Banrisul Veloe Tag, which automates toll and parking lot fee payments; and BanriPay, which allows contactless payments via Banricompras. New services available include requesting new debit cards, account association and disassociation and more speed for customers to contact their Branch or account manager. In line with financial market trends, the expansion of Open Finance was boosted by making available a registration update service in the My Finance menu, which allows customers to check balances and limits at other banks.

In 2023, Banrisul's digital channels reinforced the Bank's social role in Rio Grande do Sul state, providing, via the Banrisul App, the advance payment of INSS benefits to beneficiaries living in municipalities hit by public calamities due to floods and other catastrophic events.

83.9% of transactions in 2023
were made via online channels

In 2023, Internet Banking (Home e Office Banking) and Mobile Banking (My Account, Affinity, and Office App), accessed via the Banrisul App recorded 606 million accesses, 11.0% higher than in 2022, an average of 1.7 million daily accesses. In 2023, transactions carried out via these channels increased by 11.8%, where the number of financial transactions came 20.3% higher, and the volume transacted moved up 5.6%, year-on-year.

In 2023, Banrisul App was rated 4.1 in the Play Store and 2.8 in the Apple Store (on a scale of 1 to 5).

Banrisul Group Operating Segments

Banisul Pagamentos (Cards)

Banrisul Pagamentos manages the Vero acquiring network, and also the issue of BanriCard benefits and business cards that recorded 140,1 thousand active accredited merchants and 5.8 thousand active arrangements, respectively, in December 2023. In July, 2023, the Central Bank of Brazil authorized Banrisul Soluções em Pagamentos S.A. – Instituição de Pagamento (Banrisul Pagamentos) to operate as a Payment Institution, under the modes of electronic currency issuer, post-paid payment instrument issuer, and accrediting agency, pursuant to BCB Resolution no. 81/2021.

The anticipation of sales receivables reached R$9.1 billion in 2023, or 41.1% of volume subject to anticipation, volume 23.1% higher than in 2022. Banrisul Pagamentos' net income moved up 39.7% to R$522.9 million in 2023, year-on-year.

Banrisul Administradora de Consórcios (Sales Poll Groups)

Banrisul S.A. Administradora de Consórcios manages sales poll groups in the automobile, motorcycle, and real property segments, as an alternative to acquire assets, making available access to solar panels to households and businesses, as well as machinery, and agricultural equipment to rural producers. In 2023, 83 thousand sales poll group members (quotas) were active. In 2023, Banrisul Administradora de Consórcios completed 20 years of operations, helping people achieve their projects and dreams with commitment and transparency.

The volume of letters of credit totaled R$6.9 billion in 2023, with 12,956 draws, making available to the market R$866.4 million in credit for acquisition of goods. Net income advanced 33.7% to R$83.0 million in 2023, year-on-year.

Banrisul Seguridade Participações (Insurance)

Banrisul Seguridade Participações S.A. (Seguridade) operates in the insurance, private pension plans, and savings bonds market at Banrisul's channels, through its subsidiary Banrisul Corretora de Seguros S.A. (brokerage house), exclusive distributor of these products at Banrisul channels.

In 2023, the product portfolio was expanded with the launch of digital products and agricultural insurance for the harvest. Marketing and communication actions were also carried out with customers and the controller's employees, aimed at increasing the penetration of insurance products. Net income reached R$157.9 million in 2023, moving up 4.9% from the previous year.

Banrisul Corretora de Valores Mobiliários e Câmbio (Brokerage House)

Banrisul S.A. Corretora de Valores Mobiliários e Câmbio operates in the capital markets as a broker in equities transactions on the spot, options, forward and futures markets, private fixed income and public fixed income (Direct Treasury), along with B3 S.A. - Brasil, Bolsa, Balcão, also as Banrisul conglomerate's asset management company – fixed income, equities and multimarket. The Bank holds a portfolio of products, which coupled with qualified technical support services, contributes to the investment diversification of its customers.

In 2023, Banrisul Corretora de Valores intermediated R$4.4 billion in transactions on B3 S.A. Brasil, Bolsa, Balcão. Banrisul Corretora de Valores' net income totaled R$24.2 million in 2023, a 71.0% year-on-year increase, primarily stemming from higher revenue from investment funds' management fees.

Corporate Governance

Banco do Estado do Rio Grande do Sul has an established Corporate Governance, with well-defined roles, which continuously seeks to upgrade its methods, policies, and decision-making process, in line with the best market practices. Listed under Level 1 of Corporate Governance at B3 S.A. – Brasil, Bolsa, Balcão since 2007, Banrisul has been fully complying with the requirements of this listing level and additional aspects required from companies with shares listed on the Novo Mercado, conferring it greater transparency, equity, and accountability, creating value for its shareholders and reinforcing its credibility with investors and customers.

Additional information on Corporate Governance is available on our Investor Relations website (ri.banrisul.com.br – Corporate Governance Section).

Ownership Structure

In December 2023, Banrisul recorded 156,000 shareholders, with widespread stock ownership higher than the Corporate Governance Level 1 requirement: free float accounts for 50.6% of total shares issued by the Bank, while the minimum required is 25.0%. The State of Rio Grande do Sul, Banrisul's controlling shareholder, holds 98.1% of common voting shares and 49.4% of Banrisul's total capital.

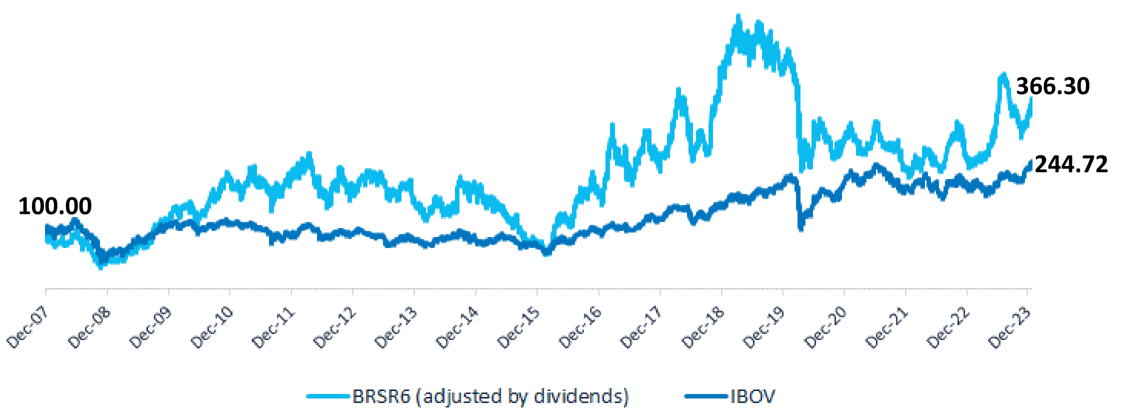
On December 28, 2023, free float was widespread as follows: 43.9% of shares are held by individuals, 19.7% by local legal entities, and 36.4% by foreign legal entities. In terms of the number of shareholders, 97.0% are individuals, 2.9% are local legal entities, and 0.1% is foreign legal entities.

Banrisul's shares are traded under the tickers BRSR3, BRSR5, and BRSR6, the latter being the most liquid share, present in seven indexes of B3 S.A. - Brasil, Bolsa, Balcão.

Regarding the Share Buyback Program, in force from December 15, 2022 to June 15, 2024, more information can be found on the Investor Relations website.

Below, additional information on stock trading:

Banrisul Preferred Shares (PNB) Appreciation



R$5.4 billion
Market cap

R$17.6 million
Average daily traded volume

6.9% Dividend Yield
in 12 months

Banrisul Ratings

In 4Q23, Fitch Ratings updated its ratings, according to the table below:

Long-Term Rating

banrisul

	Nacional	Global	Soberano
S&P Global Ratings	brAA+	BB-	BB-
Fitch Ratings	AA-(BRA)	BB-	BB-
Moody's	A+.br	Ba3	Ba2

All information about Ratings can be found on the Investor Relations websites (ri.banrisul.com.br – Information to the Market / Ratings Section).

Policy for Distribution of Interest on Equity and Dividends

Since early 2008, Banrisul has been maintaining a policy for quarterly payment of Interest on Equity, and historically, has been remunerating its shareholders with payment of Interest on Equity - JSCP and dividends higher than the minimum legally required. In 2023, JSCP and dividends were paid and/or accrued, before withholding income tax, totaling R$434.9 million.

Capital and Risk Management

Integrated Management Structure

Banrisul reviews, at least yearly, the institutional structures for capital management and corporate risk. The reports are available on the Bank's Investor Relations website, Corporate Governance/Risk Management section, together with the Pillar 3 Report that presents publicly accessible information related to risk management and the calculation of the amount of risk-weighted assets - RWA, reference Shareholders' equity - PR and leverage ratio - RA.

Capital Management

Banrisul understands capital management as a continuous process of monitoring, controlling, valuating, and planning goals and capital needs, considering strategic objectives and risks to which the Bank is subject.

The Brazilian Monetary Council (CMN), through Resolution No. 4,557/17, resolved that the financial institutions required to calculate the RWA must have a continuous capital management structure compatible with the nature of their operations, the complexity of products and services offered, and the extent of their risk exposure.

Concerning S2 segment institutions, according to the rule for prudential regulation classification, as capital management improvement, the Internal Capital Adequacy Assessment Simplified Process or ICAAPSIMP has been introduced.

Credit Risk

Banrisul, aiming at the appropriate credit risk management, has been making the system improvements required to enforce Bacen Resolution No. 229/22, which sets out procedures to calculate the amount of risk-weighted assets referring to credit risk exposures subject to the calculation of capital requirement through standardized approach - RWACPAD.

Market risk

In 2023, monitoring processes did not indicate any occurrence of events or crises to culminate in increased market risk for the Bank. The market risk global indicator remains at levels in line with the risk institutional policy and as outlined in the Risk Appetite Statement.

Liquidity Risk

In 2023, the monitoring processes did not indicate any occurrence of events or crises to result in higher liquidity risk. The estimated context analyzed the scenarios adopted in the results projections of operations cash flows, and these did not indicate relevant liquidity risks. In addition, no projected stress scenario in the positions has materialized, therefore, the risk ratios remained at adequate levels under the risk management policy, and within the thresholds defined in the Risk Appetite Statement.

Operational risk and continuity

In 4Q23, the Bank made progress with the periodic review of its operational risk matrices, which covers all Banrisul Group Units and Companies, and with the updating cycle of the Operational Continuity Plans – OCPs, seeking to validate their effectiveness and provide operational resilience.

Social, environmental, and climate risks

In 2023, Action Plans were deployed to improve management processes, in line with best practices and new regulatory guidelines, as per CMN Resolution No. 4,943/21, BCB Resolutions Nos. 121/21 and 222/21 and other related rules.

Banrisul advanced the integration of social, environmental, and climate risk management with other relevant risks based in the identification of these risks in loan operations and analysis of scenarios, within the scope of the stress test that considers climate changes.

Basel Ratio

CMN Resolutions No. 4,955/21 and No. 4,958/21 set forth that the calculation of regulatory capital and risk-weighted assets is based on the Prudential Conglomerate. The Basel Ratio measures the ratio between the sum of Tier-I Capital - CNI and Tier-II Capital - CNII and total risk-weighted assets calculated for the base date. The maintenance of the Capital Ratios above the levels defined by the regulator aims at protecting Banrisul in case of stress events.

Capital Management seeks to maximize the use of funds available, besides ensuring the Institution's solvency. On December 31, 2023, the Basel Ratio reached 16.8%, 6.3 p.p. above the minimum regulatory level with additional core capital (10.5%). For this same period, the Core Capital Ratio and the Tier-I Ratio are the same and ended the period at 13.6%, 6.6 p.p., and 5.1 p.p., above the minimum regulatory level, respectively.

Investment & Innovation

In its relentless pursuit of excellence and guaranteed Information Security, Banrisul has invested to foster digital transformation, evolve its infrastructure, develop and adopt tools to improve services offered and provide an increasingly thorough customer experience. In 2023, the Bank invested R$372.7 million in technological modernization, including investments in IT and customer service, as well as renovations and expansions.

In 2023, 244 professionals, who were approved in the higher education public service exam that took place in 2H22, joined the IT team in various specialized positions, such as information security, infrastructure support, and developers, amongst others.

Banrisul was quick to respond to the devastating events caused by the extratropical cyclone and structured the technological infrastructure environment so that the Muçum and Roca Sales branches could resume customer service. The Bank also developed specific IT projects to anticipate payment of disaster benefits and renegotiate loan operations of affected customers.

Actions and initiatives

At the end of 2023, a project for the Modernization of the Branch Network and General Management Equipment Park began, involving the acquisition of 10,551 desktop computers and 941 notebooks for immediate replacement. This revamp aims to provide customers with an even more qualified and faster service experience, with faster, more secure and better performing computers, increasing worker's productivity and saving resources on maintenance and electricity. Geared towards reducing environmental impact and social risk, Banrisul has been reusing equipment where appropriate and properly disposing of obsolete electronic materials, in line with the Sustentare Project.

The project to transfer the IT assets from the former Data Center to the New Margarete Fenner Data Center was completed in the first half of 2023, and all the procedures took place without any service unavailability, including the service network, branches and operating digital channels. In 4Q23, planning was completed for the construction of a third communication route between the Data Centers using optical fiber to increase the infrastructure resilience and availability.

Banrisul participates in group discussions about Central Bank Digital Currency - Real Digital (CBDC), a financial technology platform to boost population digitalization, and has joined the digital portfolio and Delivery Versus Payment - DvP Wholesale using CBDC squads, wherein the proposals were developed and submitted for Febraban's participation in Bacen Innovation Lab (LIFT Challenge – Real Digital). The DvP Wholesale proposal was accepted and the project presented at the LIFT Challenge in April 2023. Banrisul also takes part in Bacen's Real Digital - RD Pilot project, through a consortium for the RD Pilot of the Brazilian Banking Association – ABBC. CBDCs aim to increase the efficiency of the retail payments market and promote competition and financial inclusion for the population with little or no access to banking services.

Compliant with international standards, the PCI – PIN Security certificate has been renewed, which assures permanence in the means of payment transactions capturing market at Vero network.

The Bank has been strengthening data security by replacing card transaction processing equipment and increasing their capacity, in line with international security standards and certifications, as well as reducing time to identify and respond to cyber threats by implementing a platform and methodology for sharing intelligence data with the national financial sector. Another important measure is the integration and management new external systems access through the Identity Management system. Banrisul has been continually working to raise awareness among internal and external stakeholders in order to disseminate the IT security culture. Furthermore, a training program was implemented for the internal stakeholders, with periodic evaluation of participants.

A number of upgrades were deployed in the Banrisul App, including easier access to the products customers most use on the home page; routing users to commercial pages from offer banners, making it easier to communicate about promotions and services; a more efficient and secure Customer Acquisition journey, reducing the need to submit physical receipts, thus improving the onboarding process, making it possible for users to return to the flow to complete it and customizing the credit card offer.

As regards agribusiness solutions, a pilot project for prospecting and conducting investment proposals was launched, as well as new AgroFácil Conecta features, which allow accredited technicians to draw up costing and investment projects directly in the system, also improving the experience of the Bank's partners in this segment, as well as the integration of AgroFácil to remote-sensing platform that enables checking the results connected with bidders and financed areas' social and environmental compliance. For real estate loans, the main initiative is Imobiliário Fácil (Easy Real Estate Loan), which speeds up contracts through digital channels. As regards Vero solutions, the Payment Link was launched in the Vero Gestão App, an alternative for receiving payments for your sales. The banking domicile for the Banricompras brand was opened, enabling its receivables to be settled at any institution in the Brazilian Payment System, and the Banricompras PSR Journey allows accrediting merchants with Vero to operate with the brand at another network service provider.

Banrisul has implemented a robust infrastructure environment with redundancy and monitoring features, enabling the advancement of technical support for digital channels through artificial intelligence, provided by the start of activities by Bah, the Bank's Intelligent Virtual Assistant (AVI Solution).

Faced with the challenge of Brazil's broad territory and seeking to provide the best customer experience, telecom infrastructure has been improved for fixed telephone services in the branch network at remote locations and has hired interconnection services with Banco do Brasil for interbank operations.

BanriTech

BanriTech supports actions and projects to ramp up the culture of innovation at Banrisul, besides the innovation ecosystem in Rio Grande do Sul state and Brazil. This project has been built in four strategic pillars that develop actions/programs to support innovative entrepreneurship:

Hub.Startup

It focuses on the relationship with startups through acceleration and business development cycles. In September 2023 Banrisul signed a new contract with a technical partner for the development of new cycles in 2024.

Hub.Venture

It foresees the participation in innovation-related funds. Currently, Banrisul contributes to *BNDES Anjo* Co-investment fund.

Hub.Education

It offers educational and innovative culture initiatives, besides promoting networking events and panels to discuss innovation-related topics. Employees are encouraged to act as advisors of accelerated businesses, offering support in business development through mentorships and networking as well as learning with accelerated businesses.

Hub.Space

Workspaces created to foster connection, collaboration and co-creation of ideas. Banrisul has an Innovation Hub in the city of Porto Alegre, with 52 positions in the coworking format, presentations arena and meeting rooms, besides other workspaces with meeting rooms, brainstorming, and training at Instituto Caldeira, main Innovation Hub in Rio Grande do Sul.

In September 2023, the Bank signed a contract to run new acceleration and business development cycles, aimed at national startups with mature traction and operations, and regional cycles for developing embryonic projects still in the conception phase. This project aims to contribute to the socio-economic development of Rio Grande do Sul state, as well as train Banrisul's technical staff. Also in 2023, the Bank began planning acceleration and new business development cycles with PUCRS, when ideation workshops were held, mapping objectives, indicators and the main stakeholders involved in each of the calls for proposals. It was thus established that the first call for proposals, in which startups from all over the country will be able to participate, will be launched in the first quarter of 2024, based on Banrisul's strategy in segments converging with the Bank's business and relationship opportunities, and with a focus on companies with operational/traction/scale maturity.

Banrisul took part in innovation fairs and events in 2023, including Expodireto, South Summit, Fenadoce, Web Summit, GovTech Summit, Febraban Tech, Expointer, Expofavela, Feitech and Feevale Summit. In order to encourage the innovation culture within the Bank, materials from the events are shared on Banrisul's Distance Learning portal.

Through Banritech, the Bank also participated in the Innovation Routes program run by the Rio Grande do Sul State Government's Department of Innovation, Science and Technology, taking Banrisul's opportunities and initiatives to regions throughout the state. It was also part of the startup evaluation panel at the Tecnopuc Experience and the CO-CRIARG project, a hackathon aimed at high school students in the municipality of Rio Grande. Moreover, Banritech joined the Rio Grande do Sul's Network of Innovation Environments - REGINP, an important partnership in the consolidation of Banrisul and its projects in the state's ecosystem. REGINP's main focus is to promote the growth of incubators, technology parks and other associated environments promoting entrepreneurship and innovation, through institutional actions that foster income generation, new products, jobs and economic and financial sustainability.

The Banritech Program was selected for the Startup Guide, an international guide that has already been published in 50 other ecosystems around the world and highlights the main information about innovation agents in a given territory. According to the guide, Banritech stood out among the major startup and business development programs in Rio Grande do Sul state, according to a community survey.

Sustainability

Within the sustainability context, in 2023, Banrisul materialized its purpose of providing opportunities for regional development, aligned with the best ESG practices, by launching the Banrisul Innovation Call for Proposals – Impactful Business. The initiative selected companies with a positive social and environmental focus, 27 of which were environmental impact projects and 16 with a social bias, ranging from ESG management solutions to the development of products from waste that would otherwise be discarded. In 4Q23, the call was aimed at companies run by women and had 10 projects registered.

At Expointer, the state's largest agricultural fair, the Bank presented sustainable agriculture financing, during the panel "Financing strategies for low-carbon agriculture". These lines cover projects that include the recovery of degraded pastures, no-till system improvement, crop-livestock-forest integration, agroforestry systems, waste management, encouraging the use of bio-inputs, conservation practices and natural resources protection, among others.

Banrisul has been a signatory to the Global Compact since 2013, and has increased its efforts in public initiatives and commitments such as the Disclosure Insight Action - CDP and the Brazilian GHG Protocol Program, focused on measuring, mitigating and offsetting climate impacts. In 2023, for the second consecutive year, Banrisul received the Golden Seal for its greenhouse gas inventory.

The Bank received the Neutral Event Blue Seal for its participation at Expointer for neutralizing carbon emissions from its own spaces at the event. By measuring greenhouse gas emissions, Banrisul supported the Foz do Chapecó Hydroelectric Power Plant in offsetting 1,918 kg of CO2 emissions generated in the event. Participation in the 23rd Expodireto Cotrijal also earned Banrisul Neutral Event Blue Seal for quantifying and neutralizing carbon emissions generated in setting up and dismantling its stand. Through this initiative, advised by Eccaplan, the Bank neutralized its carbon footprint by supporting the REDD+ Maísa forest preservation project, aimed at fighting deforestation in the Amazon rainforest.

In order to encourage the transition to a low-carbon economy, Banrisul implemented the Renewable Energy Project in 2022, which involves migrating energy consumption to 100% renewable sources. By joining the Free

Energy Market, the Bank seeks to reduce its dependence on non-renewable sources and choose energy suppliers without polluting emissions, such as wind, solar, biomass or hydropower. In addition to the Bank's Headquarters, the Margarete Fenner Data Center and 87 branches are also supplied by renewable energy. All of Banrisul's facilities are expected to migrate to the Free Energy Market by the end of 2024, enabling a reduction in electricity costs – generating savings of approximately 18%.

In 2023, Banrisul attended the ABCarbon Conference, organized by the Brazilian Association of Carbon and Methane Credits, to discuss solutions for reducing greenhouse gas emissions. Internally, the Bank carried out a number of sustainability-related education initiatives. The topic was disseminated in training courses for employees who are taking on new roles, and the Bank organized Talk Sessions with its employees on environmental topics, such as "Climate Change" and "Plastic Pollution", addressing challenges, environmental impacts and business opportunities through environmental education and proper waste management.

Banrisul's social and environmental actions through the Programa Sementes (Seeds Program), a pillar to support rural sustainable development, represents the Bank's commitment to ESG practices and, in addition to encouraging the production of agroecological and organic food, provides access to producers, schools and communities through the distribution of 42.5 million agroecological seeds of various species, 5,800 people benefited.

Since 2001, Banrisul has implemented the Reciclar (Recycle) Program in its in-house operations, which encourages the proper disposal of solid waste generated in its activities, and also includes environmental education, partnerships with entities for recycling and reuse, and the donation of useless pieces of equipment to non-profit organizations such as public schools and APAES. In 2023, 258.2 tons of paper and cardboard and 21.2 tons of electronic waste were sent for recycling to the Sustentare Program. The Bank also donated 3,978 pieces of useless pieces of furniture and 80.7 tons of scrap metal for recycling.

Expanding the initiatives with its subsidiaries, Banrisul Armazéns Gerais – Bagergs is adopting measures to reduce its environmental and climate impact, including a project to use 100% renewable energy with the installation of solar panels, the replacement of forklifts power by fossil fuels with electric equipment, as well as the collection of rainwater from reservoirs, saving local water resources and contributing to water preservation.

People

To replace part of the dismissals of the last Voluntary Dismissal Program – PDV, and bring new talents to the Bank, in 2023, 244 employees were hired for IT areas, and 898 employees at the branch network. New employees hired in 2023 participated in the Onboarding Program for new teammates in the branch network and IT areas. Workers who joined the branch network are trained by combining experience at the branch with a Knowledge Trail consisting of 6 modules in Banrisul's Distance Learning platform, covering courses and webinars aimed at disseminating strategic content from the technical and business areas. Within the scope of the PDV, 504 employees were dismissed from the Bank in 2023.

9,089
employees

3,897
female employees

39.4%
of leadership positions held by women

1,986
interns

Geared towards identifying development opportunities and offering the best experience during the employee journey, the Bank conducted a survey to assess employee attraction and selection, which aims to identify key reasons leading employees to work at Banrisul and also understanding their expectations towards the Bank. An Onboarding survey was also implemented to evaluate the onboarding processes, based on the experience gained in the first few months working at the Bank.

In 2023, R$5.3 million were invested in employee training. Banrisul partially subsidizes undergraduate, graduate, master's degree, doctorate and language courses; the latter was revamped with the hiring of a distance learning platform and, since September 2023, 220 employees started classes in this new format, fully subsidized by the Bank. Among the Corporate Education initiatives, Banrisul invested in Training Programs for the branch network and general management units, based on learning paths in the distance learning or on-site format.

New courses were made available on Banrisul's Distance Learning platform throughout the year, and, in 4Q23, the agribusiness and foreign exchange areas released some courses. In addition, courses on supplementary pension plans were made available with market content provided by UniAbrapp. The bidding process for hiring an external distance learning platform for the community was completed and is expected to be launched in 1Q24, offering courses focused on financial education and sustainability. Also, in 4Q23, the Bank increased the production of multimedia content, supporting internal communication and disseminating educational actions through the Multimedia Studio. Concerning mandatory courses, Banrisul offered 28 courses, which totaled 137 thousand training hours in 2023.

Cultural and social actions and programs

Projeto Pescar Banrisul (Professional Initiation Project) – the Project's 20th class trained 30 socially vulnerable young students and offered workouts, behavioral development activities, professional techniques and attendance in cultural activities, such as visits to museums and theaters. In 2023, young people who joined the program in March completed their certification and were referred to an internship at the General Management. The selection process for the class of 2024 began with individual interviews, a letter of introduction and home visits.

The *Programa Jovem Aprendiz Legal* (Young Apprentice Program) is concerned with the inclusion of young students in the labor market, which is materialized through partnerships with training institutions. In 2023, Banrisul set up a partnership with Fundação Tênis to train young students in technology and innovation; as well as conducted initiatives in partnership with the Ministry of Labor and other partner institutions and renewed agreements.

Banrisul Museum – nearly 6,000 visitors at the *Espaço Memória* Banrisul were recorded in 2023. The museum collection was extended during such period and received items referring to different aspects of the Bank's history.

#Banrieduca - continuous financial education actions, including webinars, videos, podcasts and posters in circulation areas. Financial education was also offered to external stakeholders through the production of content for social media; audiovisual material made available on the Global Money Week website; in-person workshops and lectures for children and teenagers in schools and NGOs; and financial education workshops for young people taking part in programs that promote professional training.

Diversity – Within the scope of Diversity, Equity & Inclusion, the Affinity Groups and the Diversity, Equity & Inclusion Committee created the 2023 Diversity Calendar to disseminate information, raise employees' awareness towards this topic, as well as present minority groups' major struggle movements in which Banrisul has been taking part (women, Black people, people with disabilities and LGBT+). The first version of the Diversity Good Practices Guide was released, including a few concepts and inclusive tips to be used during daily routine. To make the Bank even more inclusive, we invested in hiring a company that provides sign language interpreters, ensuring greater accessibility in our internal communications and events.

Recognitions

March/2023.

Banrisul Ombudsman Office is recognized with a Brazilian national award.

Strengthening bonds between the institution and its customers, and ensuring transparency and quality of services provided is the motto guiding Banrisul's Ombudsman. In recognition of works developed, for the third time, Banrisul's Ombudsman Office received the Brazil Ombudsman Award, in the Best Cases category, promoted by the Brazilian Association of Company-Customer Relations (Abrarec), in São Paulo with the case *A criação da Gerência de Qualidade como mecanismo de acompanhamento de melhorias e de mitigação de registro de demandas nos canais da Ouvidoria* (The creation of quality management as a mechanism to monitor improvements, and mitigate the registration of complaints at the Ombudsman channels), stood out in innovation.

Banrisul stands out in the Bacen Top 5 (Focus Report).

In the February 2023 edition, Banrisul was ranked No. 1 in short-term projection for the Selic benchmark interest rate. The Focus survey collects projections from various economic indicators of more than 140 financial, academic, and advisory institutions; and it is a key factor for Bacen's monetary policy decisions.

April/2023.

Banrisul stands out in various categories of the Marcas de Quem Decide (Brands of Who Decide).

Banrisul stood out amongst the top five most reminded and preferred brands of Rio Grande do Sul citizens in the Bank, Rio Grande do Sul State-Owned Company, Sales Poll Group, and Private Pension categories. This award was bestowed at the 25th edition of the Marcas de Quem Decide event, promoted by Jornal do Comércio in partnership with the Polling Institute - IPO. Banrisul was also ranked amongst the top 10 brands in the Year's Great Brand category.

Banrisul stands out in the Bacen Top 5 (Focus Report).

For the second month in a row, in the March 2023 edition, Banrisul was once again ranked on the top in Selic interest rate short-term projection and also was ranked No. 1 in the Extended Consumer Price Index – IPCA projection.

Banrisul is Brazil's 6th best bank, according to Forbes in partnership with market research company Statista.

Among the 415 financial institutions listed by this publication, only 10 Brazilian companies were recognized in a survey conducted with 48,000 banking customers in 32 countries. This survey took into account categories, such as digital services, customer services, financial advisory services, and reliability – the latter named by the organizers as one of the most important pillars in the relationship between a bank and its users.

Top of Mind 2023: Banrisul is the bank most reminded by Rio Grande do Sul state's citizens.

The Grupo Amanhã hosted the event Top of Mind 2023 which awarded the businesses most reminded by Rio Grande do Sul state's citizens. Banrisul was ranked No. 1 in the Services – Banks category and third in the Large Company category. In the Love Brands special category that awards the most loved and admired companies, Banrisul was ranked second among the banks analyzed. This survey was conducted by Engaje Pesquisas.

May/2023.

Investment funds stand out in the national ranking.

Banrisul's investment funds stood out in Guia Valor de Fundos de Investimento (Investment Funds Valor Guide), specialized in economics and finance. The Fundo Banrisul Índice is ranked amongst the 25 best funds in the Stock Index category, over the past five years; and the Fundo Foco IDKA won two positions in the Fixed Income Real Interest Rate category, among the top 10 most yielded funds and the top five with the highest equity.

June/2023.

BNDES award highlights corporate loan performance.

Banrisul stood out in the Guarantor Fund for Investments – FGI category, and was ranked third at the event "Financial Agents Recognition 2022".

July/2023.

Banrisul stands out in the Campeãs da Inovação (Champions of Innovation) ranking.

Banrisul was one of the highlights in the 19th Campeãs da Inovação (Champions of Innovation) award for its strong performance in developing and strengthening Rio Grande do Sul state's and Brazil's innovation ecosystem. The accolade was awarded by Grupo Amanhã, in partnership with IXL-Center, from Cambridge. The institution ranked 2nd in the State-owned and Philanthropic category.

September/2023.

Banrisul is Top Consumer – *Marcas de Respeito* (Respected Brands)

Banrisul received this award organized by Geração X Consumer Institute, Academia do Consumidor and Consumidor magazine, in partnership with the Consumidor RS Project. The award's 12th edition recognized companies that stand out for their ethical conduct, quality and commitment to consumer relations. Banrisul Pagamentos - Vero and Rio Grande Seguros were also honored.

October/2023.

Banrisul wins the Top Marketing 2023 from ADVB/RS – Brazilian Association of Marketing and Sales Managers/Rio Grande do Sul branch.

Banrisul was awarded in the Social Media category with the Planeta Atlântida case, submitted by the Bank to showcase the success of its communication strategy on social media, through a special coverage of the event, sponsored by the institution geared towards connecting with young people, showing its presence and modern features. The results included great brand exposure, impacting millions of people, ticket sales, engagement on social media and extensive interaction with the young audience.

Banrisul is among the State's largest companies.

Banrisul is among Rio Grande do Sul's largest companies, according to the 500 MAIORES DO SUL - Grandes & Líderes (500 Largest Companies in the South Region – Large Companies & Leaders) ranking, prepared by Grupo Amanhã and the consultancy firm PricewaterhouseCoopers. The institution also ranked 16th among the 500 largest companies in Brazil's South region. In the financial industry, Banrisul is the State's second largest financial institution.

Banrisul wins the Golden Seal for the 2nd consecutive year.

For the second consecutive year, Banrisul has been awarded the Golden Seal in the Brazilian GHG Protocol Program – 2023 Cycle, showing the advancements in its environmental and climate strategy. The achievement is based on Banrisul's Greenhouse Gas (GHG) emissions inventory, verified by an independent institution. Results refer to 2022 emissions and were published on Fundação Getulio Vargas' Public Emissions Record platform, which gathers GHG inventories from various organizations adhering to the program.

November/2023.

Banrisul Consórcio stands out in customer satisfaction survey.

Banrisul Consórcio was recognized with the Experience Certificate in the Financial Pool Groups category, awarded by SoluCX, a leader in satisfaction and NPS surveys in Brazil. The accolade highlights companies that offer the best customer experience, using the Net Promoter Score – NPS, the most popular customer satisfaction metric on the market. The award recognizes all companies with an above-average NPS in their category.

Banrisul's credit card app tops national survey.

Banrisul's credit card app has been recognized as the best app in the 'essential and distinguished services in the domestic market' category, for the fourth consecutive year, according to a survey conducted by CardMonitor, company based in São Paulo. With eight new additional features, Banrisul reached first place in the total number of available features ranking. Compared to the 34 main industry players, Banrisul maintained first place in the essential and distinguished features category, offering more than 70% of them, ensuring quality services and showing commitment to its customers.

Acknowledgments

The signs of an economic recovery relied on the active presence of Banrisul, which played a leading role throughout 2023 in the communities where it operates, fostering economic and social development thanks to the commitment and professionalism of its employees and the partnership with customers, shareholders, investors and suppliers.

Management

FINANCIAL STATEMENTS

BALANCE SHEET

(In Thousands of Reais)

		Parent Company		Consolidated	
ASSETS	**Note**	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Cash	4	1,123,159	1,004,350	1,123,167	1,004,366
Financial Assets		117,447,030	106,221,325	120,953,140	108,983,674
Interbank Lending Market Investments	5	6,167,235	3,521,401	6,167,235	3,521,401
Compulsory Deposits at Central Bank of Brazil	6	11,072,389	10,798,526	11,320,017	10,798,526
Securities	7	42,847,264	39,226,483	43,050,879	39,454,807
Loans and Leases	9	53,669,311	49,121,869	53,669,311	49,121,869
Other Financial Assets	10	3,690,831	3,553,046	6,745,698	6,087,071
(Provisions for Expected Losses Associated with Credit Risk)		(2,621,754)	(2,488,235)	(2,623,917)	(2,490,226)
(Loans)	9e	(2,572,207)	(2,439,822)	(2,572,207)	(2,439,822)
(Other Financial Assets)		(49,547)	(48,413)	(51,710)	(50,404)
Tax Assets		3,526,390	3,603,443	3,677,620	3,633,690
Current		52,374	115,891	170,219	129,128
Deferred	11	3,474,016	3,487,552	3,507,401	3,504,562
Other Assets	12	539,503	684,344	535,002	686,845
Investments		3,291,731	2,983,388	175,584	163,149
Investments in Associates and Subsidiaries	13	3,291,731	2,983,388	175,584	163,149
Property and Equipment	14	413,104	365,679	601,354	520,578
Property and Equipment		1,056,767	990,026	1,345,167	1,218,353
(Accumulated Depreciation)		(643,663)	(624,347)	(743,813)	(697,775)
Intangible Assets	15	621,720	664,072	621,734	664,112
Intangible Assets		2,047,531	1,884,170	2,049,018	1,885,657
(Accumulated Amortization)		(1,425,811)	(1,220,098)	(1,427,284)	(1,221,545)
TOTAL ASSETS		**124,340,883**	**113,038,366**	**125,063,684**	**113,166,188**

BALANCE SHEET

(In Thousands of Reais)

		Parent Company		Consolidated	
LIABILITIES	**Note**	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**
Financial Liabilities		109,910,139	98,737,481	110,328,201	98,474,996
Deposits	16	71,411,782	68,688,782	71,131,132	67,615,882
Repurchase Agreements	16	16,854,251	12,501,695	16,773,360	12,421,035
Funds from Acceptance and Issuance of Securities	16	6,932,553	3,469,595	6,213,993	2,957,083
Subordinated Debt	16	1,818,423	1,484,828	1,818,423	1,484,828
Borrowings	17	828,917	1,012,985	828,917	1,012,985
Onlendings	17	2,207,349	2,501,887	2,207,349	2,501,887
Derivative Financial Instruments	8	17,236	670,298	17,236	670,298
Other Financial Liabilities	18	9,839,628	8,407,411	11,337,791	9,810,998
Civil, Tax and Labor Provisions	19	2,661,653	2,626,012	2,668,103	2,631,798
Tax Liabilities		443,436	677,595	586,806	807,899
Current		121,020	111,149	262,728	240,235
Deferred	11b	322,416	566,446	324,078	567,664
Other Liabilities	20	1,663,567	1,583,385	1,811,683	1,831,368
TOTAL LIABILITIES		**114,678,795**	**103,624,473**	**115,394,793**	**103,746,061**
EQUITY	**21**	**9,662,088**	**9,413,893**	**9,668,891**	**9,420,127**
Capital		5,200,000	5,200,000	5,200,000	5,200,000
Capital Reserves		5,098	4,511	5,098	4,511
Profit Reserves		4,760,864	4,320,559	4,760,864	4,320,559
Other Comprehensive Income		(303,874)	(111,177)	(303,874)	(111,177)
Non-controlling Interests		-	-	6,803	6,234
TOTAL LIABILITIES AND EQUITY		**124,340,883**	**113,038,366**	**125,063,684**	**113,166,188**

The accompanying notes are an integral part of these financial statements.

INCOME STATEMENT

(In Thousands of Reais, except Earnings per Share)

		Parent Company			Consolidated		
	Note	2nd Half of 2023	01/01 to 12/31/2023	01/01 to 12/31/2022	2nd Half of 2023	01/01 to 12/31/2023	01/01 to 12/31/2022
Income from Financial Intermediation		**8,263,865**	**15,701,728**	**12,963,826**	**8,284,628**	**15,734,051**	**12,992,510**
Loans, Leases and Other Credits		4,593,629	8,860,400	7,224,164	4,593,629	8,860,400	7,224,370
Securities		2,816,309	5,574,264	5,154,137	2,837,072	5,606,587	5,182,615
Derivative Financial Instruments		153,603	(113,391)	(725,229)	153,603	(113,391)	(725,229)
Foreign Exchange		53,018	89,382	156,931	53,018	89,382	156,931
Compulsory Deposits		647,306	1,291,073	1,153,823	647,306	1,291,073	1,153,823
Expenses from Financial Intermediation		**(5,539,099)**	**(10,459,511)**	**(8,465,466)**	**(5,438,756)**	**(10,245,338)**	**(8,323,715)**
Repurchase Agreements		(5,100,342)	(9,549,313)	(7,622,613)	(4,999,999)	(9,335,140)	(7,480,861)
Borrowings, Assignments and Onlendings		(438,757)	(910,198)	(842,853)	(438,757)	(910,198)	(842,854)
Net Income from Financial Intermediation		**2,724,766**	**5,242,217**	**4,498,360**	**2,845,872**	**5,488,713**	**4,668,795**
Provisions for Expected Losses Associated with Credit Risk		**(652,374)**	**(1,330,741)**	**(969,849)**	**(652,517)**	**(1,330,489)**	**(968,690)**
Loans and Leases		(651,097)	(1,329,608)	(970,001)	(651,097)	(1,329,608)	(970,001)
Other Financial Assets		(1,277)	(1,133)	152	(1,420)	(881)	1,311
Other Operating Income (Expenses)		**(1,464,206)**	**(2,929,055)**	**(3,073,999)**	**(1,527,732)**	**(2,946,765)**	**(2,932,335)**
Income from Services Rendered and Banking Fees	22a	499,414	924,304	915,924	1,178,546	2,232,921	2,083,514
Personnel Expenses	23a	(1,099,467)	(2,156,262)	(2,132,215)	(1,112,501)	(2,181,429)	(2,155,779)
Other Administrative Expenses	23b	(945,003)	(1,833,893)	(1,769,144)	(1,005,490)	(1,964,503)	(1,875,792)
Tax Expenses		(179,259)	(343,410)	(316,482)	(266,317)	(514,055)	(474,659)
Result of Participation in Associates and Subsidiaries	13	521,276	902,187	679,735	50,397	102,409	81,068
Other Operational Income	22b	347,228	653,156	703,025	295,100	549,700	645,184
Other Operational Expenses	23c	(349,997)	(612,901)	(492,323)	(408,400)	(708,534)	(574,402)
Civil, Tax and Labor Provision	19	(258,398)	(462,236)	(662,519)	(259,067)	(463,274)	(661,469)
Net Operating Income		**608,186**	**982,421**	**454,512**	**665,623**	**1,211,459**	**767,770**
Income Before Income Tax and Profit Sharing		**608,186**	**982,421**	**454,512**	**665,623**	**1,211,459**	**767,770**
Income Tax and Social Contribution	**24**	**(50,752)**	**139,673**	**443,742**	**(107,564)**	**(88,194)**	**131,094**
Current		(2,841)	(2,841)	-	(69,450)	(246,232)	(323,415)
Deferred		(47,911)	142,514	443,742	(38,114)	158,038	454,509
Employee Profit Sharing		**(126,619)**	**(251,990)**	**(183,320)**	**(126,619)**	**(252,181)**	**(183,511)**
Net Income in the Period		**430,815**	**870,104**	**714,934**	**431,440**	**871,084**	**715,353**
Net Income Atributable to Controlling Shareholderes		430,815	870,104	714,934	430,815	**870,104**	714,934
Net Income Atributable to Non - Controlling Shareholderes		-	-	-	625	980	419
Earnings per Share	**25**						
Basic and Diluted Earnings per Share (in BRL - R$)							
Common Shares		1.06	2.13	1.75	1.06	2.13	1.75
Preferred Shares A		1.08	2.27	1.85	1.08	2.27	1.85
Preferred Shares B		1.06	2.13	1.75	1.06	2.13	1.75

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

(In Thousands of Reais)

	Parent Company			Consolidated		
	2nd Half of 2023	01/01 to 12/31/2023	01/01 to 12/31/2022	2nd Half of 2023	01/01 to 12/31/2023	01/01 to 12/31/2022
Net Income Attributable to Shareholders	**430,815**	**870,104**	**714,934**	**430,815**	**870,104**	**714,934**
Non-controlling Interest	-	-	-	625	980	419
Net Income Attributable to Shareholders in the Period	**430,815**	**870,104**	**714,934**	**431,440**	**871,084**	**715,353**
Items That May Be Reclassified Into the Income Statement	**(60,861)**	**(75,401)**	**(146,733)**	**(60,861)**	**(75,401)**	**(146,733)**
Securities available for sale	3,418	8,044	(1,027)	3,418	8,044	(1,027)
Change in Fair Value	5,833	13,872	(1,369)	5,833	13,872	(1,369)
Tax Effect	(2,415)	(5,828)	342	(2,415)	(5,828)	342
Foreign Exchange Variations on Investments Abroad	(64,279)	(83,445)	(145,706)	(64,279)	(83,445)	(145,706)
Items that cannot be Reclassified to the Income Statement	**9,077**	**(117,296)**	**154,019**	**9,077**	**(117,296)**	**154,019**
Remeasurement of Post-Employment Benefit Obligations	9,077	(117,296)	154,019	9,077	(117,296)	154,019
Actuarial Gains/(Losses)	16,455	(213,010)	279,669	16,455	(213,010)	279,669
Tax Effect	(7,378)	95,714	(125,650)	(7,378)	95,714	(125,650)
Total Adjustments Not Included in Period Net Income	**(51,784)**	**(192,697)**	**7,286**	**(51,784)**	**(192,697)**	**7,286**
Total Comprehensive Income for the Period, Net of Tax Income and Social Contribution	**379,031**	**677,407**	**722,220**	**379,656**	**678,387**	**722,639**
Comprehensive Income Attributable to Controlling Interests	379,031	677,407	722,220	379,031	677,407	722,220
Comprehensive Income Attributable to Non-controlling Interests	-	-	-	625	980	419

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

(In Thousands of Reais)

		Attributable to Controlling Shareholders										
				Profit Reserves								
	Note	Capital	Capital Reserves	Legal	Statutory	For Expansion	Special Profit Reserve	Other Valuation Adjustments	Retained Earnings	Total Parent Company	Non-controlling Interest	Total Consolidated
Balance as of January 01, 2022		**5,200,000**	**4,511**	**680,076**	**2,488,077**	**792,016**	**(118,463)**	**-**	**-**	**9,046,217**	**2,366**	**9,048,583**
Other Valuation Adjustments												
MTM Change of Available-for-Sale Securities		-	-	-	-	-	(1,027)	-	-	(1,027)	-	(1,027)
Actuarial Valuation Changes		-	-	-	-	-	154,019	-	-	154,019	-	154,019
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	(145,706)	-	-	(145,706)	-	(145,706)
Change in Non-Controlling Interest		-	-	-	-	-	-	-	-	-	3,449	3,449
Realization Deferral Exclusivity Agreement		-	-	-	-	-	-	5,802	-	5,802	-	5,802
Net Income in the Period		-	-	-	-	-	-	714,934	-	714,934	419	715,353
Allocation of Net Income	21d											
Constitution of Reserves	21c	-	-	35,747	178,734	145,909	-	(360,390)	-	-	-	-
Interest on Equity		-	-	-	-	-	-	(345,520)	-	(345,520)	-	(345,520)
Additional Dividends		-	-	-	-	-	-	(14,826)	-	(14,826)	-	(14,826)
Balance as of December 31, 2022		**5,200,000**	**4,511**	**715,823**	**2,666,811**	**937,925**	**(111,177)**	**-**	**-**	**9,413,893**	**6,234**	**9,420,127**
Balance as of January 01, 2023		**5,200,000**	**4,511**	**715,823**	**2,666,811**	**937,925**	**(111,177)**	**-**	**-**	**9,413,893**	**6,234**	**9,420,127**
Other Valuation Adjustments												
MTM Change of Available-for-Sale Securities		-	-	-	-	-	8,044	-	-	8,044	-	8,044
Actuarial Valuation Changes		-	-	-	-	-	(117,296)	-	-	(117,296)	-	(117,296)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	(83,445)	-	-	(83,445)	-	(83,445)
Change in Non-Controlling Interest		-	-	-	-	-	-	-	-	-	(411)	(411)
Realization Deferral Exclusivity Agreement		-	-	-	-	-	-	5,802	-	5,802	-	5,802
Gains/(Losses) on Replacement in the Treasury Stock Market		-	587	-	-	(675)	-	-	-	(88)	-	(88)
Net Income in the Period		-	-	-	-	-	-	870,104	-	870,104	980	871,084
Allocation of Net Income	21d											
Constitution of Reserves	21c	-	-	43,505	217,526	179,949	-	(440,980)	-	-	-	-
Interest on Equity		-	-	-	-	-	-	(360,000)	-	(360,000)	-	(360,000)
Additional Dividends		-	-	-	-	-	-	(74,926)	-	(74,926)	-	(74,926)
Balance as of December 31, 2023		**5,200,000**	**5,098**	**759,328**	**2,884,337**	**1,117,199**	**(303,874)**	**-**	**-**	**9,662,088**	**6,803**	**9,668,891**
Balance as of July 01, 2023		**5,200,000**	**4,511**	**737,788**	**2,776,633**	**958,328**	**(252,090)**	**-**	**(3,387)**	**9,421,783**	**6,606**	**9,428,389**
Other Valuation Adjustments												
MTM Change of Available-for-Sale Securities		-	-	-	-	-	3,418	-	-	3,418	-	3,418
Actuarial Valuation Changes		-	-	-	-	-	9,077	-	-	9,077	-	9,077
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	(64,279)	-	-	(64,279)	-	(64,279)
Change in Non-Controlling Interest		-	-	-	-	-	-	-	-	-	(428)	(428)
Realization Deferral Exclusivity Agreement		-	-	-	-	-	-	2,901	-	2,901	-	2,901
Gains/(Losses) on Replacement in the Treasury Stock Market		-	587	-	-	(675)	-	-	-	(88)	-	(88)
Net Income in the Period		-	-	-	-	-	-	430,815	-	430,815	625	431,440
Allocation of Net Income	21d											
Constitution of Reserves	**21c**	-	-	21,540	107,704	159,546	-	(288,790)	-	-	-	-
Interest on Equity		-	-	-	-	-	-	(70,000)	-	(70,000)	-	(70,000)
Additional Dividends		-	-	-	-	-	-	(74,926)	-	(74,926)	-	(74,926)
Shares in Treasury	21b	-	-	-	-	-	-	-	3,387	3,387	-	3,387
Balance as of December 31, 2023		**5,200,000**	**5,098**	**759,328**	**2,884,337**	**1,117,199**	**(303,874)**	**-**	**-**	**9,662,088**	**6,803**	**9,668,891**

The accompanying notes are an integral part of these financial statements.

CASH FLOW STATEMENT

(In Thousands of Reais)

	Parent Company			Banrisul Consolidated		
	2nd Half of 2023	01/01 to 12/31/2023	01/01 to 12/31/2022	2nd Half of 2023	01/01 to 12/31/2023	01/01 to 12/31/2022
Cash Flow from Operating Activities						
Income Before Taxes Income and Employee Profit Sharing	**608,186**	**982,421**	**454,512**	**665,623**	**1,211,459**	**767,770**
Adjustments to Income Before Income Tax and Employee Profit Sharing						
Depreciation and Amortization	122,615	241,038	232,547	142,063	275,970	254,217
Share of Profit of Equity Accounted Investees	(521,276)	(902,187)	(679,735)	(50,397)	(102,409)	(81,068)
Income from Subordinated Debt	441,473	428,552	(433,409)	441,473	428,552	(433,409)
Provisions for Expected Losses Associated with Credit Risk	652,374	1,330,741	969,849	652,517	1,330,489	968,690
Provision for Civil, Tax and Labor Risks	258,398	462,236	662,519	259,067	463,274	661,469
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	(319)	13,681	12,487	(319)	13,681	12,487
Adjusted Income Before Taxes on Income and Employee Profit	**1.561.451**	**2.556.482**	**1.218.770**	**2.110.027**	**3.621.016**	**2.150.156**
Equity Variations	**1,579,535**	**2,933,328**	**5,578**	**1,433,874**	**2,444,533**	**(1,288,302)**
(Increase) Decrease in Interbank Deposits	(1,281,922)	(546,970)	(184,608)	(1,281,922)	(546,970)	(184,608)
(Increase) in Central Bank Compulsory Deposits	(522,931)	(273,863)	(1,059,775)	(770,559)	(521,491)	(1,059,775)
(Increase) in Trading Securities	(513,915)	(487,009)	(385,159)	(594,453)	(455,478)	(546,950)
Increase (Decrease) in Derivative Financial Instruments	(736,357)	(653,062)	1,376,028	(736,357)	(653,062)	1,376,028
(Increase) in Loans	(2,948,075)	(5,838,830)	(9,383,678)	(2,948,075)	(5,838,830)	(9,383,678)
(Increase) Decrease in Other Financial Assets	81,679	(135,151)	(155,956)	(580,054)	(658,202)	(544,440)
(Increase) Decrease in Tax Assets	258,257	219,567	(44,102)	271,385	114,108	(53,742)
Decrease in Other Assets	162,609	144,841	117,588	150,595	151,843	22,270
Increase in Deposits	2,558,493	2,734,151	3,661,499	3,309,991	3,526,401	3,357,066
Increase in Repurchase Agreements (Repos)	2,922,722	4,352,556	1,726,793	2,927,793	4,352,325	1,699,299
Increase in Funds from Acceptance and Issuance of Securities	2,493,788	3,462,958	1,432,655	2,443,095	3,256,910	1,219,082
Increase (Decrease) in Borrowings	(80,482)	(478,606)	1,098,750	(80,482)	(478,606)	1,098,750
Increase in Other Financial Liabilities	153,324	1,432,217	2,252,033	563,249	1,526,793	2,354,289
(Decrease) in Civil, Tax and Labor Provisions	(228,792)	(426,595)	(345,035)	(229,153)	(426,969)	(345,201)
Increase (Decrease) in Tax Liabilities	(215,789)	(376,673)	(240,305)	(58,148)	32,350	27,166
Increase (Decrease) in Other Liabilities	(523,074)	(196,203)	159,331	(731,560)	(525,108)	(41,271)
Income Tax and Social Contribution Paid	-	-	(20,481)	(221,471)	(411,481)	(282,587)
NET CASH FROM OPERATING ACTIVITIES	**3,140,986**	**5,489,810**	**1,224,348**	**3,543,901**	**6,065,549**	**861,854**
CASH FLOW FROM INVESTING ACTIVITIES						
Dividends Received from Subsidiaries and Affiliates	67,308	244,531	132,020	56,990	94,848	37,494
(Increase) Decrease in Securities Available for Sale	350,760	350,760	-	-	-	-
(Increase) in Securities Held to Maturity	855	(3,743)	(37,579)	2,410	(1,019)	(36,711)
Disposal of Investments	(2,818,872)	(3,130,029)	(702,594)	(2,819,645)	(3,131,566)	(703,891)
Disposal of Property and Equipment	3,271	4,400	35,181	3,251	3,251	35,181
Disposal of Intangible Assets	509	582	418	4,636	6,135	650
Acquisition of Investments	-	-	-	-	-	19
Acquisition of Property and Equipment	(5,829)	(8,480)	(325,285)	(5,528)	(8,125)	(24,006)
Acquisition of Intangible Assets	(39,091)	(81,612)	(23,111)	(74,488)	(155,422)	(94,647)
NET CASH FROM OPERATING ACTIVITIES	(93,022)	(165,081)	(126,135)	(93,022)	(165,081)	(126,135)
NET CASH FROM INVESTING ACTIVITIES	**(2,534,111)**	**(2,788,672)**	**(1,047,085)**	**(2,925,396)**	**(3,356,979)**	**(912,046)**
CASH FLOW FROM FINANCING ACTIVITIES						
Subordinated Debt	-	-	300,201	-	-	300,201
Payment Redemption/Interest on Subordinated Debts	(45,433)	(94,957)	(3,071,752)	(45,433)	(94,957)	(3,071,752)
Dividends Paid	-	(14,827)	(14,975)	-	(14,827)	(14,975)
Interest on Equity Paid	(70,000)	(360,000)	(345,520)	(70,000)	(360,000)	(345,520)
Change in Non-controlling Interest	-	-	-	197	569	3,868
NET CASH USED IN FINANCING ACTIVITIES	**(115,433)**	**(469,784)**	**(3,132,046)**	**(115,236)**	**(469,215)**	**(3,128,178)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**491,442**	**2,231,354**	**(2,954,783)**	**503,269**	**2,239,355**	**(3,178,370)**
Cash and Cash Equivalents at the Beginning of the Period	5,155,318	3,429,406	6,396,676	5,161,890	3,439,804	6,630,661
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	319	(13,681)	(12,487)	319	(13,681)	(12,487)
Cash and Cash Equivalents at the End of the Period	5,647,079	5,647,079	3,429,406	5,665,478	5,665,478	3,439,804

The accompanying notes are an integral part of these financial statements.

STATEMENT OF ADDED VALUE

(In Thousands of Reais)

	Parent Company			Banrisul Consolidado		
	2nd Half of 2023	01/01 to 12/31/2023	01/01 to 12/31/2022	2nd Half of 2023	01/01 to 12/31/2023	01/01 to 12/31/2022
INCOME (a)	**8,458,133**	**15,948,447**	**13,612,926**	**9,105,757**	**17,186,183**	**14,752,518**
Financial Income	8,263,865	15,701,728	12,963,826	8,284,628	15,734,051	12,992,510
Services Rendered and Bank Fees Income	499,414	924,304	915,924	1,178,546	2,232,921	2,083,514
Provisions for Expected Losses Associated with Credit Risk	(652,374)	(1,330,741)	(969,849)	(652,517)	(1,330,489)	(968,690)
Other	347,228	653,156	703,025	295,100	549,700	645,184
FINANCIAL INTERMEDIATION EXPENSES (b)	**(5,539,099)**	**(10,459,511)**	**(8,465,466)**	**(5,438,756)**	**(10,245,338)**	**(8,323,715)**
INPUTS ACQUIRED FROM THIRD PARTIES (c)	**(1,359,869)**	**(2,525,188)**	**(2,554,793)**	**(1,460,197)**	**(2,717,980)**	**(2,721,347)**
Supplies, Energy and Other	(987,058)	(1,787,358)	(1,803,436)	(1,075,063)	(1,948,854)	(1,948,726)
Third-party Services	(372,811)	(737,830)	(751,357)	(385,134)	(769,126)	(772,621)
GROSS ADDED VALUE (d=a-b-c)	**1,559,165**	**2,963,748**	**2,592,667**	**2,206,804**	**4,222,865**	**3,707,456**
DEPRECIATION AND AMORTIZATION (e)	**(122,615)**	**(241,038)**	**(232,547)**	**(142,063)**	**(275,970)**	**(254,217)**
NET ADDED VALUE PRODUCED BY THE COMPANY (f=d-e)	**1,436,550**	**2,722,710**	**2,360,120**	**2,064,741**	**3,946,895**	**3,453,239**
ADDED VALUE RECEIVED IN TRANSFER (g)	**521,276**	**902,187**	**679,735**	**50,397**	**102,409**	**81,068**
Equity in earnings (losses) in investees	521,276	902,187	679,735	50,397	102,409	81,068
ADDED VALUE FOR DISTRIBUTION (h=f+g)	**1,957,826**	**3,624,897**	**3,039,855**	**2,115,138**	**4,049,304**	**3,534,307**
DISTRIBUTION OF ADDED VALUE	**1,957,826**	**3,624,897**	**3,039,855**	**2,115,138**	**4,049,304**	**3,534,307**
Personnel	**1,066,993**	**2,094,975**	**2,011,169**	**1,079,066**	**2,118,313**	**2,033,022**
Salaries	748,107	1,479,141	1,444,392	757,461	1,497,641	1,461,542
Benefits	271,268	523,091	478,806	272,975	525,988	481,511
FGTS	47,618	92,743	87,971	48,630	94,684	89,969
Taxes, Fees and Contributions	**389,104**	**517,014**	**177,106**	**533,935**	**917,546**	**649,833**
Federal	363,551	463,760	127,680	485,013	818,446	555,962
State	16	22	16	63	93	50
Local	25,537	53,232	49,410	48,859	99,007	93,821
Remuneration on Third Party Capital	**70,914**	**142,804**	**136,646**	**70,697**	**142,361**	**136,099**
Rentals	70,914	142,804	136,646	70,697	142,361	136,099
Equity Remuneration	**430,815**	**870,104**	**714,934**	**431,440**	**871,084**	**715,353**
Interest on Equity	70,000	360,000	345,520	70,000	360,000	345,520
Dividends	74,926	74,926	14,826	74,926	74,926	14,826
Retained Earnings	285,889	435,178	354,588	285,889	435,178	354,588
Non-controlling Interests	-	-	-	625	980	419

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

We present below Notes to the financial statements, which are an integral part of the financial statements of Banco do Estado do Rio Grande do Sul S.A. (Banrisul), amounts expressed in thousands of Reais (unless otherwise indicated) and distribuited as follows:

NOTE 01 - OPERATIONS

Banco do Estado do Rio Grande do Sul S. A. ("Banrisul", "Institution"), Banrisul Group leading company, controlled by the State of Rio Grande Sul, is a publicly traded corporation which operates a multiple-service bank, headquartered in Brazil, at Rua Capitão Montanha, 177 – 4th floor, in the city of Porto Alegre, Rio Grande do Sul State and that is engaged in retail banking, lending, financing and investment, mortgage loan, development, lease portfolio, and foreign exchange activities. Through its subsidiaries and associates, Banrisul engages in various other activities, including securities brokerage, management of sales poll groups, payment industry solutions, insurance, and pension plan and saving bonds products. Financial market transactions are conducted within the context of an integrated group of financial institutions. Banrisul also operates as an economic and financial agent for the State of Rio Grande do Sul, in conformity with the state government's plans and programs.

NOTE 02 - PRESENTATION OF FINANCIAL STATEMENTS

(a) The financial statements have been prepared in accordance with accounting policies adopted in Brazil applicable to the financial institutions authorized to operate by the Central Bank of Brazil observing from the Brazilian corporation law, observing the standards and instructions of the National Monetary Council (CMN), the Central Bank of Brazil (BACEN) and the Brazilian Securities and Exchange Commission (CVM). The financial statements include accounting policies and estimates relating to the recognition of allowances and determination of the value of securities, derivatives financial instruments and deferred tax, actual results may differ from these estimates.

Banrisul's financial statements are being presented with the changes resulting from Central Bank Resolution No. 2/20 and CMN Resolution No 4,818/20. The balance sheet accounts are presented in order of liquidity and enforceability; balance sheet balances for the period presented in comparison with that of the end of the immediately previous fiscal year, with the other statements also compared with the same periods of the previous fiscal year for which they were presented.

Management declares that the disclosures made in Banrisul's individual and consolidated financial statements show all relevant financial information used in its management and that the accounting standards have been applied consistently between periods.

(b) Banrisul's individual financial statements include Banrisul's Brazilian operations as well as the operations of its foreign branch (Grand Cayman). The effects of exchange variation on operations in foreign branch are distributed in the income statement lines according to the nature of the corresponding equity accounts and the exchange variation adjustments resulting from the conversion process are recorded as a component of Shareholders' Equity.

On May 8, 2023, the Board of Directors approved the voluntary closure of the activities of the Grand Cayman branch, with work starting in June 2023. In the fourth quarter of 2023, following the process of closing activities, the dependency's capital was written off with the return of US$49.5 million to the headquarters in Brazil.

On June 9, 2021, the Board of Directors approved the voluntary closure of the activities of the Miami branch, having the works started on 06/30/ 2021, whose definitive closing of activities occurred on 08/31/2022. In the second quarter of 2022, following the closing process, the capital of the Miami branch was written off with the return of US$56 million to the headquarters in Brazil.

(c) The consolidated financial statements include the accounts of Banrisul, its foreign branch, subsidiaries and investment funds shares that Banrisul assumes or retains substantially all of the risks and benefits. In preparing the consolidated financial statements, the intercompany balances and the amounts of transactions between consolidated companies were eliminated. Changes in Banrisul's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The following table shows subsidiaries and investment funds shares included in the consolidated financial statements:

		Ownership Interest	
	Activity	**12/31/2023**	**12/31/2022**
Banrisul Armazéns Gerais S.A.	Services	99.50%	99.50%
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	Broker	98.98%	98.98%
Banrisul S.A. Administradora de Consórcios	Management of Sales Poll Groups	99.68%	99.68%
Banrisul Soluções em Pagamentos S.A.	Payment Options	99.82%	99.82%
Banrisul Seguridade Participações S.A. [1]	Insurance	100.00%	100.00%
Investment Funds Shares	Investment Funds	69.80% to 96.30%	61.80% to 96.40%

(1) Subsidiary Banrisul Seguridade Participações S.A fully controls Banrisul Corretora de Seguros S.A.

(d) Finance Leases are stated in the Balance Sheet at present value. Related income and expenses, which represent the financial result of these leases, are reported as income from Leases in the Income Statement.

(e) The interim financial statements prepared for the reported period were approved to issuance by the Board of Directors on February 06, 2024.

NOTE 03 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparing the consolidated financial statements are as follows:

(a) Income and Expenses

In accordance with the accrual accounting principle, income and expenses are recorded in the period in which they occur, even if they have not been received or paid. When income and expenses are correlated, they are recognized simultaneously. Post-fixed financial transactions are restated on a pro rata die basis, based on the variation in the respective agreed indexes, while pre-fixed financial transactions are recorded at the redemption value, rectified on account of unearned income or unearned expenses corresponding to the future period. Transactions indexed to foreign currencies are updated on the balance sheet date, according to current exchange rates.

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and readily convertible, highly liquid interbank investments, with original maturity not exceeding ninety days and that have an insignificant risk of change in their fair value.

(c) Interbank Investments

These comprise funds invested in the interbank market, stated at present value, calculated on "pro rata die" basis, based on the variation of both the agreed index and the interest rate.

(d) Securities

Pursuant to Circular No. 3068/01, issued by the Central Bank of Brazil, and supplementary regulations, securities are classified and measured in three specific categories, as follows:

- Trading Securities - these include securities acquired for purposes of being actively and frequently traded, measured at fair value, with related gains or losses recognized in the income statement.

- Available-for-Sale Securities - these include securities used as part of the strategy to manage risk of changes in interest rates and may be traded as a result of these changes, changes in payment conditions or other factors. These securities are adjusted to fair value less impairment losses, if applicable, and income earned is recorded in the income statement. Unrealized gains and losses from changes in fair value are recorded directly in shareholders' equity, net of taxes, under "Other Comprehensive Results" until they are realized through sale.

When realized, the gains and losses are recognized in the income statement on the trading date, with a counter-entry to equity, net of taxes.

- Held-to-Maturity Securities - these are securities for which Management has the positive intent and financial capacity to hold to maturity. These securities are carried at amortized cost, less any impairment losses, plus income earned on a "pro rata" basis. Financial capacity is determined based on cash flow projections, disregarding the possibility of selling such securities.

(e) Derivative Financial Instruments

Derivative financial instruments are classified at the date of acquisition, in accordance with management's intent to use them as protective (hedge) instruments or not, according to Circular No. 3,082, dated 01/30/2002, from BACEN.

These instruments are assess at fair value, with gains and losses recognized in income or expense accounts of the respective financial instruments in the income statement.

Banrisul carries out operations with pre-fixed public securities matched with derivative contracts (DI1 Futures Contract), which have as their underlying asset the average daily rate of Interbank Deposits (DI), calculated and published by B3. These contracts are used to protect and manage the interest rate risk of assets and/or liabilities in order to compensate for the risk of DI rate fluctuation.

Daily adjustments to futures operations are made daily based on fair value, using market prices practiced on the reference date, being recorded in asset or liability accounts, depending on the nature of the adjustment, and settled on D+1.

Banrisul adopts hedge accounting, in the market risk hedge category, to account for swap operations. These instruments, as well as the financial assets and liabilities that are objects of protection, are recorded at fair value, with realized and unrealized gains and losses recognized directly in the income statement.

Banrisul does not adopt the accounting of financial instruments in the cash flow hedge and net investment hedge categories in foreign operations.

In the market risk hedge category, Banrisul included derivative financial instruments contracted with the aim of protecting the variation in foreign currency arising from subordinated notes issued in the foreign market, in the amount of US$300 million, in accordance with conditions previously agreed by the Offering Memorandum, described in Note 16.

The market risk hedge was established through a documented designation at the beginning of the transaction. This designation describes the relationship between the objects and derivative instruments used for protection, as well as the risk management objectives and the strategy to mitigate the effects arising from exposure to changes in fair value.

In risk management, Banrisul periodically carries out and documents tests to determine the level of effectiveness of hedge accounting operations in compensating for variations in the fair value of protected items during the period of validity of this protection.

The determination of the fair value of these operations is carried out using modeling techniques, such as discounted cash flow.

Derivative operations are based on over-the-counter contracts registered with B3 S.A. - Brasil, Bolsa, Balcão, and have as counterparties financial institutions classified as first-tier.

(f) Loans, Leases and Other Receivables with Lending Characteristics

All loans and leases are classified based on Management's risk assessment, taking into account the economic scenario, past experience and specific risks related to transactions, debtors and guarantors, pursuant to National Monetary Council (CMN) Resolution No. 2,682/99, which requires a periodic analysis of the portfolio and classification into nine risk levels, from AA to H. A summary of this classification is presented in Note 09.

Loans and leases are recorded at present value, calculated on a daily pro-rata basis, based on the agreed index and interest rate, and accrue interest through the 60th day past due. Thereafter, interest income is recognized only when the payments are actually received.

The risk of renegotiated loans is classified in accordance with the criteria established by National Monetary Council (CMN) Resolution No. 2,682/99, i.e., the rating assigned before the renegotiation is maintained. Renegotiated loans that had previously been written-off against the allowance for loan losses and controlled in memorandum accounts are rated level H, may be reclassified to a lower risk category when there is a significant amortization of operations. Any gains on renegotiation are recognized as income only when actually received (Note 09 (h)).

(g) Provisions for Expected Losses Associated with Credit Risk

Allowance for loan losses, lease receivables and losses on other receivables are obtained from internal risk models that classify operations according to the levels of ratings set forth by the Resolution No. 2682/99 of the National Monetary Council (CMN). Historically, allowances remain in levels deemed sufficient to cover probable losses.

The total amount related to the allowance for loan losses, allowance for doubtful lease receivables and losses on other receivables is stated in Note 09 (e).

(h) Other Assets

Comprises mainly: Assets Not in Use, relating to real estate held for sale, both our own real estate that is no longer in use and real estate received in lieu of payment, which are adjusted to fair value through recognition of a provision, according to current regulations; and Prepaid Expenses, corresponding to investments whose benefits will occur in future years.

(i) Investments

Investments in subsidiaries and affiliates are valued using the equity method, based on the value of the subsidiary's or affiliate's equity, observing the same accounting practices as the parent company, that is, accounting practices adopted in Brazil applicable to financial institutions authorized to operate at Central Bank of Brazil.

(j) Property and Equipment

Property and equipment in use comprise mainly land and buildings. As set forth by CMN Resolution No. 4535/16, the property and equipment in use are stated at historical cost less depreciation, as are all other permanent assets. Historical cost includes expenses directly attributable to the acquisition or construction of assets.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when future economic benefits associated with the item are likely to flow and its cost can be reliably measured. All other repairs and maintenance are recognized in the income statement as operating expenses provided they do not effectively result in increase in lifespan, efficiency or productivity, when incurred.

Land is not depreciated. Depreciation of other assets is calculated using the linear method to reduce their costs to their residual values over the estimated useful life, as presented below:

Permanent Assets	Average Estimated Useful Life in Years
Property	60
Facilities	25
Equipment in Use	19
Other	7

The residual amounts and the lifespan of assets are reviewed and adjusted, if appropriate, at the end of each fiscal year. As required, useful life is reviewed once a year.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. The book value of an asset is immediately reduced to its estimated recoverable value if it is greater than this recoverable value. The recoverable value is the higher amount between an asset's fair value less costs to sell and the value in use.

Gains and losses on disposals are determined by comparing the payments to be received with the book value and are recorded in Other Operating Income (Expenses), in the income statement.

(k) Intangible

Intangible corresponds to vested rights that have as object intangible assets intended for the maintenance of the company or to use for that purpose. CMN Resolution No. 4534/16 establishes that, from January 1, 2017, intangible assets are stated at their cost, and that assets with defined lifespan be amortized by the linear method throughout their lifespan.

This group is composed of payments made for banking service contracts (payroll services) and the acquisition of software, as follows:

Intangible	Average Estimated Useful Life in Years
Payroll Services	5 to 10
Software	8

Acquisition of Payroll Services

Public Sector - refers to agreements to obtain exclusive rights for the tendering of payroll services to the State of Rio Grande do Sul, local town halls and other public agencies. Internal analysis and independent studies were conducted and no evidence of impairment related to these assets has been identified (Note 15).

Private Sector - refers to the five-year agreements signed with private entities, amortized throughout the contractual term. No impairment losses were identified on these assets.

Software

Software licenses are capitalized based on acquisition and readiness costs. These costs are amortized throughout the estimated lifespan of the software.

The costs associated with maintaining software are recognized as expense, as incurred. Development costs that are directly attributable to the project and to the testing of identifiable and unique software products controlled by Banrisul are recognized as intangible assets.

Directly attributable costs, capitalized as part of the software, include the costs of employees responsible for software development and the apportionment of the applicable indirect costs. Costs also include financing costs incurred during the software development period.

Other costs with software development that do not meet these criteria are recognized as incurred. Software development costs previously recorded into expense accounts are not recorded as assets in subsequent periods.

Software development costs recognized as assets are amortized over their estimated lifespan.

The book value of an intangible asset is immediately written off to its estimated recoverable value in case the accouting value it is greater than that recoverable value. The recovery value is reviewed annually.

(l) Impairment of Assets

Banrisul annually reviews intangible assets for impairment losses. When identified, losses are recognized in the income statement of the period.

(m) Foreign Currency Conversion

Banrisul's financial statements are presented in Reais, the functional and reporting currency. The functional currency of the branches abroad was determined as per the National Monetary Council (CMN) Resolution No. 4817/20.

Their financial statements (none of which uses currency from hyperinflationary economies) are converted at the reporting date using current rates when their functional currency differs from the reporting currency, according to the following criteria:

• Assets and liabilities are converted using the exchange rate of the balance sheet date; and
• Income and expenses are converted using the monthly average exchange rate.

Foreign exchange variation adjustments arising from the conversion process are recorded as Other Comprehensive Income, a component Equity.

(n) Funding, Borrowings and Onlendings

These are stated at cost plus charges accrued through the reporting date, recognized on a "pro rata die" basis. The amounts and terms are shown in Notes 16 and 17.

(o) Provisions, contingent assets and liabilities and legal obligations

Provisions, contingent assets and liabilities, and legal obligations are recognized, measured and disclosed in accordance with the criteria set forth by Technical Pronouncement CPC 25, approved by the National Monetary Council (CMN) Resolution No. 3823/09.

- Contingent Assets - they are not recognized in the financial statements, except when there is evidence that realization thereof is virtually certain, and that no further appeal can be disputed.

- Provisions and Liabilities - a provision is recognized in the financial statements when, based on the opinion of the Company's legal sector, the risk of losing a lawsuit or administrative claim is deemed probable, there will be a probable outflow of funds for the settlement of liabilities and the amounts involved can be reliably measured.

Contingent liabilities assessed as possible losses are not provided for; however, disclosure is made in the Notes to the financial statements. Contingent liabilities assessed as remote losses are neither accrued nor disclosed.

- Legal, Tax and Social Security Liabilities - legal obligations are recorded as liabilities, regardless of the evaluation of loss probability.

(p) Income tax and Social Contribution

Deferred tax assets or income tax and social contribution liabilities for were calculated based on the rates in effect on the date of the financial statements, and in the perspective of estimated realization for these credits in the period of validity of these rates, and for the assets recorded under “Deferred tax assets” against the income for the period. Should there be a change in tax legislation that changes criteria and rates to be adopted in future periods, the effects are recorded immediately based on the criteria and rates applicable to the period in which each portion of the assets will be realized or the liability settled. The realization of these Deferred tax assets will occur upon the realization of triggering events and the respective recorded provisions.

Provision for income tax is recorded at the base rate of 15% of taxable income, plus an additional 10%.

The Social Contribution on Net Income (CSLL) rate for financial institutions is 20%, for Banrisul S/A Corretora de Valores Mobiliários e Câmbio 15% and for other non-financial companies 9%.

The composition of the amounts of income tax and social contribution, the statement of their calculations, the origin and estimated realization of deferred tax assets, are presented in Notes 11 and 24.

(q) Post-Employment Long Term Benefit Obligations to Employees

- **Post-Employment Obligations** - Banrisul sponsors FBSS - Fundação Banrisul de Seguridade Social (Banrisul Social Security Foundation) and CABERGS - Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul (Medical Assistance for Employees of Banco do Estado do Rio Grande do Sul) which, respectively, ensure the provision of retirement benefits and medical care to its employees.

- Retirement Plans - Banrisul sponsors pension plans of the “defined benefit”, “variable contribution” and “defined contribution” types.

A defined benefit plan is different from a defined contribution plan. In general, defined benefit plans provide a value of pension benefit that the employee will receive upon retirement, usually depending on one or more factors such as age, length of service and salary.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. Independent actuaries calculate the defined benefit obligation periodically using the Projected Credit Unit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using rates consistent with market yields on high quality corporate bonds denominated in the currency in which the benefits will be paid and that have terms to maturity similar to those of the respective obligations of the pension plan.

The actuarial valuation is established based on assumptions and projections of interest rates, inflation, increases in benefits, life expectancy, the effect of any limitation upon the contribution of the employer in the cost of future benefits and contributions or third-party contributions that reduce the ultimate cost of those benefits to the Bank, among others. The actuarial valuation and its assumptions and projections are updated on an annual basis at the end of each year. Actuarial gains and losses resulting from adjustments based on experience and changes in actuarial assumptions are recognized directly in Equity, as Valuation Adjustments.

The cost of benefits under the defined benefit plans is determined separately for each plan. When they occur, costs of past services are immediately recognized in profit or loss as incurred.

The variable contribution plans are benefits with defined contribution characteristics, and cover expected retirement, early retirement and funeral assistance. In this case, Banrisul has no further payment obligations besides contributions already paid. The contributions are recognized as employee benefit expense when due. Contributions made in advance are recognized as an asset to the extent that cash refund or a reduction in future payments is available. In addition, there are further benefits with defined benefit characteristics, which are retirement for disability, proportionate benefit, sickness allowance, annual bonus, minimum benefit and retirement annuity with life insurance coverage.

The defined contribution plan has only retirement benefits, disability retirement and death benefits. The annual allowance is optional, requiring the participant to formalize the option.

- Health Plans - plans provided by Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul (Cabergs, the Assistance Fund for the Employees of Banco do Estado do Rio Grande do Sul), which offers health care benefits in general and whose cost is established through an agreement of accession.

Banrisul also offers the benefit of post-retirement health care to its employees. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology used for defined benefit pension plans. Actuarial gains and losses resulting from adjustments based on experience and changes in actuarial assumptions are charged or credited to equity, under Valuation Adjustments. Independent qualified actuaries measure these obligations periodically.

Plan assets are not available to creditors of Banrisul and cannot be paid directly to the Bank. The fair value is based on information about market price and, in the case of traded assets, their market value. The value of any recognized defined benefit asset is limited to the sum of any previous service cost not yet recognized and to the present value of any economic benefit available as reductions in future employer contributions to the plan.

- Retirement Award - upon retirement, Banrisul gives its employees a premium for retirement that is proportional to their monthly salary, effective at the time of retirement.

Additionally, the results of the actuarial valuation can generate an asset to be recognized. The Institution records this asset only when:

- it controls a resource, which is the ability to use the surplus to generate future benefits;
- this control is the result of past events (contributions paid by the Bank and service provided by the employee); and
- future economic benefits to the Bank are available in the form of reductions in future contributions or of cash refund, either directly to the Bank, or indirectly to compensate for the deficit of another post-employment benefit plan (in compliance with law).

The commitments to these three types of post-employment benefits are periodically assessed and reviewed by independent qualified actuaries.

(r) Earnings per Share

Earnings per Share (EPS) can be calculated in its basic form and in its diluted form. In the basic form, the effects of potentially dilutive instruments are not considered, whereas, in the calculation of diluted earnings per share, the effects of potentially dilutive instruments are considered. As potentially dilutive financial instruments, we have convertible preferred shares, convertible debentures and subscription warrants, which can be converted into common shares, thus characterizing the dilutive potential of these instruments.

Banrisul does not have instruments that should be included in the calculation of diluted earnings per share, and, therefore, basic and diluted earnings per share are similar.

NOTE 04 - CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Cash	**1,123,159**	**1,004,350**	**1,123,167**	**1,004,366**
In Local Currency	856,811	824,683	856,819	824,699
In Foreign Currency	266,348	179,667	266,348	179,667
Interbank Investments (1)	**4,523,920**	**2,425,056**	**4,523,920**	**2,425,056**
Reverse Repurchase Agreements	4,500,977	1,850,305	4,500,977	1,850,305
Investments in Interbank Deposits	22,943	574,751	22,943	574,751
Securities	**-**	**-**	**18,391**	**10,382**
Investment Funds Quotas	-	-	18,391	10,382
Total	**5,647,079**	**3,429,406**	**5,665,478**	**3,439,804**

(1) Comprised of the agreements described in note 05, with original maturity of 90 days or less and that present an insignificant risk of a change in their fair values.

NOTE 05 - INTERBANK INVESTMENTS

			Parent Company and Consolidated	
	Up to 3 months	3 to 12 months	12/31/2023	12/31/2022
Reverse Purchase Agreements	**4,500,977**	**-**	**4,500,977**	**1,850,305**
Reverse Repurchase Agreements - Own Portfolio				
Financial Treasury Letter – LFT	-	-	-	1,000,165
National Treasury Notes - NTN	4,500,977	-	4,500,977	850,140
Interbank Deposits	**22,943**	**1,643,315**	**1,666,258**	**1,671,096**
Interbank Deposits	22,943	1,643,315	1,666,258	1,671,096
Total as of 12/31/2023	**4,523,920**	**1,643,315**	**6,167,235**	
Total as of 12/31/2022	**2,425,056**	**1,096,345**		**3,521,401**

NOTE 06 - COMPULSORY DEPOSITS OF CENTRAL BANK OF BRAZIL

		Parent Company and Consolidated			
	Form of Remuneration	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Demand deposits and other resources	No Remuneration	746,308	1,035,147	746,308	1,035,147
Savings Deposits	Savings rate	2,225,146	2,262,979	2,225,146	2,262,979
Time Deposits	Selic	7,859,578	7,188,192	7,859,578	7,188,192
Instant Payment Account	Selic	234,859	306,375	234,859	306,375
Electronic Currency Deposits	Selic	6,498	5,833	254,126	5,833
Total		**11,072,389**	**10,798,526**	**11,320,017**	**10,798,526**

NOTE 07 - PORTFOLIO OF SECURITIES

Breakdown of the portfolio of securities:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Trading Securities	9,161,111	8,674,102	9,372,785	8,909,298
Available-for-sale Securities	75,357	71,614	53,998	52,979
Held-to-Maturity Securities	33,610,796	30,480,767	33,624,096	30,492,530
Total	**42,847,264**	**39,226,483**	**43,050,879**	**39,454,807**

The fair values presented in the table below were determined as follows: actively traded Treasury Bills are determined based on prices published by the ANBIMA (Brazilian Association of Financial and Capital Markets); shares of publicly-held companies are based on the closing price of the last trading day prior to the reporting date; investment fund shares are updated daily with the respective share price informed by the fund administrator; and for securities where no prices are available Banrisul uses internal models for calculating the market value, using B3 S.A. – Brasil, Bolsa, Balcão (Brazil Stock Exchage) future curves.

(a) Trading Securities

Breakdown of Trading Securities by type and maturity, at fair value and amortized cost:

									Parent Company
	Fair Value					12/31/2023		12/31/2022	
	Without Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Financial Treasury Letter – LFT	-	285,454	1,492,473	4,208,429	-	5,986,356	5,986,436	5,921,981	5,925,225
National Treasury Bonds – LTN		199,956	1,612,649	1,353,532	-	3,166,137	3,103,066	2,732,890	2,767,335
Shares of Publicly-Held Companies	8,618	-	-	-	-	8,618	6,709	19,231	17
Total as of 12/31/2023	**8,618**	**485,410**	**3,105,122**	**5,561,961**	**-**	**9,161,111**	**9,096,211**		
Total as of 12/31/2022	**19,231**	**378,742**	**-**	**6,571,176**	**1,704,953**			**8,674,102**	**8,692,577**

									Consolidated
	Fair Value					12/31/2023		12/31/2022	
	Without Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Financial Treasury Letter – LFT	-	285,454	1,503,118	4,208,429	-	5,997,001	5,997,081	5,931,397	5,934,641
Shares of Publicly-Held Companies	-	199,956	1,612,649	1,353,532	-	3,166,137	3,103,066	2,732,890	2,767,335
Bank Deposit Certificates	8,618	-	-	-	-	8,618	6,709	19,231	17
Investment Fund Shares	201,029	-	-	-	-	201,029	201,029	225,780	225,780
Total as of 12/31/2023	**209,647**	**485,410**	**3,115,767**	**5,561,961**	**-**	**9,372,785**	**9,307,885**		
Total as of 12/31/2022	**243,195**	**380,558**	**-**	**6,580,592**	**1,704,953**			**8,909,298**	**8,927,773**

(b) Available-for-Sale Securities

Breakdown of Available-for-Sale Securities by type and maturity, at fair value and amortized cost:

					Parent Company					Consolidated
		12/31/2023		12/31/2022			12/31/2023		12/31/2022	
	Without Maturity	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Without Maturity	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Investment Fund Shares	50,591	50,591	41,614	46,339	43,034	29,218	29,218	19,576	27,690	23,801
Privatization Certificates	-	-	-	-	-	14	14	14	14	14
Other	24,766	24,766	24,766	25,275	25,275	24,766	24,766	24,766	25,275	25,275
Total as of 12/31/2023	**75,357**	**75,357**	**66,380**			**53,998**	**53,998**	**44,356**		
Total as of 12/31/2022	**71,614**			**71,614**	**68,309**	**52,979**			**52,979**	**49,090**

(c) Held-to-Maturity Securities

Breakdown of Held-to-Maturity Securities by type and maturity, at fair value and amortized cost:

	Updated Amortized Cost					12/31/2023		12/31/2022	Parent Company
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Updated Amortized Cost	Fair Value	Updated Amortized Cost	Fair Value
Federal Government Securities									
Financial Treasury Letter – LFT	3,849,319	4,425,239	12,573,417	10,702,189	565,333	32,115,497	32,164,450	30,398,297	30,428,483
Federal Bonds – CVS	-	-	-	61,670	-	61,670	55,374	80,138	66,524
Financial Letters – LF	-	-	1,340,219	30,030	-	1,370,249	1,231,694	-	-
Debentures	-	-	30,934	30,538	-	61,472	60,745	-	-
Certificate of Real Estate Receivables - CRI	-	-	-	-	1,908	1,908	1,843	2,332	2,236
Total as of 12/31/2023	**3,849,319**	**4,425,239**	**13,944,570**	**10,824,427**	**567,241**	**33,610,796**	**33,514,106**	-	-
Total as of 12/31/2022	**1,562,987**	**3,408,538**	**12,868,789**	**9,931,159**	**2,709,294**			**30,480,767**	**30,497,243**

	Updated Amortized Cost					12/31/2023		12/31/2022	Consolidated
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Updated Amortized Cost	Fair Value	Updated Amortized Cost	Fair Value
Federal Government Securities									
Financial Treasury Letter – LFT	3,849,319	4,425,239	12,573,417	10,715,489	565,333	32,128,797	32,177,723	30,410,060	30,440,202
Federal Bonds - CVS	-	-	-	61,670	-	61,670	55,374	80,138	66,524
Financial Letters - LT	-	-	1,340,219	30,030	-	1,370,249	1,231,694	-	-
Debentures	-	-	30,934	30,538	-	61,472	60,745	-	-
Certificate of Real Estate Receivables - CRI	-	-	-	-	1,908	1,908	1,843	2,332	2,236
Total as of 12/31/2023	**3,849,319**	**4,425,239**	**13,944,570**	**10,837,727**	**567,241**	**33,624,096**	**33,527,379**		
Total as of 12/31/2022	**1,562,987**	**3,408,538**	**12,868,789**	**9,942,922**	**2,709,294**			**30,492,530**	**30,508,962**

Management declares that Banrisul has the financial capability and the intention to hold these securities to maturity.

NOTE 08 - DERIVATIVE FINANCIAL INSTRUMENTS

Banrisul participates in transactions involving derivative financial instruments in the swap modality and D+1 future contracts, recorded in equity and offsetting accounts, which are intended to meet its own needs to manage its global exposure in foreign currency.

The use of derivative financial instruments aims, predominantly, to mitigate the risks arising from interest rate variations and exchange rate fluctuations in the external market funding operation carried out by Banrisul, mentioned in Note 18, which result in the conversion of these rates to the variation in the CDI rate.

Derivative financial instruments are accounting adjusted to their fair value and their reference values are recorded in memorandum accounts, as shown in the following table:

				Parent Company and Consolidated	
				12/31/2023	12/31/2022
Derivative Instruments	**Notional Value**	**Amortized Cost**	**Fair value adjustment**	**Fair Value**	**Fair Value**
Swap		**(16,151)**	**(1,085)**	**(17,236)**	**(670,298)**
Asset	1,711,260	(12,371)	(249,962)	(262,333)	(542,262)
Liabilities	(1,711,260)	(3,780)	248,877	245,097	(128,036)
DI Futures	**3,164,350**	**2,667,475**	**496,875**	**3,164,350**	**2,734,516**

The following table shows the breakdown of the derivatives (asset and liability) by notional value and fair value:

				Parent Company and Consolidated		
Derivative Instruments	**Notional Value**	**Fair Value**	**Up to 3 months**	**From 3 to 12 months**	**From 1 to 3 Years**	**From 3 to 5 years**
Swap		**(17,236)**	**(1,336)**	**(3,744)**	**(12,156)**	**-**
Asset	1,711,260	(262,333)	(2,484)	(6,790)	(253,059)	-
Liabilities	(1,711,260)	245,097	1,148	3,046	240,903	-
Futuros de DI	**3,164,350**	**3,164,350**	**-**	**1,420,287**	**1,744,063**	**-**
***Swap* Net Adjustments 12/31/2023**		**(17,236)**	**(1,336)**	**(3,744)**	**(12,156)**	**-**
***Swap* Net Adjustments 12/31/2022**		**(670,298)**	**(29,712)**	**(26,632)**	**(85,875)**	**(528,079)**

Banrisul operates with DI Future contracts, in a “matched” manner with investments made in federal public securities that have a pre-fixed rate, in order to compensate for the risk of fluctuation in the DI rate, and the price adjustments of these derivatives are recorded daily in the result.

Banrisul also uses the hedge accounting structure provided for in the standards of the Central Bank of Brazil and the expected effectiveness from the designation of the protection instruments and throughout the operation is in accordance with that established by the Central Bank of Brazil.

In the fourth quarter of 2023, Banrisul replaced the swap derivative financial instruments that make up the market risk hedge accounting structure, due to the new economic scenario and the opportunity to reduce costs on the passive side of the operation. In this sense, a new designation for protection and the discontinuation of the previous hedge were necessary, which caused an expense of R$116,488 for the reversal of the fair value adjustment of the hedge object and for settlement of the swap.

In the new designation, the critical terms remain identical to the protected item (hedge object mentioned in Note 16), such as reference value, interest rate, cash flow and designation start date. Therefore, as there is correspondence between the essential terms during the period, the relationship is qualitatively effective.

Banrisul also carries out a quantitative assessment of the effectiveness of the hedge, which is determined using the dollar offset method, which is calculated monthly by the difference between the variation in the fair value of the hedging instrument and the variation in the fair value of the hedged object, evidencing the relationship of protection, known as a hedge index, being highly effective when the result is between 80% and 125%.

The following table demonstrates the hedge accounting structure and the relationship between protection instruments and protected items, demonstrating effectiveness:

				Parent Company and Consolidated	
				12/31/2023	12/31/2022
Market Risk Hedge	**Notional Value**	**Curve Value**	**Adjustments to Fair Value**	**Fair Value**	**Fair Value**
Hedge Instrument					
Swap	1,711,260	(16,151)	(1,085)	(17,236)	(670,298)
Hedge Object					
Notes Tier II (Nota 16)	1,629,000	1,485,391	(36,463)	1,448,928	1,168,993

It is noteworthy that the relationship is also evidenced in Note 28, referring to Capital and Corporate Risk Management, which describes the sensitivity analysis of derivative financial instruments.

Derivative operations in the swap modality are based on over-the-counter contracts registered with B3 S.A. - Brasil, Bolsa, Balcão, and have as counterparties financial institutions classified as first-tier.

Banrisul and counterparties are subject to the provision of real guarantees, reciprocally, if the derivative financial instruments exceed the contractually stipulated market value limits. The margin deposited as collateral for operations with derivative financial instruments by Banrisul is made up of Interbank Deposits, in the amount of R$22,943 (12/31/2022 – R$412,203).

NOTE 09 - LOANS, LEASES AND OTHER CONTRACTS WITH LENDING CHARACTERISTICS

(a) Breakdown by Type and Risk Level

										Parent Company and Consolidated	
	AA	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**12/31/2023**	**12/31/2022**
Loans and Discounted Titles	819,524	26,027,513	1,343,661	484,687	428,138	334,421	220,542	423,331	1,468,060	31,549,877	31,275,906
Financing	332,307	645,672	43,763	16,362	55,778	14,289	5,797	5,524	17,325	1,136,817	1,262,604
Rural and Agro-Industrial Financing	990,415	9,689,955	266,009	93,464	62,566	79,637	20,116	40,097	116,635	11,358,894	7,879,435
Real Estate Loans	4,606,181	1,035,728	225,652	75,631	6,462	2,632	635	679	2,424	5,956,024	5,132,413
Loans Assigned with Recourse [1]	1,839	3,435	84	39	-	-	-	-	-	5,397	7,299
Infrastructure and Development Financing	77,795	26,051	-	-	-	-	-	-	-	103,846	97,342
Subtotal Loans	**6,828,061**	**37,428,354**	**1,879,169**	**670,183**	**552,944**	**430,979**	**247,090**	**469,631**	**1,604,444**	**50,110,855**	**45,654,999**
Lease Operations	946	1,476	241	90	4,987	-	-	-	337	8,077	10,875
Advances on Foreign Exchange Contracts [2]	281,890	267,581	188,506	41,325	7,260	60,200	-	17,083	18,279	882,124	1,014,259
Other Receivables [3]	134,541	2,029,249	346,810	82,682	30,212	11,399	6,720	6,495	20,074	2,668,182	2,435,683
Acquired Portfolio with Recourse	73	-	-	-	-	-	-	-	-	73	6,053
Total Credit Portfolio	**7,245,511**	**39,726,660**	**2,414,726**	**794,280**	**595,403**	**502,578**	**253,810**	**493,209**	**1,643,134**	**53,669,311**	**49,121,869**
Recourse and Guarantees Granted [4]	123,066	19,290	13,769	-	-	-	-	-	-	156,125	242,407
Total	**7,368,577**	**39,745,950**	**2,428,495**	**794,280**	**595,403**	**502,578**	**253,810**	**493,209**	**1,643,134**	**53,825,436**	**49,364,276**
Total Credit Portfolio as of 12/31/2022	**6,327,466**	**35,999,926**	**2,482,462**	**1,050,737**	**736,750**	**206,417**	**251,072**	**415,664**	**1,651,375**		**49,121,869**

(1) Refers to assignment of receivables with recourse where Banrisul has assigned to Cibrasec mortgage loans operations.
(2) Composed of Advances on Foreign Exchange Contracts and Income from Advances Granted.
(3) Refers to debit and credit cards, securitization credit, credit for guarantees honored and receivable income on foreign exchange and receivables from export contracts.
(4) Recorded in off-balance sheet accounts, For sureties and guarantees, the provision was recorded as shown in Note 18.

(b) Customer Breakdown per Maturity and Risk Levels

											Parent Company and Consolidated
	Credit Portfolio in Ordinary Course [1]										
	AA	A	B	C	D	E	F	G	H	12/31/2023	12/31/2022
Falling Due	**7,244,327**	**39,698,202**	**2,111,947**	**566,468**	**440,036**	**330,053**	**115,237**	**287,694**	**770,248**	**51,564,212**	**47,480,784**
01 to 30 days	164,243	2,283,081	338,980	96,896	48,657	18,931	13,485	12,486	40,343	3,017,102	2,872,462
31 to 60 days	186,263	1,533,969	185,895	52,868	28,909	69,235	8,807	8,976	22,550	2,097,472	1,910,063
61 to 90 days	193,276	1,710,127	141,179	42,407	24,375	13,744	6,035	9,853	20,747	2,161,743	1,770,460
91 to 180 days	384,859	5,166,153	231,825	92,811	43,697	23,995	12,179	12,670	46,519	6,014,708	5,209,300
181 to 360 days	553,426	6,853,788	393,044	66,406	64,022	49,973	16,860	46,573	54,606	8,098,698	7,239,448
Over 360 days	5,762,260	22,151,084	821,024	215,080	230,376	154,175	57,871	197,136	585,483	30,174,489	28,479,051
Past Due	**1,184**	**28,458**	**31,722**	**14,146**	**7,530**	**3,735**	**2,309**	**2,003**	**12,548**	**103,635**	**50,922**
Up to 14 days	1,184	28,458	31,722	14,146	7,530	3,735	2,309	2,003	12,548	103,635	50,922
Subtotal	**7,245,511**	**39,726,660**	**2,143,669**	**580,614**	**447,566**	**333,788**	**117,546**	**289,697**	**782,796**	**51,667,847**	**47,531,706**
	Non-Performing Contracts [1]										
Falling Due	**-**	**-**	**245,702**	**169,476**	**99,387**	**90,810**	**84,889**	**105,440**	**490,111**	**1,285,815**	**1,009,134**
01 to 30 days	-	-	5,483	5,568	3,904	3,572	3,115	3,764	15,221	40,627	31,640
31 to 60 days	-	-	4,712	4,734	3,079	2,844	2,736	3,526	14,403	36,034	27,873
61 to 90 days	-	-	4,646	4,687	3,012	2,836	2,705	3,435	14,447	35,768	26,504
91 to 180 days	-	-	12,530	12,910	8,212	7,415	7,197	9,300	39,792	97,356	74,538
181 to 360 days	-	-	22,233	23,042	15,059	12,949	12,983	16,333	72,356	174,955	137,430
Over 360 days	-	-	196,098	118,535	66,121	61,194	56,153	69,082	333,892	901,075	711,149
Past Due	**-**	**-**	**25,355**	**44,190**	**48,450**	**77,980**	**51,375**	**98,072**	**370,227**	**715,649**	**581,029**
01 to 14 days	-	-	1,079	2,113	1,043	11,554	1,083	1,674	5,700	24,246	4,168
15 to 30 days	-	-	21,249	7,077	5,655	4,150	3,608	6,375	13,378	61,492	88,830
31 to 60 days	-	-	3,027	33,618	13,819	8,152	7,277	11,366	37,065	114,324	86,347
61 to 90 days	-	-	-	959	26,833	11,343	7,972	13,457	26,585	87,149	71,629
91 to 180 days	-	-	-	423	1,100	42,389	30,356	64,118	112,506	250,892	205,137
181 to 360 days	-	-	-	-	-	392	1,079	1,082	163,030	165,583	118,058
Over 360 days	-	-	-	-	-	-	-	-	11,963	11,963	6,860
Subtotal	**-**	**-**	**271,057**	**213,666**	**147,837**	**168,790**	**136,264**	**203,512**	**860,338**	**2,001,464**	**1,590,163**
Total as of 12/31/2023	**7,245,511**	**39,726,660**	**2,414,726**	**794,280**	**595,403**	**502,578**	**253,810**	**493,209**	**1,643,134**	**53,669,311**	
Total as of 12/31/2022	**6,327,466**	**35,999,926**	**2,482,462**	**1,050,737**	**736,750**	**206,417**	**251,072**	**415,664**	**1,651,375**		**49,121,869**

(1) Nonperforming Contracts consists of loans with overdue installments of more than 14 days. All other contracts are considered Ordinary Course.

(c) Credit Portfolio Breakdown by Business Sector

	Parent Company and Consolidated	
	12/31/2023	12/31/2022
Public Sector	**136,241**	**119,837**
Government - Direct and Indirect Administration	136,241	119,837
Private Sector	**53,533,070**	**49,002,032**
Companies	11,205,473	11,378,454
Farming and Livestock	294,449	184,125
Food, Beverages and Tobacco	1,558,414	1,662,756
Automotive	556,093	532,817
Pulp and Paper, Wood and Furniture	279,503	296,428
Food Wholesale Trade	582,143	723,910
Wholesale Trade (except food)	707,649	773,734
Retail Trade - Other	1,283,677	1,277,271
Construction and Real Estate	911,066	790,004
Education, Health and other Social Services	1,348,900	1,107,914
Electronics and technology	349,947	432,182
Financial and Insurance	212,709	318,570
Machinery and equipment	287,857	256,223
Metallurgy	257,247	367,584
Infrastructure Works	38,017	42,878
Oil and Gas	373,457	423,744
Chemical and Petrochemical	578,797	705,494
Private Services	505,539	421,908
Textile, Clothing and Leather	331,256	312,850
Transportation	380,728	374,812
Others	368,025	373,250
Individuals	42,327,597	37,623,578
Total Loans	**53,669,311**	**49,121,869**

(d) Loan Concentration

	Parent Company and Consolidated			
	12/31/2023		12/31/2022	
	Value	% of Portfolio	Value	% of Portfolio
Largest Debtor	135,028	0.25	147,995	0.30
10 Largest Debtors	1,050,380	1.96	1,017,433	2.07
20 Largest Debtors	1,771,397	3.30	1,771,605	3.61
50 Largest Debtors	3,069,595	5.72	3,317,648	6.75
100 Largest Debtors	4,148,462	7.73	4,484,514	9.13

(e) Changes in Allowances - Loans

Allowance for Loan Losses, Doubtful Lease Receivables and Other Receivables with Lending Characteristics:

	Parent Company and Consolidated	
	01/01 to 12/31/2023	01/01 to 12/31/2022
Opening Balance	**2,439,822**	**2,629,813**
Allowance Recorded in the Period	1,329,608	970,001
Write-Offs	(1,197,223)	(1,159,992)
Closing Balance	**2,572,207**	**2,439,822**
Allowance for Loan Losses	2,467,358	2,330,449
Allowance for Doubtful Lease Receivables	848	2,928
Allowance for Losses on Other Receivables with Lending Characteristics [(1)]	104,001	106,445

(1) Refers to the constitution of a provision for operations involving Credits for Honored Sureties and Guarantees, Debit and Credit Cards, Foreign Exchange Portfolio and Credits Linked to Operations Acquired in Assignment.

(f) Breakdown of Allowances for Loan Losses, Doubtful Lease Receivables and Other Receivables with Lending Characteristics per Risk Level

			Parent Company and Consolidated
Risk Level	Credit Portfolio	Minimum Allowance Required by CMN Resolution No. 2,682/99	Recorded Allowance
AA	7,245,511	0.00%	-
A	39,726,660	0.50%	198,633
B	2,414,726	1.00%	24,147
C	794,280	3.00%	23,828
D	595,403	10.00%	59,540
E	502,578	30.00%	150,774
F	253,810	50.00%	126,905
G	493,209	70.00%	345,246
H	1,643,134	100.00%	1,643,134
Total as of 12/31/2023	**53,669,311**		**2,572,207**
Total as of 12/31/2022	**49,121,869**		**2,439,822**

(g) Emergency Employment Support Program (PESE)

The operations related to the Emergency Employment Support Program (PESE), classified by risk level and accompanied by the amount of the provision made for each risk level, are shown below, as determined by CMN Resolution No. 4,846/20.

				Parent Company and Consolidated
		12/31/2023		12/31/2022
Rating	Asset	Provision	Asset	Provision
AA	-	-	454	-
A	-	-	11.429	9
B	-	-	156	-
C	-	-	102	-
D	-	-	136	2
E	-	-	240	11
F	-	-	775	58
G	3	1	297	31
H	1,446	216	2.798	420
Total	**1,449**	**217**	**16.387**	**531**

(h) Recovery and Renegotiation of Credits

Recoveries of loans previously written off as losses were recognized as income from lending operations and amounted to R$448,592 (12/31/2022- R$397,286), net of losses generated in these recoveries.

The balance of renegotiated loans during the period amounted to R$840,332 (12/31/2022 - R$726,260). Pursuant to CMN Resolution No. 2682/99, upon renegotiation, these operations are maintained in the same rating classification and the credit operations that were previously written off against the provision, which were recorded in memorandum accounts, are classified as level H, and may be reclassified to a lower risk category when there is amortization significant of the operation.

NOTE 10 - OTHER FINANCIAL INSTRUMENTS

						Parent Company
	Up to 12 Months	Over 12 Months	12/31/2023	Up to 12 Months	Over 12 Months	12/31/2022
Interbank Accounts	8,658	1,053,587	1,062,245	9,523	988,103	997,626
Credits with National Housing System(1)	-	1,053,587	1,053,587	-	988,103	988,103
Outstanding Payments and Receipts	1,563	-	1,563	1,626	-	1,626
Others	7,095	-	7,095	7,897	-	7,897
Interbranch Accounts	33,058	-	33,058	36,804	-	36,804
Foreign Exchange Portfolio	828,059	70,973	899,032	1,056,343	18,012	1,074,355
Income Receivable	222,213	-	222,213	218,767	-	218,767
Trading of Securities and Intermediation	1,417	-	1,417	-	-	
Guarantee Deposit	-	969,482	969,482	-	771,133	771,133
Payments to Reimburse	50,214	-	50,214	46,013	-	46,013
Securities and Receivables (2)	197,679	238,153	435,832	51,979	257,849	309,828
Others	17,338	-	17,338	98,520	-	98,520
Total	**1,358,636**	**2,332,195**	**3,690,831**	**1,517,949**	**2,035,097**	**3,553,046**

						Consolidated
	Up to 12 Months	Over 12 Months	12/31/2023	Up to 12 Months	Over 12 Months	12/31/2022
Interbank Accounts	3,149,573	1,053,587	4,203,160	2,528,635	988,103	3,516,738
Credits with the National Housing System (1)	-	1,053,587	1,053,587	-	988,103	988,103
Outstanding Payments and Receipts	3,142,478	-	3,142,478	2,520,738	-	2,520,738
Others	7,095	-	7,095	7,897	-	7,897
Interbranch Accounts	33,058	-	33,058	36,804	-	36,804
Foreign Exchange Portfolio	828,059	70,973	899,032	1,056,343	18,012	1,074,355
Income Receivable	104,393	-	104,393	89,122	-	89,122
Trading and Intermediation of Values	4,451	-	4,451	50,950	-	50,950
Guarantee Deposit	-	975,479	975,479	-	778,051	778,051
Reimbursable Payments	50,409	-	50,409	46,241	-	46,241
Securities and Receivables (2)	220,221	238,153	458,374	138,440	257,849	396,289
Others	17,342	-	17,342	98,521	-	98,521
Total	**4,407,506**	**2,338,192**	**6,745,698**	**4,045,056**	**2,042,015**	**6,087,071**

(1) Credits with the National Housing System are composed of:

(a) R$79,522 (12/31/2022 - R$100,036), refers to future flows including interest accrued at the discount pre-fixed rate of 14.07% p.a. used when purchasing FCVS credits from the Government of the State of Rio Grande do Sul.

(b) R$970,894 (12/31/2022 - R$885,060), refers to principal and interest installments over acquired credit portfolios to which Banrisul will be entitled to at the time of novation and that are indexed according to the original contracts, i.e., TR + 6.17% p.a. for loans using own funding and TR + 3.12% p.a. for loans with FGTS funding.

(c) R$3,171 (12/31/2022 - R$3,007), refers to the balance of own portfolio contracts using resources from the FGTS, with FCVS coverage, approved and ready for novation, indexed to TR + 3.12% p.a.

National Housing System (SFH) - Acquired Portfolio - From October 2002 to March 2005, Banrisul acquired from the State Government of Rio Grande do Sul receivables related to the Salary Variation Compensation Fund (FCVS). The acquisition terms include a clause guaranteeing financial settlement by the State Government of non-performing contracts, if any. As of December 31, 2023, the receivables were stated at the acquisition cost including interest accrued at the rate used to determine the purchase price, amounting to R$1,050,416 (12/31/2022 - R$985,096). The face value is R$1,060,347 (12/31/2022 - R$1,001,316). These receivables will be converted into CVS securities pursuant to the ratification and novation processes, and the amounts due to Banrisul at the time of novation are presented and indexed by reference to TR (Referential Rate) variation plus interest. While no maturity date has been set for these receivables, the market values of the securities, upon their issuance, could significantly differ from the carrying amounts.

National Housing System (SFH) - Own Portfolio - Refers to FCVS credits arising from Banrisul's own mortgage loans portfolio that have already been approved by the FCVS' regulatory body.

(2) Securities and Recivables mainly comprise:

(a) Securities receivable relating to judicial deposits made by the Federal Union arising from the right to receive from companies that belonged to the same economic group, with final judgment, which Banrisul received in payment and payment for repayment of loans. These judicial deposits are linked to the rescission action filed by the Federal Union, judged unfounded by the TRF of the 1st Region, awaiting judgment on a special appeal filed by the Union with the STJ. Thus, the release of amounts to the Bank depends on the outcome of a lawsuit between the Economic Group and the Federal Government and the release of escrow deposits that have been made by the Federal Government according to settle the original flow. Management understands that there is no need to set up a provision. As of December 31, 2023, these judicial deposits, referring to court orders assigned to Banrisul, whose release depends on the final decision of the rescission lawsuit, amount to R$222,056 (12/31/2022 - R$205,259) and are indexed to TR and interest.

(b) Non-credit-like receivables, acquired by the Bank from the State Government of Rio Grande do Sul, in the amount of R$54,531 (12/31/2022 - R$54,741) related to receivables arising from transactions of the State Government of Rio Grande do Sul or its controlled entities, with the municipality of cities in the State of Rio Grande do Sul. For these credits, there is a provision constituted in the amount of R$48,332 (12/31/2022 – R$47,199); and

(c) Credits Receivable related to BanriCard business and benefit agreements and the acquiring network Vero in the amount of R$20,023 (12/31/2022 - R$28,073) in the Consolidated.

NOTE 11 – DEFERRED TAXES

Banrisul has deferred tax assets and deferred income tax and social contribution on net income (CSLL), for the period shown below:

(a) Deferred Tax Assets - the balances of deferred tax assets, segregated according to their origins and disbursements, are represented by:

				Parent Company
	Balance as of 12/31/2022	Constitution	Realization	Balance as of 12/31/2023
Allowance for Loan Losses	1,469,698	548,992	(383,164)	1,635,526
Provision for Labor Risks	729,753	145,892	(159,182)	716,463
Provision for Tax Risks	218,991	18,730	(4,701)	233,020
Provision for Civil Risks	97,768	30,933	(15,702)	112,999
Fair Value Adjustments Variations	202,250	67,032	(268,794)	488
Post Employment Benefits	243,534	118,252	(59,312)	302,474
Other Temporary Provisions	312,707	121,197	(171,597)	262,307
Tax Loss	212,877	-	(2,112)	210,765
Total Tax Assets	**3,487,578**	**1,051,028**	**(1,064,564)**	**3,474,042**
Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3,487,552**	**1,051,028**	**(1,064,564)**	**3,474,016**
Deferred Tax Liabilities	(566,446)	(147,557)	391,587	(322,416)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2,921,106**	**903,471**	**(672,977)**	**3,151,600**

				Consolidated
	Balance as of 12/31/2022	Constitution	Realization	Balance as of 12/31/2023
Allowance for Loan Losses	1,470,649	550,444	(384,584)	1,636,509
Provision for Labor Risks	730,561	146,132	(159,335)	717,358
Provision for Tax Risks	219,066	18,814	(4,785)	233,095
Provision for Civil Risks	98,931	31,360	(15,987)	114,304
Fair Value Adjustments Variations	202,250	67,032	(268,794)	488
Post Employment Benefits	244,672	118,789	(59,536)	303,925
Other Temporary Provisions	325,582	143,269	(178,950)	289,901
Tax Loss	212,877	1,082	(2,112)	211,847
Total Tax Assets	**3,504,588**	**1,076,922**	**(1,074,083)**	**3,507,427**
Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3,504,562**	**1,076,922**	**(1,074,083)**	**3,507,401**
Deferred Tax Liabilities	(567,664)	(148,173)	391,759	(324,078)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2,936,898**	**928,749**	**(682,324)**	**3,183,323**

The expectation of realizing these assets is as follows:

				Parent Company	Consolidated
Year	Income tax	Social Contribution on Profit (CSLL)	Total	Registered Totals	Registered Totals
2024	458,863	367,091	825,954	825,954	852,604
2025	350,229	280,183	630,412	630,412	633,374
2026	300,244	240,194	540,438	540,438	542,714
2027	278,472	222,777	501,249	501,249	501,516
2028	317,937	254,349	572,286	572,286	572,824
2029 to 2030	134,912	107,929	242,841	242,841	243,344
2031 to 2033	89,353	71,483	160,836	160,836	161,025
As of 2034	14	12	26	-	-
Total as of 12/31/2023	**1,930,024**	**1,544,018**	**3,474,042**	**3,474,016**	**3,507,401**
Total as of 12/31/2022	**1,937,543**	**1,550,035**	**3,487,578**	**3,487,552**	**3,504,562**

The total present value of deferred tax assets is R$2,697,919 and in Consolidated R$2,727,641 calculated according to the expected realization of income tax and social contribution deferred by the average funding rate, projected for the corresponding periods.

(b) Deferred Tax Liabilities - the balances of the provision for deferred income tax and social contributions are represented by:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Excess Depreciation	7,104	7,803	7,104	7,803
Own Securities Available for Sale	4,040	1,487	4,266	1,686
Adjustments to Market Value - Securities for Trading	29,631	-	30,946	823
Adjustment of MTM Subordinated Debt – Hedge Accouting	16,408	194,362	16,408	194,362
Renegotiated Operations Law No, 12,715/12	208,033	273,547	208,033	273,547
Actuarial Surplus	57,200	89,247	57,321	89,443
Total	**322,416**	**566,446**	**324,078**	**567,664**

NOTE 12 - OTHER ASSETS

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Advances to Employees	16,618	16,906	16,741	17,054
Post-employment Benefit (Note 27e)	110,679	188,281	111,034	188,857
Other Receivables - Domestic	226,612	211,834	217,085	210,053
Assets for Sale	142,169	151,631	142,474	151,738
Prepaid Expenses	39,074	111,379	39,390	112,038
Other	4,351	4,313	8,278	7,105
Total	**539,503**	**684,344**	**535,002**	**686,845**

NOTE 13 - INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES AND GOODWILL

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Investments in Domestic Subsidiaries and associates	**3,291,731**	**2,983,388**	**175,584**	**163,149**
Investments in Subsidiaries	3,116,147	2,820,239	-	-
Investments in Associates	175,584	163,149	175,584	163,149

					Parent Company
	Equity 12/31/2023	Participation in Capital (%) 12/31/2023	Investment Value 12/31/2023	Net Income Jan to Dec 2023	Equity Results Jan to Dec 2023
Subsidiaries	**3,123,406**		**3,116,147**	**801,433**	**799,778**
Banrisul Armazéns Gerais S.A.	75,920	99,50	75,539	13,441	13,373
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	122,115	98,98	120,861	24,170	23,912
Banrisul S.A. Administradora de Consórcios	433,927	99,68	432,552	83,017	82,754
Banrisul Soluções em Pagamentos S.A.	2,305,415	99,82	2,301,166	522,934	521,868
Banrisul Seguridade Participações S.A.	186,029	100,00	186,029	157,871	157,871
Associates	**351,358**		**175,584**	**204,922**	**102,409**
Bem Promotora de Vendas e Serviços S.A.	66,530	49,90	33,198	34,234	17,083
Banrisul Icatu Participações S.A.	284,828	49,99	142,386	170,688	85,326

					Consolidated
	Equity 12/31/2023	Participation in Capital (%) 12/31/2023	Investment 12/31/2023	Net Income Jan to Dec 2023	Equity Results Jan to Dec 2023
Associates	**351,358**		**175,584**	**204,922**	**102,409**
Bem Promotora de Vendas e Serviços S.A.	66,530	49,90	33,198	34,234	17,083
Banrisul Icatu Participações S.A.	284,828	49,99	142,386	170,688	85,326

					Parent Company
	Equity 12/31/2022	Participation in Capital (%) 12/31/2022	Investment Value 12/31/2022	Net Income Jan to Dec 2022	Equity Results Jan to Dec 2022
Subsidiaries	**2,826,719**		**2,820,239**	**610,976**	**598,667**
Banrisul Armazéns Gerais S.A.	69,630	99,50	69,280	9,894	9,845
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	105,374	98,98	104,303	14,136	13,977
Banrisul S.A. Administradora de Consórcios	377,440	99,68	376,244	62,105	61,908
Banrisul Soluções em Pagamentos S.A.	2,096,139	99,82	2,092,276	374,378	373,584
Banrisul Seguridade Participações S.A.	178,136	100,00	178,136	150,463	139,353
Associates	**326,474**		**163,149**	**162,223**	**81,068**
Bem Promotora de Vendas e Serviços S.A.	62,083	49,90	30,980	30,561	15,250
Banrisul Icatu Participações S.A.	264,391	49,99	132,169	131,662	65,818

					Consolidated
	Equity 12/31/2022	Participation in Capital (%) 12/31/2022	Investment Value 12/31/2022	Net Income Jan to Dec 2022	Equity Results Jan to Dec 2022
Associates	**326,474**		**163,149**	**162,223**	**81,068**
Bem Promotora de Vendas e Serviços S.A.	62,083	49,90	30,980	30,561	15,250
Banrisul Icatu Participações S.A.	264,391	49,99	132,169	131,662	65,818

NOTE 14 - PROPERTY AND EQUIPMENT

							Parent Company
	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Data Processing System	Others	Total
As of December 31, 2022							
Cost	182,765	2,752	247,002	158,921	374,339	24,247	990,026
Accumulated Depreciation	(96,065)	-	(140,025)	(91,450)	(276,912)	(19,895)	(624,347)
Net Balance	**86,700**	**2,752**	**106,977**	**67,471**	**97,427**	**4,352**	**365,679**
Acquisitions	-	3,555	35,158	10,382	32,183	334	81,612
Disposals - Cost	(356)	-	-	(3,980)	(11,933)	(322)	(16,591)
Disposals - Accumulated Depreciation	166	-	-	3,796	11,786	261	16,009
Depreciation	(1,343)	-	(7,711)	(4,792)	(20,724)	(662)	(35,232)
Net Transfers - Cost	-	(3,618)	(8)	(96)	5,522	(80)	1,720
Net Transfers - Accumulated Depreciation	-	-	-	1,532	(1,687)	62	(93)
Net Change in the Period	**(1,533)**	**(63)**	**27,439**	**6,842**	**15,147**	**(407)**	**47,425**
As of December 31, 2023							
Cost	182,409	2,689	282,152	165,227	400,111	24,179	1,056,767
Accumulated Depreciation	(97,242)	-	(147,736)	(90,914)	(287,537)	(20,234)	(643,663)
Net Balance	**85,167**	**2,689**	**134,416**	**74,313**	**112,574**	**3,945**	**413,104**

							Consolidated
	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Data Processing System	Others	Total
As of December 31, 2022							
Original Cost	200,018	45,496	259,834	165,753	521,509	25,743	1,218,353
Accumulated Depreciation	(101,055)	-	(145,617)	(96,977)	(333,037)	(21,089)	(697,775)
Net Balance	**98,963**	**45,496**	**114,217**	**68,776**	**188,472**	**4,654**	**520,578**
Acquisitions	3,283	68,015	38,999	12,608	32,183	334	155,422
Disposals - Cost	(4,321)	(213)	-	(4,078)	(21,252)	(464)	(30,328)
Disposals - Accumulated Depreciation	443	-	-	3,867	19,514	369	24,193
Depreciation	(1,537)	-	(8,713)	(5,216)	(53,872)	(800)	(70,138)
Net Transfers - Cost	-	(71,959)	(8)	(96)	73,863	(80)	1,720
Net Transfers - Accumulated Depreciation	-	-	-	1,532	(1,687)	62	(93)
Net Change	**(2,132)**	**(4,157)**	**30,278**	**8,617**	**48,749**	**(579)**	**80,776**
As of December 31, 2023							
Original Cost	198,980	41,339	298,825	174,187	606,303	25,533	1,345,167
Accumulated Depreciation	(102,149)	-	(154,330)	(96,794)	(369,082)	(21,458)	(743,813)
Net Balance	**96,831**	**41,339**	**144,495**	**77,393**	**237,221**	**4,075**	**601,354**

NOTE 15 - INTANGIBLE ASSETS

	Software Use Rights	Right from Acquisition of Payroll operations (1)	Others	Total
				Parent Company
As of December 31, 2022				
Original Cost	229,296	1,653,166	1,708	1,884,170
Accumulated Amortization	(142,369)	(1,077,071)	(658)	(1,220,098)
Net Balance	**86,927**	**576,095**	**1,050**	**664,072**
Acquisitions	42,091	122,990	-	165,081
Amortization	(24,574)	(181,232)	-	(205,806)
Net Transfers Cost	(1,720)	-	-	(1,720)
Transfers Net Amortization	93	-	-	93
Net Change	**15,890**	**(58,242)**	**-**	**(42,352)**
As of December 31, 2023				
Original Cost	269,667	1,776,156	1,708	2,047,531
Accumulated Amortization	(166,850)	(1,258,303)	(658)	(1,425,811)
Net Balance	**102,817**	**517,853**	**1,050**	**621,720**

	Software Use Rights	Right from Acquisition of Payroll operations (1)	Others	Total
				Consolidated
As of December 31, 2022				
Original Cost	230,566	1,653,166	1,925	1,885,657
Accumulated Depreciation	(143,599)	(1,077,071)	(875)	(1,221,545)
Net Balance	**86,967**	**576,095**	**1,050**	**664,112**
Acquisitions	42,091	122,990	-	165,081
Amortization	(24,600)	(181,232)	-	(205,832)
Net Transfers Cost	(1,720)	-	-	(1,720)
Transfers Net Amortization	93	-	-	93
Net Change	**15,864**	**(58,242)**	**-**	**(42,378)**
As of December 31, 2023				
Original Cost	270,937	1,776,156	1,925	2,049,018
Accumulated Depreciation	(168,106)	(1,258,303)	(875)	(1,427,284)
Net Balance	**102,831**	**517,853**	**1,050**	**621,734**

(1) The net balance of R$517,853 (12/31/2022 - R$576,095) is comprised of:

a) R$325,815 (12/31/2022 - R$460,635) refers to the agreement signed with the State of Rio Grande do Sul granting Banrisul the exclusive right of servicing the payroll of state civil servants for the next ten years. In the second half of 2021, as defined in the contract, there was a price adjustment in the amount of R$48,781 which makes up the total balance that will be deferred for the remainder of the contract term. No indications that these assets are impaired were identified;

b) R$180,929 (12/31/2022 - R$103,801) refers to contracts signed with town halls and other public sector bureaus, for the provision of banking services related to the payroll of their civil servants, and

c) R$11,109 (12/31/2022 - R$11,659) refers to agreements entered into with private sector, are effective for five years and are amortized over the agreement period, No indications that these assets are impaired were identified.

NOTE 16 - FUNDING

	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	Parent Company 12/31/2023	12/31/2022
Deposits						
Demand Deposits [(1)]	5,243,960	-	-	-	5,243,960	4,802,548
Savings Deposits [(1)]	11,085,032	-	-	-	11,085,032	11,294,457
Interbank Deposits	-	408,803	1,816,001	-	2,224,804	2,563,711
Time Deposits [(2)]	-	5,054,005	3,939,768	43,849,277	52,843,050	50,013,381
Other Deposits	14,936	-	-	-	14,936	14,685
Total	**16,343,928**	**5,462,808**	**5,755,769**	**43,849,277**	**71,411,782**	**68,688,782**
Repurchase Agreements (Repos)						
Own Portfolio [(3)]	-	16,854,251	-	-	16,854,251	12,501,695
Total	**-**	**16,854,251**	**-**	**-**	**16,854,251**	**12,501,695**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	550,332	1,204,765	5,177,456	6,932,553	3,469,595
Total	**-**	**550,332**	**1,204,765**	**5,177,456**	**6,932,553**	**3,469,595**
Subordinated Debt						
Subordinated Debt – Level II[(4)]	-	19,467	37,400	1,393,818	1,450,685	1,170,381
MTM Subordinated Debt (Note 08)	-	13,719	37,504	1,397,705	1,448,928	1,168,993
Goodwill/Discount and Charges to be Incorporated	-	5,748	(104)	(3,887)	1,757	1,388
Subordinated Financial Bills - LFS[(5)]	-	-	-	367,738	367,738	314,447
Total	**-**	**19,467**	**37,400**	**1,761,556**	**1,818,423**	**1,484,828**

	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	Consolidated 12/31/2023	12/31/2022
Deposits						
Demand Deposits [(1)]	5,235,719	-	-	-	5,235,719	4,788,216
Savings Deposits [(1)]	11,085,032	-	-	-	11,085,032	11,294,457
Interbank Deposits	-	408,803	1,816,001	-	2,224,804	2,563,711
Time Deposits [(2)]	-	5,054,005	3,469,917	43,849,277	52,373,199	48,953,388
Other Deposits	212,378	-	-	-	212,378	16,110
Total	**16,533,129**	**5,462,808**	**5,285,918**	**43,849,277**	**71,131,132**	**67,615,882**
Repurchase Agreements (Repos)						
Own Portfolio [(3)]	-	16,773,360	-	-	16,773,360	12,421,035
Total	**-**	**16,773,360**	**-**	**-**	**16,773,360**	**12,421,035**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	550,332	486,205	5,177,456	6,213,993	2,957,083
Total	**-**	**550,332**	**486,205**	**5,177,456**	**6,213,993**	**2,957,083**
Subordinated Debt						
Subordinated Debt – Level II[(4)]	-	19,467	37,400	1,393,818	1,450,685	1,170,381
MTM Subordinated Debt (Note 08)	-	13,719	37,504	1,397,705	1,448,928	1,168,993
Goodwill/Discount and Charges to be Incorporated	-	5,748	(104)	(3,887)	1,757	1,388
Subordinated Financial Bills - LFSN[(5)]	-	-	-	367,738	367,738	314,447
Total	**-**	**19,467**	**37,400**	**1,761,556**	**1,818,423**	**1,484,828**

(1) Classified as without maturity since there is no contractual maturity date.

(2) Consider the contractual maturities of each contract.

Time deposits are made up of individuals and companies, with floating or fixed rates equivalent to 87.59% and 12.41% of the total portfolio, respectively. The average funding rate for deposits corresponds to 85.15% of CDI. Of total time deposits, 70.65 % (12/31/2022 – 69.10%) have condition previously agreed of early redemption option, although expense recognition continues to be based on the contractual rate due through maturity, excluding discounts or reductions applicable in the case of early redemption. The maturity dates presented above do not consider the possibility of early redemption.

(3) Funding through securities sold under repurchase agreements - own portfolio is conducted with financial institutions and has an average funding rate of 100% of CDI.

(4) On January 28, 2021, Banrisul carried out a issue of subordinated notes (Tier II) in foreign market, in the amount of US$300 million (three hundred million dollars) according to conditions previously agreed by the Offering Memorandum of this issue.

(5) On September 16, 2022, Banrisul issued Subordinated Financial Bills - LFSN, in the amount of R$300,000 (three hundred million reais) with remuneration of CDI + 3.5% p.a., for a period of 10 years, with an option of repurchase by Banrisul from the 5th year, counted from the issuance date. Subordinated Financial Bills are authorized to compose Tier II Capital of Banrisul's Reference Equity, pursuant to BCB Resolution No. 122, of August 2, 2021.

NOTE 17 – BORROWINGS AND ONLENDINGS

	Parent Company and Consolidated				
	Up to 3 Months	3 to 12 Months	Over 12 Months	12/31/2023	12/31/2022
Borrowings[1]					
Foreign Borrowings	332,492	454,408	42,017	828,917	1.012.985
Total	**332,492**	**454,408**	**42,017**	**828,917**	**1.012.985**
Onlendings[2]					
Domestic Onlendings – Official Institutions	175,355	747,372	1,271,873	2,194,600	2,473,983
Foreign Onlendings	4,364	5,223	3,162	12,749	27,904
Total	**179,719**	**752,595**	**1,275,035**	**2,207,349**	**2,501,887**

(1) Represented by funds obtained from foreign banks to be used in foreign exchange transactions subject to the variation of the corresponding currencies plus annual interest at rates.

(2) Domestic onlendings represent, basically, funds from Official Institutions (BNDES - National Bank for Economic and Social Development, FINAME - National Equipment Financing Authority, Caixa Econômica Federal - Federal Savings and Loan Bank and FINEP - Funding Authority for Studies and Projects). Funds are transferred to customers on the same terms and with the same funding rates, plus commission for financial intermediation. These funds are collateralized by the same guarantees received for the related loans.

NOTE 18 - OTHER FINANCIAL LIABILITIES

	Parent Company					
	Up to 12 Months	Over 12 Months	12/31/2023	Up 12 Months	Over 12 Months	12/31/2022
Interfinancial Relations	35,634	-	35,634	34,772	-	34,772
Interdependence Relations	275,326	-	275,326	361,092	-	361,092
Foreign Exchange Portfolio	946,663	-	946,663	1,102,688	-	1,102,688
Securities Trading and Brokerage	-	-	-	2,838	-	2,838
Financial and Development Funds[1]	5,640,084	-	5,640,084	4,283,259	-	4,283,259
Creditors for Resources to be Released	191,671	-	191,671	108,191	-	108,191
Payable Card Transactions	1,935,507	-	1,935,507	1,632,916	-	1,632,916
Acquisition Payable Obligations	753,036	-	753,036	731,735	-	731,735
Provision for guarantees provided and Guarantees (Note 26 (b))	653	-	653	4,296	-	4,296
Others	57,546	3,508	61,054	140,708	4,916	145,624
Total	**9,836,120**	**3,508**	**9,839,628**	**8,402,495**	**4,916**	**8,407,411**

	Consolidated					
	Up to 12 Months	Over 12 Months	12/31/2023	Up 12 Months	Over 12 Months	12/31/2022
Interfinancial Relations	35,634	-	35,634	34,772	-	34,772
Interdependence Relations	274,594	-	274,594	360,449	-	360,449
Foreign Exchange Portfolio	946,663	-	946,663	1,102,688	-	1,102,688
Securities Trading and Brokerage	2,787	-	2,787	53,667	-	53,667
Financial and Development Funds[1]	5,640,084	-	5,640,084	4,283,259	-	4,283,259
Creditors for Resources to be Released	191,804	-	191,804	108,595	-	108,595
Payable Card Transactions	1,767,523	-	1,767,523	1,485,452	-	1,485,452
Acquisition Payable Obligations	2,416,922	-	2,416,922	2,232,034	-	2,232,034
Provision for Guarantees Provided Sureties (Note 26 (b))	653	-	653	4,296	-	4,296
Others	57,619	3,508	61,127	140,870	4,916	145,786
Total	**11,334,283**	**3,508**	**11,337,791**	**9,806,082**	**4,916**	**9,810,998**

(1) Refers mainly to a fund constituted by the portion not made available to the State of Rio Grande do Sul, of judicial deposits, intended to guarantee the restitution of said deposits (Note 26(a)).

NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

(a) Contingent Assets

No contingent assets were recorded and there are no ongoing lawsuits with probable gains.

(b) Contingent Reserves and Liabilities

In the normal course of their activities, Banrisul and its subsidiaries are parties to tax, labor and civil lawsuits at the judicial and administrative levels.

The provisions were calculated taking into account the opinion of Banrisul's legal counselors, using measurement models and benchmarks available, despite the inherent uncertainty as to the period and outcome of the lawsuits. Banrisul records a provision in the amounts involved in lawsuits that have been assessed as probable losses.

Management believes that the provisions are sufficient to cover probable losses arising from lawsuits.

The changes in reserves are as follows:

					Parent Company
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2022	**785,173**	**1,621,674**	**217,261**	**1,904**	**2,626,012**
Recognition and Inflation Adjustment	38,634	354,967	68,740	68	462,409
Reversal of Provision	(173)	-	-	-	(173)
Payment	(7,202)	(384,501)	(34,892)	-	(426,595)
Closing Balance at 12/31/2023	**816,432**	**1,592,140**	**251,109**	**1,972**	**2,661,653**
Guaranteed Debtors Deposits at 12/31/2023	138,290	754,165	77,027	-	969,482

					Parent Company
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2021	**664,309**	**1,272,092**	**213,821**	**158,306**	**2,308,528**
Recognition and Inflation Adjustment	122,567	642,352	78,938	2,527	846,384
Reversal of Provision	(531)	-	(24,405)	(158,929)	(183,865)
Payment	(1,172)	(292,770)	(51,093)	-	(345,035)
Closing Balance at 12/31/2022	**785,173**	**1,621,674**	**217,261**	**1,904**	**2,626,012**
Guaranteed Debtors Deposits at 12/31/2022	116,610	586,891	67,632	-	771,133

					Consolidated
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2022	**785,394**	**1,624,048**	**220,452**	**1,904**	**2,631,798**
Recognition and Inflation Adjustment	38,870	355,327	69,214	68	463,479
Reversal of Provision	(173)	-	(32)	-	(205)
Payment	(7,437)	(384,603)	(34,929)	-	(426,969)
Closing Balance at 12/31/2023	**816,654**	**1,594,772**	**254,705**	**1,972**	**2,668,103**
Guaranteed Deposits at 12/31/2023	138,386	758,516	78,577	-	975,479

					Consolidated
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2021	**664,483**	**1,275,278**	**217,463**	**158,306**	**2,315,530**
Recognition and Inflation Adjustment	122,619	642,369	79,245	2,527	846,760
Reversal of Provision	(531)	(829)	(25,002)	(158,929)	(185,291)
Payment	(1,177)	(292,770)	(51,254)	-	(345,201)
Closing Balance at 12/31/2022	**785,394**	**1,624,048**	**220,452**	**1,904**	**2,631,798**
Guaranteed Deposits at 12/31/2022	116,801	592,423	68,827	-	778,051

Tax Contingencies

Provisions for tax contingencies relate primarily to liabilities related to taxes whose legality or constitutionality is being challenged at the administrative or judicial levels and the likelihood of loss is considered probable, being recognized at the full amount under dispute.

The main tax contingencies refers to: **(i)** income tax and social contribution on the deduction of expenses arising from the settlement of the actuarial deficit of Fundação Banrisul de Seguridade Social (Banrisul Social Security Foundation), challenged by the Brazilian Internal Revenue Service for the years 1998 to 2005, in which Banrisul, through its legal counsel, has been discussing the matter in court and recorded a provision for contingencies in the amount of the estimated loss and respective loss of suit registered in this period in the amount of R$789,270 (12/31/2022 – R$761,363); and **(ii)** other contingencies related to federal and municipal taxes classified by our legal counsel as probable loss in the amount of R$1,708 (12/31/2022 - R$6,344).

There are also some tax contingencies whose likelihood of loss, based on their nature, is considered as possible, in the amount of R$575,441 (12/31/2022 - R$ 594,839), and in the Consolidated - R$610,991 (12/31/2022 - R$635,349). These contingencies are mostly related to litigations of municipal and federal taxes and a provision for contingencies was not recognized, in accordance with applicable accounting practices. In addition to these, there is a tax assessment notice in the scope of the Federal Revenue upon the employer's contribution to the Social Security system as well as to contributions to various funds and entities, requiring the payment of the amount of R$348,771 (12/31/2022 - R$321,824), mainly related to the benefits of the Worker's Food Program - PAT and Profit Sharing - PLR, which was classified by our advisors as a possible loss, in the amount of R$323,317 (12/31/2022 - R$ 304,358), and as of probable loss, the amount of R$25,454 (12/31/2022 - R$17,466), which is duly provisioned.

Labor Contingencies

Refer to lawsuits filed mainly by active employees, former employees, employees of contractors, Associations, Unions and Prosecutors Office, relating to alleged violation of labor rights.

In the year of 2023, a provision of R$9,671 (12/31/2022 – R$363,386) was made for collective labor lawsuits, whose probability of loss has been classified as probable. Management considers the provision constituted for collective lawsuits sufficient and continues to monitor the evolution of judicial decisions in lawsuits of this nature, constantly evaluating the risk classification and quantification, whenever necessary.

Besides the contingencies above, this account records provision for labor claims filed against Banrisul, in accordance with the Provisioning Policy for Individual Labor Claims implemented during the second half of 2020, in which, the provisioning for claims whose likelihood of loss is considered probable. Of the aforementioned provision, R$658,681 (12/31/2022 - R$490,549) - consolidated R$660,347 (12/31/2022 - R$494,005) - have been deposited in an escrow account. Additionally, R$95,484 (12/31/2022 - R$96,342) - consolidated R$98,169 (12/31/2022 - R$98,418) - were required for appeals.

There are also some labor contingencies whose likelihood of loss, based on their nature, is considered as possible, in the amount of R$1,647,583 (12/31/2022 - R$1,472,033) - consolidated R$1,652,210 (12/31/2022-R$1,476,483) - relating principally to overtime, reintegration to active positions and wage parity. A provision for contingencies was not recognized for the amounts of possible loss on labor claims, in accordance with applicable accounting practices.

Civil Contingencies

Civil lawsuits involving the Bank are, for the most part, filed by customers and users who intend to: (1) cancel or release themselves from debts that the debtor does not recognize or that they claim are undue; (2) review bank debts and question illegal charges and abusive interest; (3) obtain compensation for material and moral damages resulting from banking products and services and (4) recover inflationary purges relating to Economic Plans on financial investments (*Plano Bresser, Plano Verão* and *Planos Collor I and II*).

Estimates of the results and financial impact of these actions are defined by the nature of the demands, the judgment of the Bank's management, based on the opinion of legal advisors and elements of the processes, also considering the complexity and experience of similar cases.

The bank provisions civil demands in accordance with its Provision Policy, which uses individualized or mass criteria, according to the nature, object and basis of the actions, aiming to facilitate the control and management of provisions.

Mass demands are those that do not have a court decision and that, depending on the type and object of the action, as well as case law, the bank classifies them as having probable, possible or remote risk. For some demands that, even without a decision, are classified as probable, the bank estimates an average value of the historical cost of conviction and failure, generating an average ticket value that may have to be paid. This value is reviewed after the judicial decision on the merits, to adapt the probability of loss, in cases of the action being unfounded or changes in the provision values in cases of conviction of the bank.

Individual demands are those that the bank understands do not fit the mass litigation rule, either due to their nature or object, when they are in the initial phase, and also those that already have a favorable or unfavorable decision that impacts the risk classification and the provision values.

From the previously mentioned allowance, the amount of R$77,027 (12/31/2022 - R$67,632) - consolidated R$78,577 (12/31/2022 - R$68,827) - has been deposited in court.

There is also the amount of R$288,392 (12/31/2022 - R$721,194) - consolidated R$288,571 (12/31/2022 - R$723,594) - related to lawsuits filed by third parties against Banrisul, mainly related to insurances, real estate loans and checking accounts, which are classified as possible loss by our legal counsel and, therefore, no provisions were recorded.

Other Contingencies

On September 29, 2000, Banrisul received an assessment notice from the Central Bank of Brazil in connection with administrative proceedings filed by that authority related to supposed irregularities in foreign exchange transactions between 1987 and 1989. In an appeal decision at the administrative level, Banrisul was required to pay a fine equivalent to 100% of the amount of the supposedly irregular transactions. This decision is being challenged in court by Management, which, and in compliance with the Central Bank of Brazil requirements, in March 2022 there was a provision for losses in the amount of R$159,360. In April 2022, with a final decision handed down by the STJ, which recognized the statute of limitations for the fines imposed, with the exception of a tiny portion, whose conviction remained, there was a reversal of the provision in 158,929, with the amount of R$1,972 remaining provisioned (12/31 /2022- R$1,904).

NOTE 20 - OTHER LIABILITIES

	Parent Company		Consolidated	
	12/31/2023	**12/31/2022**	**12/31/2023**	**12/31/2022**
Collection of taxes and mandatory contributions	12,079	12,429	12,079	12,429
Social and Statutory Obligations	223,996	129,276	224,229	129,581
Provision of Personnel	152,240	272,658	153,474	273,870
Obligations for Official Covenants and Payment Services	133,639	124,591	137,605	127,765
Various Creditors in the Country	125,942	93,226	223,128	295,087
Actuarial Liabilities - Post-Employment Benefit (1)	772,359	653,764	776,628	657,110
Provisions for Outgoing Payments	111,349	153,140	152,075	190,611
Anticipated Income	127,192	139,517	126,987	139,378
Others	4,771	4,784	5,478	5,537
Total	**1,663,567**	**1,583,385**	**1,811,683**	**1,831,368**

(1) Refers mostly to the sponsor's obligations regarding deficits found in defined benefit plans offered to employees and former employees of Banrisul and group companies (Note 27 (e)).

NOTE 21 - EQUITY

(a) Capital

Fully subscribed paid-up capital as of December 31, 2023 is R$5,200,000 (12/31/2022 – R$5,200,000), represented by 408,974 thousand shares with no par value as follows:

	Commom Shares		Class A Preferred Shares		Class B Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%
Rio Grande do Sul State								
Shareholding as of 12/31/2022	201,225,359	98.13	751,479	54.73	0,00	0.00	201,976,838	49.39
Shares Conversion and Transfers	-		-		-		-	
Shareholding as of 12/31/2023	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Management, Board of Directors and Committee Members								
Shareholding as of 12/31/2022	58	-	30	-	3,005	-	3,093	-
Shares Conversion and Transfers	10,247		(30)		(2,900)		7,317	
Shareholding as of 12/31/2023	10,305	-	-	-	105	-	10,410	-
Free Float								
Shareholding as of 12/31/2022	3,839,424	1.87	621,582	45.27	202,533,540	100.00	206,994,546	50.61
Shares Conversion and Transfers	(10,247)		30		2,900		(7,317)	
Shareholding as of 12/31/2023	3,829,177	1.87	621,612	45.27	202,536,440	100.00	206,987,229	50.61
Total as of 12/31/2022	**205,064,841**	**100.00**	**1,373,091**	**100.00**	**202,536,545**	**100.00**	**408,974,477**	**100.00**
Shares Conversion and Transfers	-		-		-		-	
Total as of 12/31/2023	**205,064,841**	**100.00**	**1,373,091**	**100.00**	**202,536,545**	**100.00**	**408,974,477**	**100.00**

Preferred shares do not carry voting rights and are entitled to the following payments:

Class A Preferred Shares:

(i) Priority to receive fixed non-cumulative dividends of six percent (6%) p.a., on the figure resulting from the division of capital by the related number of shares comprising it;
(ii) Right to take part, after Common and Class B Preferred Shares have been paid dividends equal to that paid to those shares, in the distribution of any other cash dividends or bonuses paid out by Banrisul, under the same conditions as Common and Class B Preferred Shares, plus an additional ten percent (10%) over the amount paid to those shares;
(iii) Participates in capital increases deriving from the capitalization of reserves, under the same conditions as Common and Class B Preferred Shares; and
(iv) Priority in capital reimbursement, without a premium.

Class B Preferred Shares:

(i) Participates in capital increases deriving from the capitalization of reserves, under the same conditions as Common and Class A Preferred Shares; and
(ii) Priority in capital reimbursement, without a premium.

(b) Shares in Treasury - Opening of the Share Buyback Program

Banrisul opened its first Share Buyback Program with the objective of maximizing the generation of value for shareholders through an efficient management of the Capital structure. The acquisition of up to 10,126,677 preferred shares is authorized, equivalent to 5% of the preferred shares issued by the Company, without reducing the value of the share capital, for maintenance in treasury, cancellation or replacement in the market. Acquisitions will take place on the stock exchange, from December 15, 2022 to June 15, 2024, at market value. Until September 30, 2023, a total of 1,202,500 shares were repurchased, which were put back on the market in the fourth quarter of 2023.

(c) Reserve

The Capital Reserve refers to the amounts received by the Company that did not pass through the result, as it is not linked to the delivery of goods or services provided.

The Legal Reserve aims to increasing the Company's capital or absorbing losses, but it cannot be distributed in the form of dividends.

The Statutory Reserve has the purpose of guaranteeing resources for general and IT investments, and is limited to 70% of the paid-in capital.

The Expansion Reserve has the purpose of retaining profits to finance investment opex and capex projects, according to Capital budget proposed by the Management and approved at the Shareholders Meeting.

(d) Allocation of Income

Net income for the year, adjusted in accordance with Law No, 6404/76, is allocated as follows: **(i)** 5% to the Legal Reserve, not exceeding 20% of total Capital; **(ii)** mandatory minimum dividends limited to 25% of adjusted net income; and **(iii)** up to 25% of the net income to the Statutory Reserve, limited to 70% of paid-up capital, and is intended to ensure funds for investments in information technology.

The payout policy adopted by Banrisul aims to pay interest on equity up to the maximum tax-deductible amount calculated in accordance with prevailing legislation, which can be based, on retained earnings or profit reserves, Interest on equity paid can be considered, net of withholding tax, in the calculation of mandatory dividends for the fiscal year, as stated in the Bank's articles of incorporation.

As permitted by Law No. 9249/95 and CVM Rule No. 207/96 and Interest on Equity and Dividend Policy, Banrisul paid the amount of R$360,000 relating to interest on equity from the year of 2023 (01/01 to 12/31/2022 - R$345,520), to be considered as dividends, net of withholding tax. The payment of such interest on equity resulted in a tax benefit for Banrisul in the amount of R$162,000 (01/01 to 12/31/2022 - R$155,484) (Note 24).

Banrisul has maintained, since the beginning of 2008, the Quarterly Interest on Equity and Dividend Policy, historically, has paid its shareholders with payment of interest on equity and dividends higher than the minimum legally required.

On April 27, 2023, at the Annual Shareholders' Meeting, the proposal for the distribution of additional dividends for fiscal year 2023 in the percentage equivalent to 25% of the Net Income deducted from the Legal Reserve was approved, totaling 50%.

The distribution of dividends and interest on equity is represented in the following table:

	01/01 to 12/31/2023	01/01 to 12/31/2022
Net Income	**870,104**	**714,934**
Adjustment		
Legal Reserve	(43,505)	(35,747)
Dividend Calculation Basis	**826,599**	**679,187**
Mandatory Minimum Dividend 25%	206,650	169,797
Aditional Dividend 25%	206,649	169,797
Total Dividends	**413,299**	**339,594**
A) Paid Interest on Equity	**338,373**	**324,768**
Commom Shares (R$880.25053 per thousand shares)	180,508	173,242
Preferred Shares A (R$880.25053 per thousand shares)	1,209	1,171
Preferred Shares B (R$880.25053 per thousand shares)	178,283	171,107
Withholding Income Tax related to Interest on Equity	(21,627)	(20,752)
B) Accrued Dividends	**74,926**	**14,826**
Commom Shares (R$183.14318 per thousand shares)	37,556	7,431
Preferred Shares A (R$201.45750 per thousand shares)	277	55
Preferred Shares B (R$183.14318 per thousand shares)	37,093	7,340
Total de Juros sobre Capital Próprio e Dividendos (A+B)	**413,299**	**339,594**

NOTE 22 - OTHER OPERATING INCOME

(a) Income from Services Rendered

	Parent Company		Consolidated	
	01/01 to 12/31/2023	01/01 to 12/31/2022	01/01 to 12/31/2023	01/01 to 12/31/2022
Asset Management Fees	38,307	48,895	85,825	81,822
Income from Bill colection and Custody Services	54,589	67,939	54,574	67,924
Income from Management of Sales Poll Groups	-	-	131,419	99,141
Banrisul Pagamentos Service Revenues	-	-	817,337	741,902
Check Returns	11,639	11,069	11,639	11,069
Account Debits	46,858	50,245	52,035	50,245
Collection Services	40,345	45,997	40,345	45,997
Insurance Commissions	-	200	287,883	266,831
Credit Card	127,306	52,544	127,306	52,544
Bank Fees for Checking Accounts	555,576	583,747	555,576	583,747
Other Income	49,684	55,288	68,982	82,292
Total	**924,304**	**915,924**	**2,232,921**	**2,083,514**

(b) Other Income

	Parent Company		Consolidated	
	01/01 to 12/31/2023	01/01 to 12/31/2022	01/01 to 12/31/2023	01/01 to 12/31/2022
Recovery of Charges and Expenses	229,358	181,957	24,196	27,261
Reversal of Operating Provisions	9,810	25,349	9,852	25,349
Interbank Rates	30,960	24,823	30,960	24,823
Credit Receivables Securities	18,032	16,228	18,032	16,228
Other Revenues From Cards	95,884	146,408	95,884	146,408
Reversal of Provisions for Outgoing Payments	12,462	11,600	13,079	14,634
Receivables Advance Acquisition Revenue(1)	-	-	13,432	25,479
Portability Income from Credit Operations	29,691	9,730	29,691	9,730
Income from POS Rentals	-	-	70,662	61,589
Update on Judicial Deposits	59,969	48,260	60,265	48,588
Write-off of Investment Abroad(2)	68,194	103,832	68,194	103,832
CIP demutualization	-	18,986	-	18,986
Revenue Salary Variation Compensation Fund - FCVS	-	50,280	-	50,280
Update of Actuarial Assets	38,612	36,335	38,821	36,462
Employer Social Security Contribution Recovery	17,969	-	17,969	-
Other	42,215	29,237	58,663	35,535
Total	**653,156**	**703,025**	**549,700**	**645,184**

(1) From July 2023 onwards, revenues were reclassified to the explanatory note of Revenue from Services Provision under the heading Revenue from Banrisul Payments Services.
(2) Refers to the reclassification of the exchange rate variation on investment in a subsidiary abroad, previously accounted for in Other Comprehensive Income, due to the termination of activities and return of capital to the parent company, which took place in the 2nd quarter of 2022.

NOTE 23 - OTHER OPERATING EXPENSES

(a) Personnel expenses

	Parent Company		Consolidated	
	01/01 to 12/31/2023	01/01 to 12/31/2022	01/01 to 12/31/2023	01/01 to 12/31/2022
Salary(1)	1,227,151	1,261,072	1,245,460	1,278,031
Benefits(1)	408,780	372,601	411,242	375,274
Social charges	515,108	494,122	519,464	498,022
Trainings	5,223	4,420	5,263	4,452
Total	**2,156,262**	**2,132,215**	**2,181,429**	**2,155,779**

(1) Direct Remuneration and Benefits expenses include the amount of R$119,814, referring to incentives granted and provisioned within the scope of the PDV – Voluntary Termination Program in 2022.

(b) Other Administrative Expenses

	Parent Company		Consolidated	
	01/01 to 12/31/2023	01/01 to 12/31/2022	01/01 to 12/31/2023	01/01 to 12/31/2022
Communications	49,089	49,932	50,467	51,059
Data processing	164,439	140,529	177,207	157,374
Surveillance, Security and Transportation of Values	137,232	135,237	137,232	135,237
Amortization and Depreciation	241,038	232,547	275,970	254,217
Rentals and Condominiums	160,719	147,820	160,551	147,363
Supplies	9,503	11,104	12,361	16,738
Third Party Services (1)	521,433	573,483	545,379	589,201
Specialized Technical Services	216,397	177,874	223,747	183,420
Promotions and Advertising (2)	111,061	92,906	139,352	116,255
Maintenance	66,219	60,989	68,058	64,346
Water, Energy and Gas	29,348	32,933	29,856	33,674
Financial System Services	43,950	40,370	46,585	43,553
Other	83,465	73,420	97,738	83,355
Total	**1,833,893**	**1,769,144**	**1,964,503**	**1,875,792**

(1) Of the amount of R$521,433 (12/31/2022- R$573,483), R$283,234 (12/31/2022 – 284,930) come from expenses with services originating from payroll deductible loans through the Bem Promotora de Vendas e Serviços S.A.

(2) Consists mainly of R$36,570 (12/31/2022- R$32,852), and in the Consolidated R$49,579 (12/31/2022- R$41,924), of institutional advertising expenses of R$68,078 (12/31/2022 – R$57,396) and in Consolidated of R$68,753 (12/31/2022- R$57,750) as sponsorship of sport events and teams.

(c) Other Operational Expenses

	Parent Company		Consolidated	
	01/01 to 12/31/2023	01/01 to 12/31/2022	01/01 to 12/31/2023	01/01 to 12/31/2022
Discounts Granted on Debt Restructurings	73,065	53,913	73,065	53,913
Expenses on Collection of Federal Taxes	18,833	8,887	18,833	8,887
Expenses on Cards	12,049	12,771	12,049	12,771
Credit Operations Portability Expenses	46,351	52,581	46,351	52,581
Fees from INSS Covenant	282,312	194,059	282,312	194,059
Banrisul Advantage Membership Program Bonus	25,776	21,710	25,776	21,710
Expenses with Banrisul Pagamentos Transactions	-	-	65,622	50,735
Costs with Payroll Loan Agreements	6,619	6,304	6,619	6,304
Inflation Adjustment on Financing Release	11,093	13,336	11,093	13,336
Fee Losses Not Received	23,561	20,955	23,561	20,955
Update of Actuarial Expenses	29,073	55,588	29,145	55,934
Expenses with Theft	17,235	-	17,235	-
Payroll Processing Services	23,080	-	23,080	-
Other	43,854	52,219	73,793	83,217
Total	**612,901**	**492,323**	**708,534**	**574,402**

NOTE 24 - INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of Income Tax and Social Contribution Expenses/Revenue

	Parent Company		Consolidated	
	01/01 to 12/31/2023	01/01 to 12/31/2022	01/01 to 12/31/2023	01/01 to 12/31/2022
Income for the Period before Taxes and Profit Sharing	**982,421**	**454,512**	**1,211,459**	**767,770**
Income Tax (IRPJ) - Rate 25%	(245,605)	(113,628)	(302,864)	(191,942)
Social Contribution Tax (CSLL) - Rate 9%	-	-	(89,433)	(74,166)
Social Contribution Tax (CSLL) – Rate 15%	-	-	(5,330)	(3,734)
Social Contribution Tax (CSLL) – Rate 20%	(196,484)	(90,902)	(36,445)	-
Total Income and Social Contribution Taxes calculated at Current Rate	**(442,089)**	**(204,530)**	**(434,072)**	**(269,842)**
Exchange Variation on Divestment Abroad	30,687	46,725	30,687	46,725
Profit Sharing	113,314	82,736	113,314	82,736
Interest on Equity	162,000	155,484	281,700	155,484
Equity Result	405,984	305,211	46,084	36,480
Other Exclusions, Net of Additions	27,619	58,116	31,935	79,511
Interest on Equity Received	(157,842)	-	(157,842)	-
Total Income and Social Contribution Taxes	**139,673**	**443,742**	**(88,194)**	**131,094**
Current	(2,841)	-	(246,232)	(323,415)
Deferred	142,514	443,742	158,038	454,509

NOTE 25 – EARNINGS PER SHARING

The following table presents the earnings per share using the weighted average number of outstanding common and preferred shares, timely adjusted to the period of the present financial statements.

	Parent Company and Consolidated	
	01/01 to 12/31/2023	01/01 to 12/31/2022
Net Income Attributable to Controlling Shareholders – R$ Thousand	**870,104**	**714,934**
Common Shares	436,682	358,409
Preferred A Shares	3,112	2,535
Preferred B Shares	430,310	353,990
Weighted Average of Outstanding Shares	**408,510,350**	**408,974,477**
Weighted Average Number of Outstanding Common Shares	205,064,841	205,064,841
Weighted Average Number of Outstanding Preferred A Shares	1,373,091	1,373,091
Weighted Average Number of Outstanding Preferred B Shares	202,072,418	202,536,545
Basic and Diluted earnings per Share – R$		
Commom Shares	2.13	1.75
Preferred A Shares	2.27	1.85
Preferred B Shares	2.13	1.75

NOTE 26 – COMMITMENTS, GUARANTEES AND OTHER

(a) State Law No. 12069, enacted on April 22, 2004, as amended by Law No. 14738/15, instructs that Banrisul must transfer to Rio Grande do Sul State up to 95% (ninety five percent) of the escrow deposits made in which the disputing parties are neither the State nor municipalities. The remaining amount of collected escrow deposits not transferred will constitute the Reserve Fund to ensure the refund of said deposits. As of December 31, 2023, the balance of said collected resources, indexed by the same rules as savings accounts, according to Law No 12,703/12, art. 11 § 1st of Law No 9,289/1996, and article 12 of Law No 8177/91 as of the reporting date totaled R$14,497,513 (12/31/2022 - R$13,352,105), of which R$9,968,169 (12/31/2022 - R$10,040,503) was transferred to the State upon its request. The remaining balance, which makes up the aforementioned fund, is recorded in Other Liabilities - Financial and Development Fund.

(b) Sureties and guarantees granted to customers amount to R$57,208 (12/31/2022 - R$117,204), generate fee income and have recourse to the beneficiaries in case they have to be honored. Provisions for possible losses amounting to R$653 (12/31/2022 - R$4,296) have been made.

(c) Banrisul has confirmed import and export credits for R$95,749 (12/31/2022 - R$121,636) and recourse exposure from credit assignments for R$3,168 (12/31/2022 - R$3,567).

(d) Banrisul manages various funds and portfolios, which have the following net assets:

	Parent Company and Consolidated	
	12/31/2023	**12/31/2022**
Investment Funds [(1)]	15,906,178	15,057,700
Feeder Funds	79,905	65,603
Equity Funds	187,096	206,519
Individual Retirement Programmed Funds	10,042	10,738
Fund to Guarantee the Liquidity of Rio Grande do Sul State Debt Securities	11,802,070	7,489,225
Managed Portfolios	592,119	524,225
Total	**28,577,410**	**23,354,010**

(1) The investments fund portfolios consist primarily of fixed-rate and variable rate securities, and their carrying amounts already reflect fair value adjustments at the balance sheet date.

(e) Subsidiary Banrisul S.A. Administradora de Consórcios is responsible for the management of 155 buyers' pools (161 in 12/31/2022), including real estate, motorcycles and vehicles, comprising active 83,283 pool members (79,012 in 12/31/2022).

(f) Banrisul leases properties, mainly used for branches, based on standard contracts which may be cancelled at its own discretion and include renewal options and adjustment clauses. Total future minimum payments under lease agreements as of December 31, 2023 were R$296,891, of which R$104,470 mature in up to one year, R$180,873 from one to five-year term and R$11,548 beyond five-year term. In the period, lease payments recognized as expenses amounted to R$142,804.

NOTE 27 - POST-EMPLOYMENT LONG-TERM BENEFIT OBLIGATIONS TO EMPLOYEES

Banrisul is the sponsor of Fundação Banrisul ("FBSS") and Cabergs, ensuring the provision of retirement benefits and medical care to its employees.

Fundação Banrisul is an independent entity that seeks to offer pension benefit plans to its participants, employees from its sponsors and their beneficiaries, through specific contributions established in their respective plans and regulations.

Banrisul's Social Security Policy, operated through Fundação Banrisul de Seguridade Social, and established in January 29, 1963, in accordance with the rules then in force, is legally grounded on article 202 of the Federal Constitution of October 5, 1988, Supplementary Laws No. 108 and No. 109 of May 29, 2001 and other legal provisions in force, issued by regulators of Social Security associated with the Ministry of Finance, the National Supervisory Office of Supplementary Pension (Previc) and the National Council on Supplementary Pension (CNPC), the articles of incorporation of Fundação Banrisul and the relevant regulations of the Benefit Plans and in accordance with CMN Resolutions No 4,994/22. As per article 08 of the CMN Resolution No. 4,994/22, the Chief Investment Officer, the technically qualified portfolio manager, is to be designated by the Deliberative Committee of the Pension Fund, in the quality of the main officer responsible for managing, allocating, supervising and monitoring the plans resources and by making available information related to the sources and uses of these resources.

The Benefit Plans which put into practice Banrisul's Private Pension Policy are grounded on the respective regulations of the Plans, which set forth all rights and obligations of the Participants, Sponsors, Actuarial Funding Plan, legal deadlines, way of payment of monthly contributions and benefits, length of minimum contribution and other parameters. All regulations are approved by the legal internal management bodies, by the Sponsor(s) and by the Federal Supervision and Regulation bodies, pursuant to the legislation currently in force, In accordance with CNPC Resolution No. 30/2018, the Executive Council of Banrisul Foundation has appointed the Administrator Responsible for the Benefit Plan – ARPB.

The set of hypotheses and actuarial methods adopted in the actuarial calculations resulted from an interaction process between the external actuarial consultancy responsible for the actuarial calculations in the case of Benefit Plans structured in the Defined Benefit and Variable Contribution modality, among the internal actuaries of the Banrisul Foundation itself in the case of the Benefit plan structured in the Defined Contribution modality, the Executive Board and the representatives of the Deliberative Council of the Foundation, and it has the endorsement of the sponsors of the Benefit Plans I and Settled ("defined benefit" modality), of the Plans FBPREV, FBPREV II and FBPREV III ("variable contribution" modality) and the FBPREV CD Plan ("defined contribution" modality), as determined by CNPC Resolution No. 30/2018, Previc Instruction No. 23/2023 and Previc Ordinance No. 363 /2023.

(a) Key Assumptions

The key assumptions below were elaborated upon information available at December 31, 2023 and 2022, subject to annual review.

Economic Assumptions – 12/31/2023	PBI Plan (% p.a)	Settled Plan (% p.a)	FBPREV Plan (% p.a)	FBPREV II Plan (% p.a)	FBPREV III Plan (% p.a)	Health Plan (% p.a) [1] PAM	POD	PROMED	Retirement Award (% p.a)
Real Actuarial Discount Rate	5.34	5.37	5.35	5.38	5.35	5.44	5.44	5.44	5.35
Expected Real Return on Assets	5.34	5.37	5.35	5.38	5.35	5.44	5.44	5.44	5.35
Real Salary Growth Rate for Active Employees	0.66	n/a	6.06	2.01	0.41	According to Plan[2]	n/a	n/a	6.06
Real Growth in Plan Benefits During Receipt	0.30	-	-	-	-	-	1.00	1.00	-
Capacity Factor on Benefits	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	n/a
Capacity Factor on Salaries	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	100.00
Expected Inflation Rate	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Nominal Discount Rate	9.45	9.48	9.46	9.49	9.46	9.55	9.55	9.55	9.46
Expected Nominal Return on Assets	9.45	9.48	9.46	9.49	9.46	9.55	9.55	9.55	9.46
Nominal Salary Growth Rate for Active Employees	4.59	3.90	10.20	5.99	4.33	According to Plan[2]	n/a	n/a	10.20
Nominal Growth in Plan Benefits During Receipt	4.21	3.90	3.90	3.90	3.90	3.90	4.94	4.94	3.90

(1) Health Plans with post-employment benefits in PAM - Medical and Hospital Assistance Plan, POD - Dental Plan and PROMED - Medication Aid Program.

(2) According to the Pension Plan to which the beneficiaries are registered.

Economic Assumptions - 12/31/2022	PBI Plan (% p.a)	Settled Plan (% p.a)	FBPREV Plan (% p.a)	FBPREV II Plan (% p.a)	FBPREV III Plan (% p.a)	Health Plan (% p.a) [1] PAM	POD	(% p.a)	Retirement Award (% p.a)
Real Actuarial Discount Rate	6.10	6.14	6.11	6.14	6.10	6.17	6.17	6.17	6.09
Expected Real Return on Assets	6.10	6.14	6.11	6.14	6.10	6.17	6.17	6.17	6.09
Real Salary Growth Rate for Active Employees	1.36	-	5.15	1.51	0.41	c	n/a	n/a	5.15
Real Growth in Plan Benefits During Receipt	0.30	-	-	-	-	-	-	1.00	-
Capacity Factor on Benefits	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	n/a
Capacity Factor on Salaries	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	100.00
Expected Inflation Rate	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23
Nominal Discount Rate	11.65	11.69	11.66	11.69	11.65	11.72	11.72	11.72	11.64
Expected Nominal Return on Assets	11.65	11.69	11.66	11.69	11.65	11.72	11.72	11.72	11.64
Nominal Salary Growth Rate for Active Employees	6.66	5.23	10.65	6.82	5.66	According to Plan[2]	n/a	n/a	10.65
Nominal Benefit Plan Growth During Receipt	5.55	5.23	5.23	5.23	5.23	5.23	5.23	6.28	5.23

(1) Health Plans with post-employment benefits in PAM - Medical and Hospital Assistance Plan, POD - Dental Plan and PROMED - Medication Aid Program.

(2) According to the Pension Plan to which the beneficiaries are registered.

Demographic Assumptions as of 12/31/2023	Mortality Table	Mortality Table (Disabled)	Disability Entry Table	Annual Turnover Rate	Option for BPD	Retirement Entry	Family Composition
PBI Plan	AT-2000 (-10%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV Experience III 2015-2020	Not Applicable	100% when reaching full benefit	To be Granted: Average Family (74% married, woman 4 years younger), Granted: Real Family
Settled Plan	AT-2000 (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	Settled Experience 2015-2020	Not Applicable	Likely retirement date informed in registrer	To be Granted: Average Family (74% married, woman 4 years younger), Granted: Real Family
FBPREV Plan	AT-2000 (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	FBPREV Experience 2015-2020	-	100% in normal retirement according to plan elegibility	Real Family, as registered
FBPREV II Plan	AT-2000 (-30%) gender specific	Winklevoss	Álvaro Vindas (-70%)	FBPREV III Experience 2015-2020	-	100% in normal retirement according to plan elegibility	Real Family, as registered
FBPREV III Plan	AT-2000 (-10%), gender specific	RRB – 83 (-50%)	Álvaro Vindas	PBI and FBPREV III Experience 2015-2020	-	100% in normal retirement according to plan elegibility	Real Family, as registered
Health Plan (1):							
PAM	According to Pension Plan (2)	According to Pension Plan (2)	According to Pension Plan (2)	According to Pension Plan (2)	-	100% in normal retirement according to plan eligibility	According to Pension Plan (2)
POD	AT-2000 Basic (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I Experience 2015-2022	-	100% in normal retirement according to plan eligibility	Real Family
PROMED	AT-2000 Basic (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I Experience 2015-2022	-	100% in normal retirement according to plan eligibility	Not Applicable
Retirement Award	AT-2000 (-30%) gender specific	n/a	Álvaro Vindas (-70%)	FBPREV Experience 2015-2022	-	60 years old and 10 years in Company	Not Applicable

(1) Health Plans with post-employment benefits in PAM - Medical and Hospital Assistance Plan, POD - Dental Plan and PROMED - Medication Aid Program.

(2) According to the Pension Plan to which the beneficiaries are registered.

Demographic Assumptions as of 12/31/2022	Mortality Table	Mortality Table (Disabled)	Disability Entry Table	Annual Turnover Rate	Option for BPD	Retirement Entry	Family Composition
PBI Plan	AT-2000 (-10%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV Experience III 2015-2020	Not Applicable	100% when reaching full benefit	To be Granted: Average Family (74% married, woman 4 years younger), Granted: Real Family
Settled Plan	AT-2000 (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	Settled Experience 2015-2020	Not Applicable	Likely retirement date informed in registrer	To be Granted: Average Family (74% married, woman 4 years younger), Granted: Real Family
FBPREV Plan	AT-2000 (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	FBPREV Experience 2015-2020	-	100% in normal retirement according to plan elegibility	Real Family, as registered
FBPREV II Plan	AT-2000 (-30%) gender specific	Winklevoss	Álvaro Vindas (-70%)	FBPREV III Experience 2015-2020	-	100% in normal retirement according to plan elegibility	Real Family, as registered
FBPREV III Plan	AT-2000 smoothed by 10%, gender specific	RRB – 83 (-50%)	Álvaro Vindas	PBI and FBPREV III Experience 2015-2020	-	100% in normal retirement according to plan elegibility	Real Family, as registered
Health Plan (1):							
PAM	According to Pension Plan (2)	According to Pension Plan (2)	According to Pension Plan (2)	According to Pension Plan (2)	-	100% in normal retirement according to plan eligibility	According to Pension Plan (2)
POD	AT-2000 Basic (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I Experience 2015-2020	-	100% in normal retirement according to plan eligibility	Real Family
PROMED	AT-2000 Basic (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I Experience 2015-2020	-	100% in normal retirement according to plan eligibility	Not Applicable
Retirement Award	AT-2000 (-30%) gender specific	n/a	Álvaro Vindas (-70%)	FBPREV Experience 2015-2020	-	60 years old and 10 years in Company	Not Applicable

(1) Health Plans with post-employment benefits in PAM - Medical and Hospital Assistance Plan, POD - Dental Plan and PROMED - Medication Aid Program.

(2) According to the Pension Plan to which the beneficiaries are registered.

The assumptions relating to mortality experience are set based on the actuarial experience, adjusted according to the demographic profile of Banrisul employees.

The current value of obligations for the defined benefit pension plan is obtained from actuarial calculations, which use a set of financial, economic and biometric assumptions. The discount rate is among the assumptions used in determining the net cost (income) for these plans. Any changes in these assumptions will affect the carrying value of the obligations of pension plans.

Banrisul determines the appropriate discount rate at the end of each year, in observance of CVM Resolution No. 110/2022 and CMN Resolution No. 4877/20, which is used to determine the present value of estimated future cash outflows that shall be required to settle the obligations of pension plans. The real discount rates were calculated considering the interpolation of the rates of the IMA-B index, released by ANBIMA, as of December 29, 2023.

Pursuant to CNPC Resolution No. 30/2018, combined with PREVIC Instruction No. 23/2023 and PREVIC Ordinance No. 363/2023, Fundação Banrisul de Seguridade Social carries out studies to establish the profile of the obligation maturities of the Benefit Plans I and determine the duration and other analyses of distribution of the payment of benefits.

Other important assumptions for pension obligations are based in part on current market conditions.

(b) Descriptions of the Plans and Other Long-Term Benefits

Benefit Plan I (PBI) - This plan, incorporated as a defined benefit plan, encompass post-retirement benefits, salary payment during any sickness period of the participant, prisoner's family grant, funeral allowance and annual bonus.

The plan participants' monthly contribution corresponds to the payment of percentages of their salary, The Benefit Plan was closed to new members as from July 2009.

Settled Defined Plan (PBS) - the benefits provided by this defined benefit plan include settled retirement benefit, settled disability benefit, death benefits, funeral assistance and annual bonus.

There will not be ordinary contributions to the settled benefit plan and, upon retirement, the participant will receive a benefit proportional to the period of contribution to the PBI plan.

Plan FBPREV - provides variable contribution benefits, such as regular retirement, early retirement, disability retirement, proportional benefits, sick pays, annual bonus, minimum benefit, life insurance with survival coverage benefit and funeral allowance.

The participant's regular contributions comprise three portions:
(i) Basic portion: 1% to 3% (0,5% intervals) of the monthly contribution pay base;
(ii) Additional portion: may vary from 1% to 7,5% (0,5% intervals) of the monthly contribution pay base in excess of 9 (nine) reference units; and
(iii) Variable portion: percentage applied to the monthly contribution pay basis, annually established by the actuary to cover 50% of the costs of risk benefits and 50% of the plan's administrative expenses.

In addition to regular contributions, a participant may opt to make monthly contributions not lower than 1 (one) reference unit and not matched by the sponsor.

Banrisul's contributions match the participants' regular contributions.

Plan FBPREV II - provides variable contribution benefits, such as regular retirement, early retirement, disability retirement, proportional benefits, sick pays, annual bonus, minimum benefit and, life insurance with survival coverage benefit and funeral allowance.

The participant's regular contributions comprise three portions:

(i) Basic portion: 3% to 5% of the monthly contribution pay base;
(ii) Additional portion: may vary from 5% to 10% (interval of 1%) of the monthly contribution pay base in excess of 9 (nine) reference units; and
(iii) Variable portion: percentage applied to the monthly contribution pay basis, annually established by the actuary to cover 50% of the costs of risk benefits and 50% of the plan's administrative expenses, calculated at 10% of the total of other contributions.

In addition to regular contributions, the participant may opt to make contributions not lower than 1 (one) reference unit not matched by the sponsor.

Banrisul's contributions match the participants' regular contributions.

Plan FBPREV III - provides variable contribution benefits, such as regular retirement, early retirement, disability retirement, proportional benefits, sick pays, annual bonus, minimum benefit and, life insurance with survival coverage benefit and funeral allowance.

The participant's regular contributions comprise three portions:

(i) Basic portion: 3%, 4% or 5% of the monthly contribution pay base;
(ii) Additional portion: may vary from 5% to 10% (interval of 1%) of the monthly contribution pay base in excess of 9 (nine) reference units; and
(iii) Variable portion: percentage applied to the monthly contribution pay basis, annually established by the actuary to cover 50% of the costs of risk benefits and the plan's administrative expenses.

In addition to regular contributions, the participant may opt to make contributions not lower than 1 (one) reference unit not matched by the sponsor.

Banrisul's contributions match the participants' regular contributions.

BPREV CD Plan (FBPREV CD) - the benefits provided by this plan, in the "defined contribution" modality, include benefits of: retirement, disability retirement, annual bonus (optional) and death pension.

The participant's normal contribution is made up of only one portion:

(i) Basic installment: may vary from 1% to 6% (0.50% intervals) applied to the contribution salary;

In addition to the basic contribution, the participant may make additional, monthly and optional contributions, not less than 1% applied on the participation salary, not accompanied by the sponsor.

Banrisul's contributions match the participants' regular contributions.

Health Plan (PAM, POD and PROMED) - Banrisul offers health plans through CABERGS, to its active employees and retirees by Banrisul Foundation.

Retirement Award (Post-employment Benefits) - Banrisul grants its employees a premium for retirement that is paid in full on the date the employee leaves the company for retirement.

(c) Main Actuarial Risks

Banco do Estado do Rio Grande do Sul and Fundação Banrisul de Seguridade Social together may carry out studies of asset-liability gaps in order to identify transactions in the financial, capital and insurance markets which could reduce or eliminate the actuarial risks of the Plans.

Through its defined benefit plans, the Bank is exposed to a number of risks, the most significant being:

Volatility of Assets - the plan's obligations are calculated using a discount rate that is established based on the profitability of corporate or government bonds, in the absence of an active market; If the event that the plan assets do not achieve such profitability, a deficit is created. The pension plans in Brazil and in the United States maintain a significant proportion of their assets invested in equity, whose yield is expected to exceed the yield of the corporate bonds in the long term, while resulting in volatility and risk in the short term.

Variation in Bond Yields - a decrease in the yield of private or government bonds will result in the increase of the liabilities of the plan, although this variation may be partially offset by an increase in the fair value of securities held by the plans.

Inflation Risk - certain obligations of the Banrisul's pension plans are linked to inflation indexes, and higher inflation will lead to higher level of obligations (though, in many cases, there are limits to the level of inflation adjustments allowed to protect the plan against extreme inflation rates). Most of the plan assets either are not affected (securities with fixed interest) or have a small correlation (equity) with inflation, which means that higher inflation will also result in higher deficits.

Life Expectancy - most of the obligations of the plans is to grant lifetime benefits to participants. Therefore, increases in life expectancy will result in increased obligations of the plans.

(d) Plan Asset Management

The Plan's asset allocations percentage are as follow:

Plans	PB I % Allocated		PBS % Allocated		FBPREV % Allocated		FBPREV II % Allocated		FBPREV III % Allocated		Health % Allocated	
Categories	**Dec23**	**Dec22**	**Dec23**	**Dec22**	**Dec23**	**Dec22**	**Dec23**	**Dec22**	**Dec23**	**Dec22**	**Dec23**	**Dec22**
Cash	0.01	0.03	-	-	0.01	0.01	0.01	-	-	-	0.03	0.12
Fixed Income	70.15	84.97	75.51	77.97	83.56	85.44	79.81	82.69	85.46	89.46	98.26	97.86
Equity	6.92	6.10	4.35	3.95	0.91	1.21	1.84	1.85	5.73	5.21	1.71	2.02
Real Estate	5.48	5.26	3.42	3.40	-	-	1.32	1.43	4.48	4.43	-	-
Other	17.44	3.64	16.72	14.68	15.52	13.34	17.02	14.03	4.33	0.90	-	-
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Defined benefit plan assets include Banrisul shares with a fair value of R$9,681 (12/31/2022 - R$7,322) and rented real state with a fair value of R$156,142 (12/31/2022 - R$143,786).

(e) Actuarial Reviews

The net actuarial liability/(asset) breakdown summary for the periods ended December 31, 2023 and December 31, 2022, prepared based on the actuarial report as of December 31, 2023 and December 31, 2022, respectively, and in accordance with CPC 33 (R1), is shown below:

Liabilities/(Assets) Recorded in the Balance Sheet with Benefits of:	12/31/2023	12/31/2022
Pension Plans		
Benefit Plan I (PBI)	376,813	353,432
Settled Plan (PBS)	203,355	122,931
FBPREV Plan (FBPREV)	(2)	(2)
FBPREV II Plan (FBPREV II)	(63)	(56)
FBPREV III Plan (FBPREV III)	34,245	29,361
Health Plan (PAM, POD and PROMED)	(110,969)	(188,799)
Retirement Award	162,215	151,386
Total	**665,594**	**468,253**

The breakdown of the net actuarial liabilities/(assets) prepared based on the actuarial reports as of December 31, 2023 and 2022, and according to CPC 33 (R1), is as follows:

Balance of net Liabilities/(Assets) as of 12/31/2023	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Actuarial Liabilities Assessed in the Actuarial Report	1,248,206	1,445,331	22,044	228,825	351,897	202,311	162,215
Fair Value of Plan Assets(1)	(871,393)	(1,241,976)	(34,021)	(267,653)	(317,652)	(313,280)	-
Deficit/(Surplus)	**376,813**	**203,355**	**(11,977)**	**(38,828)**	**34,245**	**(110,969)**	**162,215**
Effect of Asset Limit	-	-	11,975	38,765	-	-	-
Net Actuarial Liabilities/Assets	**376,813**	**203,355**	**(2)**	**(63)**	**34,245**	**(110,969)**	**162,215**

(1) In the second half of 2023, Cabergs - Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul, which manages health plans, promoted the segregation of balances from the Medical-Hospital Assistance Plan Fund (PAM) , for the Medical-Hospital Assistance Plan Reserve Fund (PAM), a fund that cannot be used without prior and formal authorization from Banrisul as an Instituting Sponsoring Associate.

Balance of net Liabilities/(Assets) as of 12/31/2022	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Actuarial Liabilities Assessed in the Actuarial Report	1,248,707	1,331,422	17,678	180,975	349,578	188,799	151,386
Fair Value of Plan Assets	(895,275)	(1,208,491)	(26,602)	(220,984)	(320,217)	(574,384)	-
Deficit/(Surplus)	**353,432**	**122,931**	**(8,924)**	**(40,009)**	**29,361**	**(385,585)**	**151,386**
Effect of Asset Limit	-	-	8,922	39,953	-	196,786	-
Net Actuarial Liabilities (Assets)	**353,432**	**122,931**	**(2)**	**(56)**	**29,361**	**(188,799)**	**151,386**

Result for the Year of 2023	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Net Cost of Current Services	26	-	(2,030)	(304)	(9)	2,085	5,944
Cost of Interest on Actuarial Liabilities	130,439	142,782	1,876	19,552	35,937	20,872	14,205
Expected Return on Plan Assets	(89,961)	(124,868)	(3,282)	(23,783)	(32,339)	(63,174)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	1,090	4,153	-	20,091	-
Total Expense (Income) Recognized in Result for the Year	**40,504**	**17,914**	**(2,346)**	**(382)**	**3,589**	**(20,126)**	**20,149**

Result for the Year of 2022	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Net Cost of Current Services	52	-	476	(224)	(10)	692	5,571
Cost of Interest on Actuarial Liabilities	153,101	154,615	1,665	19,548	39,376	21,142	13,868
Expected Return on Plan Assets	(101,370)	(126,405)	(2,284)	(23,315)	(33,534)	(60,062)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	569	3,696	-	16,665	-
Total Expense (Income) Recognized in Result for the Year	**51,783**	**28,210**	**426**	**(295)**	**5,832**	**(21,563)**	**19,439**

Other Comprehensive Income in 2023	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
(Gains)/Loss on Plan Assets	2,838	(16,497)	(3,679)	(40,492)	70	324,278	-
(Gains)/Loss on Actuarial Liabilities	9,597	82,553	5,299	46,759	2,987	2,758	16,795
(Gains)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	1,963	(5,341)	-	(216,877)	-
(Gains)/Loss Recognized in Other Comprehensive Income	**12,435**	**66,056**	**3,583**	**926**	**3,057**	**110,159**	**16,795**

Other Comprehensive Income in 2022	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
(Gains)/Loss on Plan Assets	123,813	23,529	(363)	3,802	4,603	16,620	-
(Gains)/Loss on Actuarial Liabilities	(250,542)	(183,688)	(1,826)	(6,586)	(33,696)	(20,619)	(9,948)
(Gains)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	4,152	3,754	-	47,323	-
(Gains)/Loss Recognized in Other Comprehensive Income	**(126,729)**	**(160,159)**	**1,963**	**970**	**(29,093)**	**43,324**	**(9,948)**

Net Actuarial Liabilities/(Assets) of the Plan as of 12/31/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Actuarial Liabilities/(Assets) at the End of the Previous Period	**353,432**	**122,931**	**(2)**	**(56)**	**29,361**	**(188,799)**	**151,386**
Expense/(Revenue) Recognized in the Income for the Year	40,504	17,914	(2,346)	(382)	3,589	(20,126)	20,149
(Gains)/Loss Recognized in Comprehensive Income	12,435	66,056	3,583	926	3,057	110,159	16,795
Employer Contribution	(29,558)	(3,546)	(1,237)	(551)	(1,762)	(12,203)	-
Benefits Paid Directly by the Company	-	-	-	-	-	-	(26,115)
Present Value of Actuarial Liabilities at end of Period (Restated)	**376,813**	**203,355**	**(2)**	**(63)**	**34,245**	**(110,969)**	**162,215**

Changes in Present Value of Actuarial Liabilities as of 12/31/2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Actuarial Liabilities/(Assets) at the End of the Previous Period	**455,009**	**258,236**	**-**	**(71)**	**53,159**	**(199,072)**	**146,687**
Expense/(Revenue) Recognized in the Income for the Year	51,783	28,210	426	(295)	5,832	(21,563)	19,439
(Gains)/Loss Recognized in Comprehensive Income	(126,729)	(160,159)	1,963	970	(29,093)	43,324	(9,948)
Employer Contribution	(26,631)	(3,356)	(2,391)	(660)	(537)	(11,488)	-
Benefits Paid Directly by the Company	-	-	-	-	-	-	(4,792)
Present Value of Actuarial Liabilities at end of Period (Restated)	**353,432**	**122,931**	**(2)**	**(56)**	**29,361**	**(188,799)**	**151,386**

Changes in the Fair Value of Plan Assets as of 12/31/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Fair Value of the Plan Assets as of January 1st	**(895,275)**	**(1,208,491)**	**(26,602)**	**(220,984)**	**(320,217)**	**(574,384)**	**-**
Benefits Paid from Plan Assets in the Period	199,009	114,982	2,070	18,715	38,289	-	-
Contributions from Plan Participants in the Period	(58,446)	(3,556)	(1,291)	(558)	(1,693)	-	-
Contributions from the Sponsor in the Period	(29,558)	(3,546)	(1,237)	(551)	(1,762)	-	-
Expected Return on Assets	(89,961)	(124,868)	(3,282)	(23,783)	(32,339)	(63,174)	-
(Gain)/Loss on Fair Value of the Plan Assets	2,838	(16,497)	(3,679)	(40,492)	70	324,278	-
Fair Value of the Plan Assets at end of Period	**(871,393)**	**(1,241,976)**	**(34,021)**	**(267,653)**	**(317,652)**	**(313,280)**	**-**

Changes in the Fair Value of Plan Assets as of 12/31/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Fair Value of the Plan Assets as of January 1st	**(1,031,504)**	**(1,206,243)**	**(20,121)**	**(215,382)**	**(328,299)**	**(530,942)**	**-**
Benefits Paid from Plan Assets in the Period	189,980	107,362	1,046	15,242	38,167	-	
Contributions from Plan Participants in the Period	(49,563)	(3,378)	(2,489)	(671)	(617)	-	-
Contributions from the Sponsor in the Period	(26,631)	(3,356)	(2,391)	(660)	(537)	-	-
Expected Return on Assets	(101,370)	(126,405)	(2,284)	(23,315)	(33,534)	(60,062)	-
(Gain)/Loss on Fair Value of the Plan Assets	123,813	23,529	(363)	3,802	4,603	16,620	-
Fair Value of the Plan Assets at end of Period	**(895,275)**	**(1,208,491)**	**(26,602)**	**(220,984)**	**(320,217)**	**(574,384)**	**-**

Movement in the Present Value of Bonds in 12/31/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Present Value of Bonds as of January 1st	**1,248,707**	**1,331,422**	**17,678**	**180,975**	**349,578**	**188,799**	**151,386**
Net Current Service Cost	26	-	(2,030)	(304)	(9)	2,085	5,944
Participant Contributions Made in the Period	58,446	3,556	1,291	558	1,693	-	-
Interest on Actuarial Obligation	130,439	142,782	1,876	19,552	35,937	20,872	14,205
Benefits Paid During the Period	(199,009)	(114,982)	(2,070)	(18,715)	(38,289)	(12,203)	(26,115)
(Gains)/Losses on Actuarial Obligations	9,597	82,553	5,299	46,759	2,987	2,758	16,795
Present Value of Obligations at the End of the Period	**1,248,206**	**1,445,331**	**22,044**	**228,825**	**351,897**	**202,311**	**162,215**

Movement in the Present Value of Bonds in 12/31/2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Present Value of Bonds as of January 1st	**1,486,513**	**1,464,479**	**15,920**	**182,808**	**381,458**	**199,072**	**146,687**
Net Current Service Cost	52	-	476	(224)	(10)	692	5,571
Participant Contributions Made in the Period	49,563	3,378	2,489	671	617	-	-
Interest on Actuarial Obligation	153,101	154,615	1,665	19,548	39,376	21,142	13,868
Benefits Paid During the Period	(189,980)	(107,362)	(1,046)	(15,242)	(38,167)	(11,488)	(4,792)
(Gains)/Losses on Actuarial Obligations	(250,542)	(183,688)	(1,826)	(6,586)	(33,696)	(20,619)	(9,948)
Present Value of Obligations at the End of the Period	**1,248,707**	**1,331,422**	**17,678**	**180,975**	**349,578**	**188,799**	**151,386**

Result of the Year Projected for the Next Period	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Cost of Current Services	45	-	850	(69)	(30)	966	7,122
Cost of Interest on Actuarial Liabilities	112,045	131,654	2,000	20,861	31,637	9,045	13,401
Expected Return on Plan Assets	(78,648)	(112,748)	(3,173)	(24,588)	(28,521)	(14,956)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	1,133	3,679	-	-	-
Estimated Actuarial Expense (Income)	**33,442**	**18,906**	**810**	**(117)**	**3,086**	**(4,945)**	**20,523**

Estimated Cash Flow for the Next Period	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Contributions Paid by the Sponsor	47,654	8,000	436	454	2,592	13,165	-
Contributions Paid by Plan Participants	81,848	8,000	436	454	2,592	-	-
Benefits Paid on Plan Assets	209,286	123,618	1,848	18,435	38,164	13,165	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	42,032

The estimated benefit payments for the next 10 years are as follows:

Maturity Profile of the Present Value of the Liability	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
2024	209,286	123,618	1,848	18,435	38,164	13,165	42,032
2025	196,862	120,491	1,514	17,739	35,657	12,768	12,800
2026	191,506	119,375	1,525	17,476	34,646	13,082	11,585
2027	185,951	117,947	1,543	17,148	33,592	13,339	10,652
2028	180,166	116,136	1,595	16,852	32,497	13,545	9,582
2029 to 2033	804,922	549,791	8,434	80,302	145,083	69,037	32,010

The weighted average duration of the present value of the liabilities is as follows:

						Health Plan			
Duration (in years)	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	PAM	POD	PROMED	Retirement Award
12/31/2023	8.14	10.13	9.09	10.57	8.78	According to Pension Plan (1)	9.95	12.55	8.49
12/31/2022	8.10	10.04	9.36	10.18	8.48	According to Pension Plan (1)	10.07	12.40	6.93

(1) According to the Pension Plan to which the beneficiaries are registered.

Other information concerning the plans:

Number of Participants as of 12/31/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan PAM	Health Plan POD	Health Plan PROMED	Retirement Award
Active	114	318	4,897	2,526	102	1,437	312	7,186	9,138
Assisted	2,884	2,559	106	2,237	1,469	7,366	-	-	-
Inactives	-	-	-	-	-	-	3,082	6,556	-
Total	**2,998**	**2,877**	**5,003**	**4,763**	**1,571**	**8,803**	**3,394**	**13,742**	**9,138**

Number of Participants as of 12/31/2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan PAM	Health Plan POD	Health Plan PROMED	Retirement Award
Active	125	449	5,051	2,979	131	1,952	395	7,875	8,683
Assisted	2,921	2,460	81	1,864	1,471	6,981	-	-	-
Inactives	-	-	-	-	-	-	3,039	6,253	-
Total	**3,046**	**2,909**	**5,132**	**4,843**	**1,602**	**8,933**	**3,434**	**14,128**	**8,683**

(f) Sensitivity Analysis

The assumptions adopted for the actuarial valuation of the defined benefit plan have a significant effect on the amounts reported, The following tables show the impact on the calculation of benefits considering changes in the assumptions considered in the last actuarial revaluation performed for each post-employment benefit.

Benefit Plan I (PBI)		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(47,188)
Discount Rate	Decrease of 0.5 p.p.	43,540
Mortality Table	Increase of 10%	(37,944)
Mortality Table	Decrease of 10%	42,258

Settled Plan (PBS)		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(68,605)
Discount Rate	Decrease of 0.5 p.p.	74,746
Mortality Table	Increase of 10%	(42,442)
Mortality Table	Decrease of 10%	47,940

FBPREV Plan (FBPREV)		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(938)
Discount Rate	Decrease of 0.5 p.p.	1,011
Mortality Table	Increase of 10%	(1,289)
Mortality Table	Decrease of 10%	1,294

FBPREV II Plan (FBPREV II)		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(11,106)
Discount Rate	Decrease of 0.5 p.p.	12,004
Mortality Table	Increase of 10%	(4,047)
Mortality Table	Decrease of 10%	4,474

FBPREV III Plan (FBPREV III)		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(14,112)
Discount Rate	Decrease of 0.5 p.p.	15,256
Mortality Table	Increase of 10%	(10,770)
Mortality Table	Decrease of 10%	12,001

Health Plan		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(10,766)
Discount Rate	Decrease of 0.5 p.p.	11,909
Mortality Table	Increase of 10%	(5,775)
Mortality Table	Decrease of 10%	6,527

Retirement Award		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(6,249)
Discount Rate	Decrease of 0.5 p.p.	6,814
Mortality Table	Increase of 10%	(433)
Mortality Table	Decrease of 10%	434

NOTE 28 - CORPORATE RISKS AND CAPITAL MANAGEMENT

The joint management of Capital and credit, market, Interest Risk Rate in The Banking Book (IRRBB, the variation of interest rates for instruments classified in the banking portfolio), liquidity, operational, social, environmental and climate risks is an essential and strategic tool for a financial institution. The constant improvement on processes of **i)** monitoring, control, evaluation, goal planning and capital requirements; and **ii)** identification, measurement, evaluation, monitoring, control and mitigation of risks contribute to good governance practices aligned to the strategic objectives of the Institution.

Controlling corporate risk and capital management rely on all layers involved on Banrisul's administration and others companies of its Prudential Conglomerate. The integrated risk management structure for managing risks related to Banrisul Group is led by the Corporate Risk Management Department, responsible for capital management and credit, market, IRRBB, liquidity, operational, social, environmental and climate risks, with the support of the Risk Executive Board.

The information produced by that Department subsidizes the Risk Committee (as well as others Management Committees), the Board of Directors and the Executive Board in the decision-making process. The Control and Risk Executive Board is responsible for the Corporate Risk Management Department and the Board of Directors is responsible for information disclosed in regards to risk management. It is worth highlighting, at this point, that as of January 1, 2024, in accordance with CMN Resolution No. 5,089/23, the scope of integrated risk management also includes country risk and transfer risk.

Banrisul seeks to align its management activities to the recommendations from the Basel Committee, adopting the best market practices to maximize profitability and to ensure the best possible combination of asset applications and required capital use.

Credit Risk

Credit risk is definied as the the possibility of incurring losses related to the nonperformance of a loan or obligation by the counterparty under the agreed terms, the devaluation, the reduction of remuneration and earnings expected for a financial instrument arising from the deterioration of the credit quality of the counterparty, the intervening party or the mitigating instrument; restructuring of financial instruments; or recovery costs of troublesome assets.

The credit risk assessment structure is based on the statistical methodologies of Application and Behavior Score and/or the principle of joint technical decision. Banrisul defines different credit limits corresponding to the decision levels, from the widespread branch network (with different categories) to the credit and risk committees at the Head Office and the Board of Directors. This process aims at expediting the concession of credit limits based on technically predefined customers, which establish Banrisul's risk exposure for each customer, in conformity with the risk/return ratio.

Risk assessments are increased through the continuous and growing use of statistical models to assess customers' risks, the improvements in customers' segmentation, the standardization of credit and the business policies along with the optimization of the controls strengthen Banrisul's credit risk management, allowing the continuity of loan credit expansion in a sustainable way, with agility and safety.

(a) Management Processes

In the process of identifying, measuring and evaluating credit risk, Banrisul adopts statistical methodologies and/or the principle of collegial technical decision-making. The granting of credit based on scoring models provides the opportunity for the establishment of pre-approved credits in accordance with the risk classifications provided for in the statistical models. The granting of credit based on the collegiate decision occurs according to authority policies: Agency Credit Committees can approve/reject credit operations up to the limits of their authority. For clients at higher levels, operations and Risk Limits - LR are approved by the credit and risk committees of the General Directorate. The Board of Directors approves specific operations and LRs for operations in amounts that do not exceed 3% of net equity, and operations exceeding this limit are submitted for consideration by the Board of Directors - CA, complying with the limits established in the Risk Appetite Declaration.

In the monitoring and reporting stage, adherence analyzes of credit scoring models are carried out using statistical validation techniques in order to verify whether the models continue to correctly attribute the probability of each customer defaulting, based on registration characteristics and payment habits. payment. Furthermore, the amount of exposure to credit risk is monitored, with segmentations defined by the Central Bank and the Institution itself, as well as the impacts of adopted legislation and/or policies. Provision Backtesting procedures are also carried out by monitoring the harvest, evaluating whether the provision on the base date was sufficient to cover outstanding issues and possible write-offs. Finally, Stress Tests are carried out on the Credit Portfolio, with the aim of estimating the required capital and the impact on Capital Ratios.

Monitoring, through credit portfolio management tools, is directly related to the control and mitigation of credit risk, as behaviors subject to intervention are verified from it. Credit risk control basically includes the following procedures:

Credit risk exposure is managed through regular analysis of borrowers, both actual and potential, regarding principal and interest payments and changes in the cadastral situation and its limits, when appropriate;

In the case of a counterparty, the exposure to any borrower, including financial agents, is additionally restricted by sublimit that covers adventitious exposures, whether recorded or not, in the financial statements; and

The levels of risk that the Institution assumes are structured based on the definition of limits on the extent of acceptable risk in relation to a specific debtor, groups of debtors, industry segments, among others. Concentrations are periodically monitored and subject to review. When necessary, limits on the level of credit risk are approved by the Executive Board and the Board of Directors.

Market Risk and Interest Rate Risk in the Banking Portfolio

Banrisul is exposed to market risks arising from the possibility of loss due to the fluctuation in the market values of instruments held by the institution, This definition include the risk of changes in interest rates and stock prices for instruments classified in the trading portfolio and the risk of exchange variation and commodity prices for instruments classified in the trading or banking portfolio.

Banrisul is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from the operation of foreign funding described in Note 16. To manage its foreign exchange risk, Banrisul uses derivative contracts as an instrument of protection (hedge market risk), as described in Note 03 (e).

The management of market risk in Banrisul is held by the Corporate Risk Unit, responsible for executing and annually updating risk policies, managing strategies of Banrisul's market risk, establishing operational limits to identify, monitor, assess and manage exposure to risks of trading and non-trading portfolios.

The management of market risk in Banrisul is segregated among operations classified in the trading portfolio; in others words, operations in financial instruments, including derivatives held for trading or intended for the hedging of other elements in the trading portfolio, and which are not subject to the limitation of their negotiability, and operations classified under non-tradeable portfolio or banking portfolio, that includes all operations of the institution not classified in the trading portfolio, as the loan portfolio, portfolio of securities held to maturity, time deposits, savings deposits and other transactions held up to maturity.

In measuring the market risk of the trading portfolio, the Value at Risk (VaR) methodology is used for calculating the exposure of operations with a risk factor for pre-determined interest rates, VaR is a measure of the maximum expected loss in monetary value under normal market conditions in a given time horizon of ten days, with a probability level of 99%, used to measure the exposures subject to market risk, For the calculation of exposure in other indexes, the Maturity Ladder approach is used.

The calculation of the risk of Banking Portfolio operations is carried out using a standardized model of the Central Bank of Brazil through the Economic Value Approach methodologies, which consists of evaluating the impacts of changes in interest rates on the present value of cash flows from instruments classified in the Bank's banking book - Economic Value of Equity (EVE), by the Financial Intermediation Result Approach, which consists of evaluating the impacts of changes in interest rates on the financial intermediation result in its banking book - Net Interest Income (NII) and also for Embedded Gains and Losses, which is the difference between the economic value of asset and liability positions and exposures not recorded in the balance sheet (off-balance sheet) subject to IRRBB and the respective book value.

The Institution also conducts quarterly sensitivity analysis for the trading portfolio based on specific scenarios for each risk factor. The goal is to measure the impact of market fluctuations on the portfolio of the institution and its ability to recover from a potential worsening of crisis.

Sensitivity Analysis of Trading Portfolio - to enhance risk management and comply with Corporate Governance practices, Banrisul conducted a sensitivity analysis of its trading portfolios, without considering derivatives, Stress tests are carried out for upward or downward variations on the following scenarios: 1% (Scenario 1), 25% (Scenario 2) and 50% (Scenario 3),

Trading Portfolio - to set the scenarios that compose the table of sensitivity analysis, Banrisul considered the situations as follows:

Scenario 1: Probable situation, Assumptions: a deterioration of 1% in market risk variables, taking into account prevailing conditions on December 31, 2023.
Scenario 2: Possible situation, Assumptions: a deterioration of 25% in market risk variables, taking into account prevailing conditions on December 31, 2023.
Scenario 3: Remote situation, Assumptions: a deterioration of 50% in market risk variables, taking into account prevailing conditions on December 31, 2023.

The following table shows the highest expected loss considering scenarios 1, 2 and 3.

For Foreign Exchange Risk, the rate of R$4.8413/USD1.00 as of December 31, 2023. (PTAX - Central Bank of Brazil) was used.

Sensitivity analysis identified below do not consider the responsiveness of the risk and treasury areas because, once loss is observed on these positions, risk mitigating measures may be taken which could mitigate the possibility of significant losses.

Sensitivity Analysis: Trading Portfolio

Scenarios		Risk Factors			Total
		Interest Rate	Exchange Rate	Equity	
1	1%	5,367	46	86	**5,499**
2	25%	4,326	1,156	2,154	**7,636**
3	50%	3,085	2,313	4,309	**9,707**

Definitions:

Interest Rate - exposures subject to variations in interest rates, fixed-coupon interest rates and inflation indexes.

Exchange Rate - exposures subject to currency fluctuations.
Equity - exposures subject to the variation of stock prices.

Analyzing the results, can be identified in the "Interest Rate – Prefixed" Risk Factor the largest loss, which represents approximately 97.59% of the expected loss in each scenario. Scenario 3 corresponds to 42.5% of the total expected loss. Scenario 2 and Scenario 1, respectively, represent approximately 33.43% and 24.07% of the total loss. Considering absolut values, the greatest expected loss observed in these Sensitivity Analysis Scenario occurs in Scenario 3, in the total amount of R$9,707.

Sensitivity Analysis of Derivative Financial Instruments - Banrisul also conducted a sensitivity analysis of its derivatives positions in swap modality (trading portfolio) and the protected international funding transactions in foreign market carried out for USD 300 million (300 million U.S. Dollars) recorded in the Banking Portfolio (Note 16), upon which stress tests were conducted for upward and downward variations in Scenarios I, II and III.

Stress tests were carried out on the value of foreign currency U.S. Dollar considering the rate of R$4.8419 on December 31, 2023 (1:00 pm, SPOT price - Central Bank of Brazil).

The sensitivity analyses shown below were established using premises and assumptions regarding future events.

Scenario I is the most likely and considers the rise and fall of 1% of the market reference curve for dollar coupons (B3 S.A. - Brasil, Bolsa, Balcão), used to price these financial instruments. Scenarios II and III are defined to include variations of +25% and +50% and the drop scenarios variations of -25% and -50%, considering the conditions existing on 12/31/2023.

The table below shows the probability of impact on the cash flow in the three scenarios of derivatives exposures in swap modality (or trading portfolio) and in the instrument being hedged (banking portfolio or held to maturity), that make up the market risk hedge accounting structure, on 12/31/2023.

Trading and Banking Portfolio

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Increase in U.S. Dollar Coupon	(1,544)	(37,620)	(73,292)
		Line Item Being Hedged			
Debt 1	Banking	Increase in U.S. Dollar Coupon	1,544	37.620	73.292
	Net Effect		-	-	-

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Decrease in U.S. Dollar Coupon	1,548	39,736	81,772
		Line Item Being Hedged			
Debt 1	Banking	Decrease in U.S. Dollar Coupon	(1,548)	(39,736)	(81,772)
	Net Effect		-	-	-

U.S. Dollar coupon: all the products with price variations tied to changes in the U.S. Dollar and interest rates in U.S. Dollars.

As for derivative instruments in the form of DI future contracts, the sensitivity analysis also applied shocks to scenarios I, II and III. Scenario I is the most likely and considers a 1% increase in the market reference curve for the future DI rate (B3 S.A. - Brasil, Bolsa, Balcão). Scenarios II and III are defined to include variations of +25% and +50% and the drop scenarios variations of -25% and -50%, considering the conditions existing on 12/31/2023.

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
FUT DI1	*Trading*	Increase in DI Future Index	(2,979)	(72,537)	(141,227)
FUT DI1	*Trading*	Decrease in DI Future Index	2,986	76,704	157,944

Additionally, the results do not necessarily translate into accounting results, because the analysis has the sole objective of disclosing the risk exposure and the respective protective actions considering the fair value of financial instruments, decoupled from any accounting practices adopted by the institution.

Banrisul considers that the risk of having a debt in CDI by way of swaps would be the rise in the CDI rate and this would be offset by the increase in revenues from its investments linked to the CDI rate.

Liquidity Risk

The definition of Liquidity Risk is the possibility of incurring losses due to the lack of sufficient liquid funds to meet payment obligations in a defined timeframe, and also of being unable to negotiate at market prices certain positions due to their high amounts in relation to the volume usually transacted or by reason of any interruption of the market itself.

Banrisul establishes operating limits for liquidity risk consistents with the its business strategies for financial instruments and other exposures whose achievement of parameters stablished are regularly reviewed by committees and submitted to the Board in order to ensure its effectively operability by managers.

The Corporate Risks Management Unit is in charge of Banrisul’s Consolidated Liquidity Risk Management, being responsible for executing and updating annually the policy and strategies for managing liquidity risk of Banrisul.

Liquidity management is centralized at the Treasury Department and is responsible to maintain a satisfactory level of cash to meet the financial needs in the short-, medium- and long-term, both in normal scenario and in a crisis scenario, taking the necessary corrective action, when necessary.

The liquidity risk measurement and control activities are carried out through the calculation of several indicators, in different time horizons, both in historical scenarios and in projected scenarios, comparing the results with the limits present in the institution's internal policies and with the limits established in the Risk Appetite Statement. The processes and techniques used in the measurement are periodically evaluated and revised, so that their relevance and adherence are always aligned with the adequate reporting of the risk inherent to the financial instruments involved. The liquidity risk management processes are in line with the guidelines of the Institutional Liquidity Risk Management Policy and with the institution's Risk Appetite Statement, whose documents are reviewed annually or less frequently, if necessary.

Pursuant to its Liquidity Contingency, Banrisul aims to identify beforehand and minimize potential crises and their effects on business continuity, the parameters used for the identification of crisis events consist of a range of responsibilities and procedures to be followed to ensure the stability of the required level of liquidity.

Periodically, reports are sent to Committees, Commissions, Executive Board and Board of Directors, containing information for management of liquidity risk, once a year or more frequently when needed, the Liquidity Risk Management Policy is presented to the Board of Directors, containing the guidelines for risk management, which includes budget, financial planning, appetite for risks and optimization of available resources.

Operational Risk

Operational Risk is defined by the possibility of losses resulting from external events or failure, deficiency or inadequacy of internal processes, individuals or systems.

The methodology of Operational Risk management requires the conduction of analysis for the identification, measurement, assessment, monitoring, reporting, controlling and reduction of operational risks to which Banrisul is exposed, as shown at the table:

Operational Risk Management Phase	Activity
Risk Identification	The identification of operational risks aims to indicate the areas of incidence, causes and potential financial impacts of the risks associated with the processes, products and services to which the Subsidiaries of the Banrisul Group are exposed.
Risk Measurement and Assessment	The assessment consists of quantifying the risk, leading to the consequent measurement of its level of criticality in accordance with previously established parameters, with the objective of estimating the impact of its eventual occurrence on the Institution's business.
Monitoring	The objective of monitoring is to monitor exposure to identified operational risks, anticipating critical situations, so that weaknesses detected are brought to the attention of decision-making bodies in a timely manner.
Control	Control consists of recording the behavior of operational risks, limits, indicators and operational loss events, as well as implementing mechanisms to ensure that operational risk limits and indicators remain within the desired levels.
Mitigation	Mitigation consists of creating and implementing mechanisms to modify the risk, seeking to reduce operating losses by eliminating the cause, changing the probability of occurrence or mitigating the consequences. At this stage, the manager is asked to determine the response to the risk, considering all impacts.
Report	It consists of preparing texts and reports related to operational risk management, as defined in the Communication Plan of the Corporate Risk Management Unit.

Through key risk indicators and the Operational Loss Database - BDPO, it is possible to monitor the evolution of losses and exposure to risk and propose improvement actions.

Additionally, through Business Continuity Management (BCM), we seek to encourage a culture of preparedness within the institution to avoid or mitigate the risks materialized by a crisis scenario, by an interruption in its critical and essential business processes or by prolonged unavailability, establishing roles and responsibilities, as well as assisting those responsible on the first line. It aims to ensure business continuity and mitigate operational risks, providing an adequate level of coverage and assisting in strategic decisions.

The results of the analysis and the records of the BDPO are reported to the deliberative committees, according to the governance structure defined in corporate risk policies, including the Board of Executive Officers, to the Risk Committee and the Board of Directors.

Social, Environmental and Climate Risk

Social risk is defined as the possibility of losses for the institution caused by events associated with the violation of fundamental rights and guarantees or acts harmful to the common interest.

Environmental risk is defined as the possibility of losses for the institution caused by events associated with environmental degradation, including the excessive use of natural resources.

Climate risk is defined, in its transition risk and physical risk components, as:

I - climate transition risk: possibility of losses for the institution caused by events associated with the transition process to a low carbon economy, in which the emission of greenhouse gases is reduced or offset and the natural mechanisms for capturing these gases are preserved; and

II - physical climate risk: possibility of losses for the institution caused by events associated with frequent and severe weather or long-term environmental changes, which may be related to changes in weather patterns.

The management of social, environmental and climate risk encompasses the Bank's own products, services, activities and processes and activities performed by its counterparties, controlled entities and relevant third-party suppliers and service providers.

The results of the analyzes are reported to the deliberative committees, following the governance structure defined in the corporate risk policies, including the Executive Board, the Risk Committee and the Board of Directors.

Capital Management

Capital management is a continuous process of monitoring, controlling, evaluating and planning goals and the need for capital, considering the risks to which the institution is subject, as well as its strategic objectives.

The adoption of best market practices and the maximization of investor profitability is carried out based on the best possible combination of investments in assets and the use of regulatory capital. The systematic improvement of risk policies, systems of internal controls and safety standards, integrated with the strategic and marketing objectives of the Institution are continuous processes in this scope.

Banrisul's capital management structure is the responsibility of the Board of Directors, which must review it annually and direct the alignment of the corporate strategy with the institution's risk appetite. The purpose of this management structure is to ensure that the risks to which the institution is subject are understood, managed and communicated, when necessary, so that the institution's capital is managed in the best possible way.

The risks relevant to Banrisul are divided between the risks subject to the capital requirement calculations, or pillar 1 risks, and the other risks considered relevant.

Pillar 1 Risks are those whose determination needs are determined by the Central Bank in order to strengthen the institutions' capital structure. These risks are credit risk, market risk and operational risk. The minimum capital requirement for these risks seeks to provide financial institutions with strength, Banrisul adopts the Standardized model for calculating the installments that make up the total Risk-Weighted Assets - RWA, which provides for the calculation methodology for regulatory capital requirements for Credit, Market and Operational risks, defined by the national regulatory agency.

Each of the aforementioned risks is calculated and managed in accordance with its respective Structure and its consolidation is part of the Capital Management Structure. The RWA is the basis for determining the minimum limits for Principal Capital - CP, Tier 1 Capital - CN1 and Reference Equity - PR, which have their percentages defined in a schedule published by Central Bank.

In addition to the risks that are determined in Pillar 1, CMN Resolution No, 4,557/17 determines that the management structure must identify, measure, evaluate, monitor, report, control and mitigate liquidity, IRRBB, social, environmental and climate risks and other relevant risks considered by the Institution.

The Leverage Ratio - RA is another indicator required by the regulator, as it aims to guide the leverage of the banking sector, improving the ability of financial institutions to absorb shocks from the financial system itself or from other sectors of the economy, resulting in an environment of stability financial. This indicator is the result of the division of Level I of the PR by the Total Exposure, calculated according to the current regulation.

CMN Resolution No. 4,615/17 determines that institutions in Segment S1 and Segment S2 must permanently comply with a minimum requirement of 3% for the Leverage Ratio. In this case, the higher the index, the better the institution's conditions in terms of leverage. The Leverage Ratio calculated for Banrisul as of December 31, 2023 was 5.82%.

Banrisul assesses and monitors its sufficiency and need for capital in order to keep its volume of capital compatible with the risks incurred by the Prudential Conglomerate, In this sense, on the amount calculated for the total RWA, the Minimum Required Capitals are calculated, and compared with the CP, CN1 and PR values, projected and realized, also considering the additional capital, calculated for the same period, Comparing the required capital ratios with those calculated for Banrisul, the margins are calculated for the three capital levels, and also in relation to the IRRBB and the Additional Principal Capital, After this calculation, the capital adequacy assessment is carried out for each level:

a) Margin on the Required Reference Equity;
b) Margin on Required Level I Reference Equity;
c) Margin on Required Principal Capital;
d) Margin on PR considering IRRBB and ACP; and
e) Margin on Principal Capital after Pillar I considering ACP
f) Margin after Pillar 2.

If the assessment of the capital requirement calculated by the financial institution points to a value above the minimum requirements for PR, Level I and Principal Capital, as dealt with in CMN Resolution No 4,958/2021, the institution must maintain capital compatible with the results of its internal evaluations.

The capital requirements imposed by the current regulations aim to maintain the soundness of financial institutions and the national financial system. Banrisul seeks to organize the elements required by regulation in a way that seeks to optimize its management. Among the components of the Institution's Capital Management, the following can be highlighted.

The Institutional Capital Management Structure and Policy are the organizing pillars of capital management. The structure determines its main components and its general responsibilities and the policy organizes and delimits the responsibilities of each of the parties involved. Respecting the existing regulations, both the structure and the policy are reviewed annually, and a summary of the first is published on Banrisul's Investor Relations website.

The Risk Appetite Statement (RAS), introduced by CMN Resolution No. 4,557/17, defines the levels of risk appetite for Banrisul and the Prudential Conglomerate. The institution's risk appetite is the maximum level of risk that it is willing to accept, within its productive capacity, to achieve the strategic objectives present in its business plan. The Institution's risk-taking capacity is based on the levels of its available resources, such as capital, liquidity, assets and liabilities, information systems and the management capacity of its administrators. The main function of RAS is based on supporting the formulation of business and risk management objectives and strategies and on the identification and strategic direction regarding the risks acceptable to the Institution in relation to the objectives defined for its Capital.

The Simplified Internal Capital Adequacy Assessment Process - $ICAAP_{SIMP}$ was also introduced by CMN Resolution No. 4,557/17, for institutions in the S2 segment. This process comprises the identification, management and measurement of risks, including the measurement of the capital need to face losses in a severe crisis scenario. For this purpose, projections are made for a three-year horizon, considering the definitions provided in the corporate strategy, as well as in the Institution's Risk Appetite Statement. The $ICAAP_{SIMP}$ process, in addition to considering the Capital Plan and all the elements evaluated therein (as described below) also considers the results of the stress test program.

The Capital Plan, prepared in accordance with CMN Resolution No. 4,557/17, covers the companies of the Prudential Conglomerate and considers the possible impacts of the Banrisul Group companies that are controlled by members of the conglomerate. The Plan is designed for a three-year horizon, foresees goals and projections and describes the main sources of capital, in addition to being aligned with the Institution's strategic planning. The Capital Plan is based on the strategies defined by the Board of Directors, considering the economic and business environment, the values of assets and liabilities, off-balance sheet operations, revenues and expenses, growth and market share goals and, especially the RAS definitions.

The Stress Testing Program - PTE, defined based on CMN Resolution No. 4,557/17, is a coordinated set of processes and routines, with its own methodologies, documentation and governance, and its main objective is to identify potential vulnerabilities of the institution. The stress test itself is an exercise in assessing the potential impacts of adverse events and circumstances on the institution or on a specific portfolio. Stress tests provide an indication of the appropriate level of capital needed to withstand deteriorating economic conditions. Within the scope of the Capital Management Structure, it is a tool that complements other risk management approaches and measures, providing inputs, at least, for Strategic Planning, RAS, $ICAAP_{SIMP}$ and the Capital Plan.

The monitoring and reporting of Capital requirements are carried out through Management Reports that contain both quantitative and qualitative references, for a given period, allowing for evaluation and the performance of actions for correction when detecting deviations. These reports are prepared to report the elements of Capital Management and include information regarding risk management, the calculation of the amount of RWA and PR, the adequacy analysis and the monitoring of the Capital Plan and RAS projections. Monitoring also includes the minimum limits required by the regulator, the minimum limits defined for Banrisul and also the limits for the maintenance of instruments eligible for capital.

Other timely reports may be necessary or demanded by the members of the capital structure, which may deal with any deficiencies identified in the management structure itself, or in its components, and actions to correct them; the adequacy of the PR, Level I and Principal Capital levels to the risks incurred by the Institution and; other pertinent matters. All reports are sent to the governance bodies defined in the Institutional Capital Management Structure for consideration.

Considering the reported period, Banrisul met all the capital requirements provided for in the current regulations.

Basel Ratio

As set forth by the CMN Resolution No. 4,950/21, the calculation of Regulatory Capital and Assets Weighted by Risk that make up the DLO Operating Limits Statement, is based on the Prudential Conglomerate and includes Banco do Estado do Rio Grande do Sul S.A., Banrisul S.A. Administradora de Consórcios, Banrisul S.A. Corretora de Valores Mobiliários e Câmbio and Banrisul Soluções em Pagamentos S.A.).

The possible impacts arising from the risks associated with the other companies controlled by members of the Conglomerate are also considered, as well as the participation in investment funds shares in which the entities of this conglomerate, in any form, assume or retain substantially risks and benefits, as provided current regulations, since they are part of the scope of consolidation of the Prudential Conglomerate.

The following table summarizes the composition of Reference Equity, Risk Weighted Assets (RWA) and the Basel Index of the Prudential Conglomerate:

Conglomerate Prudential	**12/31/2023**	**12/31/2022**
Reference Equity	**9,609,271**	**9,291,817**
Tier I	**7,790,848**	**7,806,989**
Core Capital	**7,790,848**	**7,806,989**
Equity	5,201,859	5,205,891
Capital Reserve and Earnings Revaluation	4,766,776	4,325,934
Deduction from Core Capital - Except for prudential adjustments	(303,918)	(115,668)
Prudential Adjustments	(1,874,954)	(2,041,085)
Positive Adjustments to the Market Value of Derivatives Recorded in Liabilities	1,085	431,917
Tier II	**1,818,423**	**1,484,828**
Tier II Eligible Instruments	1,818,423	1,484,828
RWA - Risk Weighted Assets	**57,330,052**	**52,887,990**
RWA_{CPAD} (Credit Risk)	47,262,726	42,994,328
RWA_{MPAD} (Market Risk)	2,029,424	1,458,546
RWA_{JUR1} (Interest Rate Risk)	25,719	262,156
RWA_{JUR3} (Interest Rate Risk)	3	29
RWA_{ACS} (Equity Risk)	17,235	38,462
RWA_{CAM} (Exchange Risk)	1,956,820	1,157,899
RWA_{CVA} (Counterparty Credit Assessment Risk)	29,647	
RWA_{OPAD} (Operational Risk)	8,037,902	8,435,116
Banking Portfolio (IRRBB)	188,603	502,057
Reference Equity Margin – considering Banking Portfolio after Aditional of Core Capital	3,401,012	3,236,521
Capital Ratio		
Basel Ratio	16.76%	17.57%

Tier I Ratio	13.59%	14.76%
Core Capital Ratio	13.59%	14.76%
Permanent Assets Ratio	10.10%	9.74%
Leverage Ratio	5.82%	6.78%

CMN Resolution No, 4.958/21 establishes the percentages that RWA is subject for the purposes of calculating the required amount of Principal Capital Additional - $ACP_{Conservation}$. Banrisul is subject to this surcharge, only. Thus, the percentages applied, according to the regulator's schedule, in the next periods can be seen in the table below:

Requirement	As of 04/01/2022
Core Capital	4.50%
Level I	6.00%
PR	8.00%
$ACP_{Conservation}$ (1)	**2.50%**
$ACP_{Contracyclic}$ (1) (up to)	2.50%
$ACP_{Systemic}$ (1) (up to)	2.00%
Total ACT (1) (up to)	**7.00%**
Factor F	8.00%

(1) According to CMN Resolution No, 4,958/21, these additions are limited to these maximum percentages (%) in relation to RWA_{TOTAL}, In the event of an increase, the percentage must be disclosed by BACEN with at least 12 months in advance.

The Basel Ratio (BR) represents the ratio between Reference Equity and Risk Weighted Assets. Under current regulations, the Basel Ratio demonstrates the company's solvency. For December 2023, the minimum required capital limits are 8.00% for Basel Ratio (Reference Equity), 6.00% for Tier I Ratio and 4.50% for the Core Capital Index. The additional required capital is 2.50%, totaling 10.50% for Basel Ratio, 8.50% for Tier I and 7.0% for Core Capital.

The Reference Equity reached R$9,609,271 in December 2023, increasing R$317,454 from December 2022.

BACEN Resolution No. 3876/18 sets forth that the Prudential Conglomerate determines and discloses the IRRBB (Interest Rate Risk of the Banking Book) in substitution of the R_{BAN}, commencing on January 2019. The methodology for measuring the need for Reference Equity in relation to the interest rate risks to which the Bank's portfolio is calculated by ΔEVE (Variation of Economic Value of Equity) and ΔNII (Variation of Net Interest Income: variation in the result of financial intermediation).

Accordingly, IRRBB reached R$188,603 as of December 2023, decreasing R$313,454 in relation to the capital allocation of R$502,057 as of December 2022.

To calculate the Reference Equity using IRRBB, the following is considered: total of Reference Equity, RWA, Factor F (8.00% from January 2019), interest rate risk of the bank, and the additional core capital (minimum of 2.5% from April 2022).

On December 31, 2023, the Basel Ratio of the Prudential Conglomerate was 16.76%, higher than the minimum required by BACEN. Tier 1 ratio and Core Capital were 13.59% in the same period.

Banrisul manages and monitors the requirements and capital margins in order to meet the minimum requirements of the CMN. Thus, the Banrisul Group Prudential Conglomerate has fulfilled all the minimum requirements to which it is subject.

NOTE 29 - TRANSACTIONS WITH RELATED PARTIES

(a) Transactions among related parties are disclosed in compliance with Brazilian FASB 05 (R1) (CPC 05(R1)) and CMN Resolution No. 4,818/20.

Account balances referring to transactions among consolidated Banrisul companies are eliminated in the consolidated financial statements and take into consideration the absence of risk. As to the transactions carried out with the State Government and its fully or partially controlled entities. Banrisul has opted for the partial exemption instructed by CMN Resolution No. 4818/20. In this case, only the most significant transactions are disclosed.

With related parties, Banrisul operates banking transactions such as current account deposits (not remunerated), remunerated deposits, open market funding, loans and the provision of services. These operations are carried out at amounts, terms and average rates of usual market practices during the period, and under reciprocal conditions.

The unconsolidated related parties are as follows:

(i) Rio Grande do Sul State - in June 17, 2016, Banrisul signed with the State Government an agreement for the rights to service the payroll of state employees. Such agreement aims at centralizing at Banrisul the processing of 100% (one hundred percent) of the payroll of the State, which will be processed and deposited at checking accounts owned by the state employees, civil and military alike, or their beneficiaries, for the deposit of their salaries as well as credit of benefits and earnings payable to retirees and pensioners of the State's own pension plan, while preserving any portability rights to the state's employees. The contract is valid for a period of ten years, and the agreed price of R$1,250,638 was paid on June 20, 2016. The agreement also establishes that Banrisul will not be entitled to receiving any payment from the State, such as banking fees, for example, in relation to banking services and similar provided;
The contract provides for a price adjustment at the end of the 61st (sixty-first) month of validity, as a result of the variation in the SELIC rate and inflation projections. As a result, a price adjustment was calculated by Banrisul's technical area and validated by an independent external advisor. The value of the calculated price adjustment, as defined in the Agreement, was R$48,781, which amount will be deferred for the remainder of the term of the agreement. This amount was paid to the State of RS on July 23, 2021, after the completion of the formalization of the amendment to the Agreement;
(ii) Centrais de Abastecimento do Rio Grande do Sul S.A. (CEASA), Companhia Rio-grandense de Mineração (CRM), Companhia de Processamentos de Dados do Estado do Rio Grande do sul (PROCERGS) and BADESUL Desenvolvimento S.A. - Agência de Fomento/RS - companies controlled by the Government of the State of Rio Grande do Sul;
(iii) Affiliated *(i)* Bem Promotora de Vendas e Serviços S.A., engaged in payroll loan origination, *(ii)* Banrisul Icatu Participações S.A. (BIPAR), holding company owning 100% of Rio Grande Seguros e Previdência S.A., a life and pension insurance company, and Rio Grande Capitalização;
(iv) Fundação Banrisul de Seguridade Social (FBSS), closed supplementary pension entity that manages the pension plans sponsored by Banrisul and/or its subsidiaries;
(v) Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul (Cabergs) is a non-profit assistance association, regulated by private law; and
(vi) Investment Funds and Managed Portfolios, managed by Banrisul.

Main related party transactions are as follows:

				Parent Company
	Assets (Liabilities)		Income (Expense)	
	12/31/2023	12/31/2022	01/01 to 12/31/2023	01/01 to 12/31/2022
State of Rio Grande do Sul Government	**(13,836,075)**	**(8,691,941)**	**(1,281,890)**	**(1,117,151)**
Other Assets	4,224	4,288	-	-
Demand Deposits	(2,000,905)	(1,199,429)	-	-
Repurchase Agreements (Repos) (1)	(11,802,070)	(7,489,225)	(1,279,193)	(1,114,577)
Other Liabilities	(37,324)	(7,575)	(2,697)	(2,574)
Subsidiaries and Investment Fund	**(1,985,030)**	**(2,354,499)**	**(20,377)**	**1,353**
Securities	23,612	20,905	-	-
Other Financial Assets	149,997	147,363	-	-
Other Assets	40,702	25,357	206,599	155,329
Demand Deposits	(7,728)	(14,332)	-	-
Time Deposits	(469,851)	(1,059,994)	(118,767)	(85,180)
Repurchase Agreements (Repos)	(80,890)	(80,660)	(10,551)	(8,347)
Funds from Acceptance and Issuance of Securities	(718,560)	(512,511)	(84,855)	(48,225)
Other Financial Liabilities (2)	(921,753)	(879,841)	-	-
Other Liabilities	(559)	(786)	(12,803)	(12,224)
Fundação Banrisul de Seguridade Social	**(1,517)**	**(1,402)**	**(17,209)**	**(16,134)**
Other Liabilities	(1,517)	(1,402)	(17,209)	(16,134)
Total	**(15,822,622)**	**(11,047,842)**	**(1,319,476)**	**(1,131,932)**

(1) These funds bear interest at 100% of the Selic rate.
(2) These mainly refer to receivables related to Banricompras and Visa and Mastercard cards issued by Banrisul.

				Consolidated
	Assets (Liabilities)		Income (Expense)	
	12/31/2023	12/31/2022	01/01 to 12/31/2023	01/01 to 12/31/2022
State of Rio Grande do Sul Government	**(13,836,073)**	**(8,691,941)**	**(1,281,890)**	**(1,117,125)**
Other Assets	4,226	4,288	-	26
Demand Deposits	(2,000,905)	(1,199,429)	-	-
Repurchase Agreements (Repos) (1)	(11,802,070)	(7,489,225)	(1,279,193)	(1,114,577)
Other Liabilities	(37,324)	(7,575)	(2,697)	(2,574)
Fundação Banrisul de Seguridade Social	**(1,517)**	**(1,402)**	**(17,209)**	**(16,134)**
Other Liabilities	(1,517)	(1,402)	(17,209)	(16,134)
Total	**(13,837,590)**	**(8,693,343)**	**(1,299,099)**	**(1,133,259)**

(1) These funds bear interest at 100% of the Selic rate.

(b) Management Compensation

Annually, the General Shareholders' Meeting determines the total annual compensation of the members of Management, comprising the Executive Board, the Board of Directors, the Supervisory Board, Audit Committee, Compensation Committee, Risk Committee and Social, Environmental and Climate Responsibility Committee, as stated in the Bank's bylaws.

	01/01 to 12/31/2023	01/01 to 12/31/2022
Short Term Benefits	**24,689**	**22,832**
Salaries	19,001	17,447
Social Security	5,688	5,385
Post-Employment Benefits	**650**	**684**
Supplementary Pension Plans (1)	650	684
Total	**25,339**	**23,516**

(1) Banrisul pays for complementary pension plans to managers who belong to the staff.

Banrisul does not offer its key management personnel any long-term, termination and stock-based compensation benefits.

Banrisul has a D&O liability insurance policy for its officers and members of the Boards, and paid insurance premium in the amount of R$2,000.

(c) Shareholding

As of December 31, 2023, members of the Executive Board, the Board of Directors, the Supervisory Board, the Audit Committee, the Compensation Committee, the Risk Committee and the Social, Environmental and Climate Responsibility Committee jointly hold 10,410 Banrisul's shares, as presented in Note 21(a).

NOTE 30 - OTHER INFORMATION

a) Fair Value of Financial Assets and Liabilities

(i) Financial Instruments Measured at Fair Value - when determining and disclosing the fair value of financial instruments, Banrisul uses the following hierarchy:

Level 1 - prices quoted in active markets for the same instrument without modification;
Level 2 - prices quoted in active markets for similar instruments or valuation techniques, for which all significant inputs are based on observable market data; and
Level 3 - valuation techniques, for which any significant input is not based on observable market data.

The fair value of financial instruments, including Derivatives that are not traded in active markets, is calculated using assumption-based valuation techniques that take into account market information and conditions, such as historical data, information from similar transactions and rates reference values calculated based on financial market information and conditions.

For more complex or illiquid instruments, considerable judgment is required to define the model to be used, selecting specific inputs. In some cases, valuation adjustments are applied to the model value or quoted price for financial instruments that are not actively traded.

Measurement at fair value for the period ended December 31, 2023:

	Parent Company			Consolidated		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Trading Securities	**9,161,111**	**-**	**9,161,111**	**9,357,638**	**15,147**	**9,372,785**
Financial Treasury Letter – LFT	5,986,356	-	5,986,356	5,997,001	-	5,997,001
National Treasury Letter - LTN	3,166,137		3,166,137	3,166,137	-	3,166,137
Shares of Publicly-Held Companies	8,618	-	8,618	8,618	-	8,618
Investment Fund Shares	-	-	-	185,882	15,147	201,029
Available-for-Sale Securities	**-**	**75,357**	**75,357**	**2,239**	**51,759**	**53,998**
Investment Fund Shares	-	50,591	50,591	2,239	26,979	29,218
Privatization Certificates	-	-	-	-	14	14
Other	-	24,766	24,766	-	24,766	24,766
Total Assets at Fair Value	**9,161,111**	**75,357**	**9,236,468**	**9,359,877**	**66,906**	**9,426,783**
Financial Liabilities						
Derivatives	-	17,236	17,236	-	17,236	17,236
Subordinated Debt	-	1,450,685	1,450,685	-	1,450,685	1,450,685
Total Liabilities at Fair Value	**-**	**1,467,921**	**1,467,921**	**-**	**1,467,921**	**1,467,921**

Measurement at fair value for the period ended December 31, 2022:

	Parent Company			Consolidated		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Trading Securities	**8,674,102**	**-**	**8,674,102**	**8,895,920**	**13,378**	**8,909,298**
Financial Treasury Letter – LFT	5,921,981	-	5,921,981	5,931,397	-	5,931,397
National Treasury Letter - LTN	2,732,890	-	2,732,890	2,732,890	-	2,732,890
Shares of Publicly-Held Companies	19,231	-	19,231	19,231	-	19,231
Investment Fund Shares	-	-	-	212,402	13,378	225,780
Available-for-Sale Securities	-	**71,614**	**71,614**	**2,256**	**50,723**	**52,979**
Investment Fund Shares	-	46,339	46,339	2,256	25,434	27,690
Privatization Certificates	-	-	-	-	14	14

Other	-	25,275	25,275	-	25,275	25,275
Total Assets at Fair Value	**8,674,102**	**71,614**	**8,745,716**	**8,898,176**	**64,101**	**8,962,277**
Financial Liabilities						
Derivative Financial Instruments	-	670,298	670,298	-	670,298	670,298
Subordinated Debt	-	1,170,381	1,170,381	-	1,170,381	1,170,381
Total Liabilities at Fair Value	**-**	**1,840,679**	**1,840,679**	**-**	**1,840,679**	**1,840,679**

Banrisul does not have financial instruments classified in Level 3 of the fair value hierarchy.

(ii) Financial Instruments Not Measured at Fair Value - The following table summarizes the carrying amounts and fair values of financial assets and liabilities that were presented at amortized cost.

	Parent Company		Consolidated	
	12/31/2023		12/31/2023	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Financial Assets				
Interbank Lending Market Investments	6,167,235	6,166,153	6,167,235	6,166,153
Compulsory Deposits at Central Bank of Brazil	11,072,389	11,072,389	11,320,017	11,320,017
Securities (1)	33,610,796	33,514,106	33,624,096	33,527,379
Loans, Leases and Other Credit-like Receivables (2)	53,669,311	50,901,626	53,669,311	50,901,626
Other Financial Assets	3,690,831	3,690,831	6,745,698	6,745,698
Total	**108,210,562**	**105,345,105**	**111,526,357**	**108,660,873**
Financial Liabilities (3)				
Deposits (a)	71,411,782	71,368,974	71,131,132	71,088,324
Repurchase Agreements (b)	16,854,251	16,854,251	16,773,360	16,773,360
Funds from Acceptance and Issuance of Securities (a)	6,932,553	6,917,808	6,213,993	6,199,248
Subordinated Debt (a)	367,738	370,784	367,738	370,784
Borrowings (c)	828,917	828,917	828,917	828,917
Onlendings (c)	2,207,349	2,207,349	2,207,349	2,207,349
Other Financial Liabilities	9,839,628	9,839,628	11,337,791	11,337,791
Total	**108,442,218**	**108,387,711**	**108,860,280**	**108,805,773**

	Parent Company		Consolidated	
	31/12/2022		31/12/2022	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Financial Assets				
Interbank Lending Market Investments	3,521,401	3,532,137	3,521,401	3,532,137
Compulsory Deposits at Central Bank of Brazil	10,798,526	10,798,526	10,798,526	10,798,526
Securities (1)	30,480,767	30,497,243	30,492,530	30,508,962
Loans, Leases and Other Credit-like Receivables (2)	49,121,869	44,613,038	49,121,869	44,613,038
Other Financial Assets	3,553,046	3,553,046	6,087,071	6,087,071
Total	**97,475,609**	**92,993,990**	**100,021,397**	**95,539,734**
Financial Liabilities (3)				
Deposits (a)	68,688,782	68,658,923	67,615,882	67,586,023
Repurchase Agreements (b)	12,501,695	12,501,695	12,421,035	12,421,035
Funds from Acceptance and Issuance of Securities (a)	3,469,595	3,472,239	2,957,083	2,959,728
Subordinated Debt (a)	314,447	317,205	314,447	317,205
Borrowings (c)	1,012,985	1,012,985	1,012,985	1,012,985
Onlendings (c)	2,501,887	2,501,887	2,501,887	2,501,887
Other Financial Liabilities	8,407,411	8,407,411	9,810,998	9,810,998
Total	**96,896,802**	**96,872,345**	**96,634,317**	**96,609,861**

(1) Securities - the fair value securities is based on market prices or quotes from brokers or operators. When this information is not available, the fair value is estimated using prices quoted in the market for securities with similar credit, maturity and interest characteristics.

(2) Loans, Leases and Other Credit-like Receivables - the estimated fair value of loans, leases and other credit-like receivables represents the discounted value of future cash flows expected to be received. The expected cash flows are discounted at current market rates plus the counterparty risk rate to determine their fair value.

(3) Financial Liabilities - the estimated fair value of deposits with no specific maturity, which includes deposits without interest, is the payable amount upon demand. The estimated fair value of deposits with fixed and floating rates and other unlisted loans in the active market is based on undiscounted cash flows using interest rates for new debt with similar terms plus the risk rate for the bank.

(a) Deposits, Funds from Acceptance and Issuance of Securities and Subordinated Debt: fair value is calculated by discounting the difference between future cash flows, adopting discount rates equivalent to the weighted average rates of the most recent contracting or similar negotiations, of securities with similar characteristics.

(b) Repurchase Agreements: for operations with pre-fixed rates, the fair value was calculated by calculating the discount of estimated cash flows, adopting discount rates equivalent to the rates used in contracting similar operations on the last day of the market.

(c) Borrowings and Onlendings: such operations are exclusive to the Bank, with no similar ones in the market, Due to its specific characteristics, exclusive rates for each amount and the absence of an active market and similar instrument, the fair value of these operations was considered equivalent to the book value.

b) Non-recurring Result

Banrisul considers a non-recurring result one which is not related or is incidentally related to the institution's typical activities and is not expected to occur frequently in future years. In the year of 2023, there were no events treated as non-recurring.

	01/01 to 12/31/2022
Net Adjusted Income	780,832
Adjustments	(65,898)
Volunteer Retirement Program - PDV	(119,814)
Tax Effect (2)	53,916
Net Income	**714,934**

c) Plan for the Implementation of Accounting Regulation – CMN Resolution No. 4,966/21

CMN Resolution No. 4,966 of 11/25/2021 provides for the accounting concepts and criteria applicable to financial instruments, as well as for the designation and recognition of protection relationships (hedge accounting) by financial institutions and other institutions authorized to operate by the Central Bank of Brazil.

The new regulations include rules on the classification, measurement, recognition, write-off and provisioning of financial instruments, as well as for the designation and recognition of protection relationships (hedge accounting). The standard aims to converge the Central Bank standard with international accounting standards on financial instruments, that is, IFRS 9. It will come into force in January 2025, giving financial institutions time to adapt their classification and risk management processes and investigation of its provisions, revoking several normative acts that currently regulate the matter.

The main points that the Resolution brings, knowing that further additions must be published by the Central Bank of Brazil and that could lead to changes to this initial planning, we highlight the main processes that will undergo adjustments and require actions at Banrisul:

- ✓ Classification, recognition and measurement of financial assets now have as basic foundations the business model adopted by the institution in the management of financial instruments and the characteristics of the contractual cash flows of the instrument evaluated, instead of the individual characteristics of each instrument and the mere intention to negotiate.
- ✓ Concepts adopted for renegotiated operations and/or problematic assets are expanded, with direct implications for the way in which revenue from these operations is recognized.
- ✓ Implements the concept of effective interest rate in the appropriation of Revenue on financial instruments that fall under the SPPJ test – Only Payment of Principal and Interest.
- ✓ With regard to provisioning, the resolution expands the scope of financial instruments subject to the creation of a provision for expected losses associated with credit risk – expanding the current scope that only deals with credit operations, leasing and guarantees provided – also passing to adopt stage allocation criteria to define the amount to be provisioned. Furthermore, the regulator maintains the definition of provision floors, which have a direct impact on the process of writing off assets due to credit loss, closely linked to the characteristics of each product and its guarantees.
- ✓ Recognition and measurement of Financial Assets and Liabilities
- ✓ Disclosure in Explanatory Notes

The implementation of all the requirements of the standard in Banrisul's processes involves several areas of the bank, as well as changes to the systems that support these areas. The possible impacts of adopting the methodology are still being determined. In this way, Banrisul carried out internal training involving people involved in the business areas that will be impacted and as this is an extremely complex topic, which requires specific knowledge, Specialized Consulting was hired, focused on the impacts on all companies comprising the Banrisul Group. including BCB Resolution 219/22, with the following scope of work: Stage 1 Diagnostic Review and Implementation Plan, Stage 2 Implementation CMN Resolution No. 4,966/21 and BCB No. 219/22.

Banrisul is seeking to evolve with the challenge of conducting all changes at the same time, with the necessary synchronization of different areas, establishing all appropriate controls for the implementation of work to comply with the standard within the deadline established by Bacen, thus preparing the Implementation Plan for accounting regulations established in the regulations approved by Management.

BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.

Executive Board

FERNANDO GUERREIRO DE LEMOS
Chief Executive Officer

LUIZ GONZAGA VERAS MOTA
Deputy CEO

CARLOS ALUISIO VAZ MALAFAIA
ELIZABETE REJANE SODRÉ TAVARES
FERNANDO POSTAL
GASPAR SAIKOSKI
IRANY DE OLIVEIRA SANT'ANNA JUNIOR
IVANOR ANTONIO DURANTI
MÁRCIA ADRIANA CELESTINO
Officers

Board of Directors

ITANIELSON DANTAS SILVEIRA CRUZ
Chairman

FERNANDO GUERREIRO DE LEMOS
Vice Chairman

ADRIANO CIVES SEABRA
EDUARDO CUNHA DA COSTA
IRANY DE OLIVEIRA SANT'ANNA JUNIOR
JOÃO VERNER JUENEMANN
JORGE LUIS TONETTO
LUIZ GONZAGA VERAS MOTA
MARCELO WILLMSEN
RAFAEL ANDRÉAS WEBER
RAMIRO SILVEIRA SEVERO
Board Members

WERNER KÖHLER
Accountant CRC RS 38534

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