

# Financial Statements

September/2021



**Banrisul**

# Press Release

## Economic and Financial Indicators

Main Income Statement Accounts - R\$ Million	9M2021	9M2020	3Q2021	2Q2021	1Q2021	4Q2020	3Q2020	9M2021/ 9M2020	3Q2021/ 2Q2021
Net Interest Income	3,672.3	3,800.4	1,215.8	1,249.1	1,207.3	1,462.4	1,239.5	-3.4%	-2.7%
Provisions for Expected Losses Associated with Credit Risk Expenses	632.1	1,100.2	284.5	217.8	129.8	401.3	319.4	-42.5%	30.6%
Financial Income	5,678.4	6,722.6	2,446.7	1,291.7	1,939.9	1,510.6	1,763.9	-15.5%	89.4%
Financial Expenses	2,006.1	2,922.2	1,230.9	42.6	732.6	48.2	524.4	-31.3%	2792.0%
Income from Services and Fees	1,456.6	1,434.1	495.7	482.3	478.5	521.3	472.1	1.6%	2.8%
Adjusted Administrative Expenses <sup>(1)</sup>	2,689.2	2,693.9	930.9	888.5	869.7	905.0	905.9	-0.2%	4.8%
Adjusted Other Expenses	761.8	661.0	300.5	209.0	252.3	230.1	318.8	15.3%	43.8%
Adjusted Other Income	332.0	309.8	121.8	110.4	99.8	148.2	146.7	7.2%	10.2%
Adjusted Net Income	732.3	495.1	171.5	281.9	278.9	329.7	117.8	47.9%	-39.2%
Net Income	700.8	495.1	156.6	265.2	278.9	232.3	117.8	41.5%	-41.0%
Main Balance Sheet Accounts - R\$ Million	Sep 2021	Sep 2020	Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Sep 2021/ Sep 2020	Sep 2021/ Jun 2021
Total Assets	101,648.6	90,167.2	101,648.6	98,063.0	95,432.1	91,822.9	90,167.2	12.7%	3.7%
Securities <sup>(2)</sup>	38,487.4	35,213.9	38,487.4	37,646.2	37,141.4	35,432.6	35,213.9	9.3%	2.2%
Total Credit Portfolio	38,701.8	36,257.7	38,701.8	36,640.1	36,852.2	37,605.8	36,257.7	6.7%	5.6%
Loan Loss Provision	2,693.3	2,813.3	2,693.3	2,673.3	2,700.7	2,763.1	2,813.3	-4.3%	0.7%
Past Due Loans > 90 Days	854.1	1,080.3	854.1	815.5	891.2	869.7	1,080.3	-20.9%	4.7%
Funds Raised and Under Management	81,188.1	78,483.5	81,188.1	79,121.1	78,577.4	80,457.7	78,483.5	3.4%	2.6%
Shareholders' Equity	8,749.5	8,354.9	8,749.5	8,654.4	8,581.2	8,346.2	8,354.9	4.7%	1.1%
Prudential Conglomerate Reference Equity	6,831.2	6,905.5	6,831.2	6,697.1	6,694.2	6,821.2	6,905.5	-1.1%	-1.1%
Average Shareholders' Equity	8,547.8	8,074.6	8,701.9	8,617.8	8,463.7	8,350.6	8,287.0	5.9%	1.0%
Average Total Assets	96,735.7	85,858.4	99,855.8	96,747.5	93,627.5	90,995.1	88,375.0	12.7%	3.2%
Average Profitable Assets	85,791.5	74,918.9	88,386.5	86,145.9	82,820.6	80,219.6	77,837.1	14.5%	2.6%
Stock Market Information - R\$ Million	9M2021	9M2020	3Q2021	2Q2021	1Q2021	4Q2020	3Q2020	9M2021/ 9M2020	3Q2021/ 2Q2021
Interest on Own Capital / Dividends <sup>(3)</sup>	323.5	101.0	105.1	125.4	93.1	117.2	0.0	220.4%	-16.2%
Market Capitalization	4,768.6	4,879.1	4,768.6	5,423.0	4,924.1	5,958.8	4,879.1	-2.3%	-12.1%
Book Value Per Share	21.39	20.43	21.39	21.16	20.98	20.41	20.43	4.7%	1.1%
Average Price per Share (R\$)	12.72	14.92	12.25	13.01	12.93	13.00	13.68	-14.7%	-5.9%
Earnings per Share (R\$)	1.71	1.21	0.38	0.65	0.68	0.57	0.29	41.5%	-41.0%
Financial Indexes	9M2021	9M2020	3Q2021	2Q2021	1Q2021	4Q2020	3Q2020		
Adjusted ROAA (pa.) <sup>(4)</sup>	1.0%	0.8%	0.7%	1.2%	1.2%	1.4%	0.5%		
Adjusted ROAE (pa.) <sup>(5)</sup>	11.4%	8.2%	7.9%	13.1%	13.2%	15.8%	5.7%		
Adjusted Efficiency Ratio <sup>(6)</sup>	54.5%	54.3%	54.5%	54.0%	53.5%	53.0%	54.3%		
Net Interest Margin on Profitable Assets <sup>(7)</sup>	5.71%	6.76%	5.50%	5.80%	5.83%	7.29%	6.37%		
Adjusted Operating Cost	3.5%	4.1%	3.5%	3.6%	3.7%	3.9%	4.1%		
Default Rate > 90 Days <sup>(8)</sup>	2.21%	2.98%	2.21%	2.23%	2.42%	2.31%	2.98%		
Coverage Ratio 90 days <sup>(9)</sup>	315.3%	260.4%	315.3%	327.8%	303.1%	317.7%	260.4%		
Provisioning Index <sup>(10)</sup>	7.0%	7.8%	7.0%	7.3%	7.3%	7.3%	7.8%		
Basel Ratio (Prudential Conglomerate)	14.5%	16.2%	14.5%	14.8%	14.8%	15.8%	16.2%		
Structural Indicators	Sep 2021	Sep 2020	Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020		
Branches <sup>(11)</sup>	499	508	499	500	502	507	508		
Service Stations	142	182	142	156	156	182	182		
Electronic Service Stations	414	418	414	418	426	418	418		
Employees	9,080	10,187	9,080	9,156	9,224	9,280	10,187		
Economic Indicators	9M2021	9M2020	3Q2021	2Q2021	1Q2021	4Q2020	3Q2020		
Effective Selic Rate	2.52%	2.28%	1.23%	0.79%	0.48%	0.47%	0.51%		
Exchange Rate (R\$/USD - end of period)	5.44	5.64	5.44	5.00	5.70	5.20	5.64		
Exchange Rate Variation (%)	4.67%	39.94%	8.74%	-12.20%	9.63%	-7.87%	3.01%		
IGP-M (General Market Price Index)	16.01%	14.40%	0.80%	6.31%	8.27%	7.64%	9.59%		
IPCA (Extended Consumer Price Index)	6.90%	1.34%	3.02%	1.68%	2.05%	3.13%	1.24%		

(1) Includes Adjusted Personnel Expenses and Other Administrative Expenses.

(2) Includes Derivatives, Interbank Deposits and Cash Equivalents and deduces Repurchase Obligations.

(3) Interest on Own Capital and Dividends paid credited and/or provisioned (before retention of income tax).

(4) Net Income / Average Total Asset. As of 2Q2020, the indicator for the year is obtained by multiplying the division quotient by the number of periods.

(5) Net Income / Average Shareholders' Equity. As of 2Q2020, the indicator for the year is obtained by multiplying the division quotient by the number of periods.

(6) Efficiency Ratio for the last 12 months. Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Income - Other Expenses).

(7) As of 2Q2020, the indicator for the year is obtained by multiplying the division quotient by the number of periods.

(8) Past Due Loans > 90 days / Total Credit Portfolio.

(9) Provisions for Expected Losses Associated with Credit Risk/ Past Due Loans > 90 days.

(10) Provisions for Expected Losses Associated with Credit Risk/ Credit Portfolio.

(11) On June 9, 2021, the Board of Directors approved the voluntary termination of the activities of the Miami branch, having the works started on June 30, 2021.

## BUSINESS SCENARIO

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Since the beginning of the Covid-19 pandemic, Banrisul has directed efforts to guarantee access to banking services to customers and non-customers, investing in technological improvements and adaptations, in compliance with the health and safety protocols established by the authorities.

Among numerous measures, Banrisul adopted work shift schedules, remote work and on-site service, adjusted the customer service model at the branches, initially scheduling appointments as a preferential way, and made it mandatory due to the worsening of the pandemic; with the evolution of scenario, it was possible to adhere to the hybrid service format. In the third quarter, Banrisul resumed customer service by demand at branches, more dynamically, safe and comfortable. Regarding Afinidade customers, appointments continue directly with the Account Manager, according to the flow already adopted before the pandemic. Employees in the administrative areas who remained in the home office until the end of September are staggered and safely returning to work in person.

Faced with the challenges of the first nine months of 2021, the Bank invested in initiatives to expand the product portfolio and the relationship with customers, to promote administrative efficiency and the economic and social development. The effects of the pandemic and initiatives for the period are detailed in the Management Report, as well as in note to the financial statements.

Following the strategy of revenue diversification and business optimization related to the sale of security products, in January 2021, **Banrisul Corretora de Seguros S.A.** started operations, a wholly-owned subsidiary of the holding company Banrisul Seguridade Participações S.A., a company whose capital is wholly owned by Banrisul. Banrisul Corretora de Seguros gradually absorbed Banrisul's insurance operations.

Also in January 2021, Banrisul issued a **new subordinated debt**, in the amount of US\$300 million, with interest of 5.375% p.a. The Notes have a 10-year term, with a 5-year repurchase option. Subordinated Debt was authorized, to make up the Tier II Capital, by the Central Bank of Brazil on October 25, 2021.

Digital transformation through development of new business and technology models has been the path taken by Banrisul. In the first nine months of 2021, **BanriTech** stands out, the Bank's startup acceleration program, in which, through a public notice, 30 startups were selected for the first cycle, carried out with the technical support of TecnoPuc. BanriTech is one of **BanriHub's** initiatives, a broad initiative empowering projects that boost the innovation ecosystem in Rio Grande do Sul. In September, BanriTech's physical space, Hub.Space, was inaugurated, which will be a coworking for startups. Another initiative that integrates BanriHub, **NAVI** - an Artificial Intelligence and Data Science hub, was inaugurated at the end of the semester, led by TecnoPuc and Wisidea Ventures, with Banrisul as its master sponsor.

In relation to **Open Banking**, in January 2021, the Banrisul implemented Phase 1, referring to the sharing of data from the service channels, products and services available to customers. From August 2021, given the greater complexity, Phase 2 was staggered implemented, which enables the sharing, between Banrisul and other institutions, based on the client's consent, of registration and financial data, in accordance with the Central Bank of Brazil schedule. Phase 3, regarding the sharing of the PIX payment transaction initiation service, is under development, also staggered and it will have its first cycle implemented in late October.

Among the advances in **sustainability**, stand out in the period initiatives related to climate change, including adherence to the Brazilian GHG Protocol Program, with the official publication of the first greenhouse gas inventory and the receivment of Silver Stamp, adherence to CDP - Carbon Disclosure Project, as well as the beginning of the project for the migration of energy consumption to renewable energy sources. For the fourth quarter, Banrisul will count on the services of a specialized consultancy to improve the strategic management of sustainability and mitigation of greenhouse gases. Banrisul has sought to improve the integration of sustainable principles into its business strategy, organizational culture and daily activities.

## FINANCIAL HIGHLIGHTS

The summary of Banrisul's 9M2021 and 3Q2021 results are presented below. The Analysis of Performance, Management Report, Financial Statements and the Accompanying Notes are available on the Bank's website, [www.banrisul.com.br/ri](http://www.banrisul.com.br/ri).

### Key Items of the Income Statement - R\$ Million

	9M2021	9M2020	3Q2021	2Q2021	1Q2021	4Q2020	3Q2020	9M2021/ 9M2020	3Q2021/ 2Q2021
Net Interest Income	3,672.3	3,800.4	1,215.8	1,249.1	1,207.3	1,462.4	1,239.5	-3.4%	-2.7%
Loan loss provision expenses	632.1	1,100.2	284.5	217.8	129.8	401.3	319.4	-42.5%	30.6%
Income from Services and Fees	1,456.6	1,434.1	495.7	482.3	478.5	521.3	472.1	1.6%	2.8%
Adjusted Administrative Expenses	2,689.2	2,693.9	930.9	888.5	869.7	905.0	905.9	-0.2%	4.8%
Adjusted Operating Income	1,065.6	780.7	218.5	420.9	426.2	491.7	211.8	36.5%	-48.1%
Adjusted Net Income	732.3	495.1	171.5	281.9	278.9	329.7	117.8	47.9%	-39.2%
Net Income	700.8	495.1	156.6	265.2	278.9	232.3	117.8	41.5%	-41.0%

**Net income** reached R\$700.8 million in the first nine months of 2021, 41.5% or R\$205.6 million above the net income for the same period in 2020. Net income for the first nine months of 2021 was impacted by the adjustment of the provision for tax contingencies, the associated tax effect and the update of unrealized installments of deferred tax credits and debts, due to the enactment of Law No. 14,183/21, increasing from 20% to 25% the rate of the Social Contribution on the Net Income of the financial sector in the period between 07/01/2021 and 12/31/2021. The events mentioned were treated, for the purposes of income analysis, as not recurrent. **Adjusted net income** for non-recurring events reached R\$732.3 million in 9M2021, 47.9% or R\$237.2 million above the net income in 9M2020. In 3Q2021, adjusted net income totaled R\$171.5 million, an increase of 45.6% or R\$53.7 million compared to 3Q2020 net income and a decrease of 39.2% or R\$110.4 million from 2Q2021 adjusted net income.

The **adjusted performance** recorded by Banrisul in 9M2021 compared to 9M2020 reflects especially (i) lower loan loss provision expenses, (ii) decreased net interest income, (iii) increased income from services and fees, (iv) increase in other adjusted expenses, and (v) higher volume of income taxes. In comparison between 3Q2021 and 2Q2021, the adjusted performance reflects, in particular (i) higher loan loss provision expenses, (ii) decreased net interest income (iii) increased income from services and fees, (iv) increased administrative expenses, (v) increase in other adjusted expenses net of other revenues and (vi) consequent lower volume of income taxes.

**Net interest income** for 9M2021 reached R\$3,672.3 million, decreasing 3.4% or R\$128.1 million compared to 9M2020, mainly reflecting a greater reduction in interest income compared to the decrease in interest expenses. In 3Q2021, net interest income amounted to R\$1,215.8 million, an increase of 2.7% or R\$33.3 million compared to 2Q2021, trend that reflects, in particular, a greater increase in interest expenses compared to the increase in interest income, in a context that associates increase in the Selic rate, exchange rate variation and increase in volume of credit loans.

**Loan loss provision expenses** reached R\$632.1 million in 9M2021, decreasing 42.5% or R\$468.1 million compared to 9M2020, reflecting, in particular, the rollover of the portfolio by risk rating, impacted by the economic scenario, and the decrease in defaults. In 3Q2021, these expenses totaled R\$284.5 million, an increase of 30.6% or R\$66.7 million compared to 2Q2021, due to the rollover of the portfolio by risk rating, the increase in overdue credit loans and the higher recovery of written off credit, which is fully provisioned.

**Income from services and banking fees** reached R\$1,456.6 million in 9M2021, increasing 1.6% or R\$22.4 million from 9M2020, facing mostly the increase in acquiring network's revenues and insurance, pension plans and capitalization bonds, offset by the decrease in debit-to-account income and checking accounts fee income. In 3Q2021, these revenues amounted to R\$495.7 million, increasing 2.8% or R\$13.4 million from 2Q2021, mostly due to increase in acquiring network's revenues.

**Administrative expenses**, comprised of personnel and other administrative expenses, totaled R\$2,689.2 million in 9M2021, mostly stable from 9M2020. In 3Q2021, administrative expenses totaled R\$930.9 million, an increase of 4.8% or R\$42.4 million compared to 2Q2021. **Personnel expenses** totaled R\$1,400.1 million in 9M2021, a decrease of 6.0% or R\$88.8 million compared to 9M2020, mostly reflecting the resignation of employees within the Voluntary Termination Plan. In 3Q2021, personnel expenses totaled R\$487.2 million, an increase of 7.3% or R\$33.3 million compared to 2Q2021, mostly reflecting the collective wage agreement. **Other administrative expenses** totaled R\$1,289.1 million in 9M2021, an increase of 7.0% or R\$84.0 million compared to 9M2020, mainly influenced by the increase in expenses with specialized technical services and expenses with amortization and depreciation. In 3Q2021, other administrative expenses totaled R\$443.8 million, an increase of 2.1% or R\$9.2 million compared to 2Q2021, mainly influenced by the increase in expenses with advertising, promotions and publicity, amortization and depreciation expenses and expenses related to the donation of medical equipment to hospitals, movement partially offset by the decrease in expenses with communication.

**The reconciliation between reported and managerial net income** is presented below, and considers the non-recurring events. ROE, ROA and efficiency ratio are calculated based on adjusted net income.

#### Accounting Net Income Statement X Adjusted Net Income - R\$ Million and %

	9M2021	9M2020	3Q2021	2Q2021	1Q2021	4Q2020	3Q2020
Adjusted Net Income	732.3	495.1	171.5	281.9	278.9	329.7	117.8
Adjustments	(31.6)	-	(14.9)	(16.7)	-	(97.3)	-
Voluntary Termination Plan <sup>(1)</sup>	-	-	-	-	-	(177.0)	-
Provision for Tax Contingencies <sup>(2)</sup>	(76.0)	-	-	(76.0)	-	-	-
Tax Effects <sup>(3)</sup>	34.2	-	-	34.2	-	79.6	-
Tax Credits – CSLL Law No. 14,183/21 <sup>(4)</sup>	10.3	-	(14.9)	25.2	-	-	-
Net Income	700.8	495.1	156.6	265.2	278.9	232.4	117.8
Adjusted ROAA	1.0%	0.8%	0.7%	1.2%	1.2%	1.4%	0.5%
Adjusted ROAE	11.4%	8.2%	7.9%	13.1%	13.2%	15.8%	5.7%
Adjusted Efficiency Ratio <sup>(5)</sup>	54.5%	54.3%	54.5%	54.0%	53.5%	53.0%	54.3%

(1) Costs accounted for under the Voluntary Termination Plan refer to 901 employees; of this total, 97.1% or 875 employees had already left the Bank under the Voluntary Termination Plan by the end of September 2021.

(2) Provision arising from the review of parameters and progress of the lawsuit related to income tax and social contribution on the deduction of expenses from the settlement of the actuarial deficit at the Banrisul Social Security Foundation, evoked by the Federal Revenue Service for the period 1998 to 2005 (Note 19b).

(3) Refers to Voluntary Termination Plan and Provision for Tax Contingencies.

(4) Refers to the update of the installments to be realized of deferred tax credits and debts, due to the enactment of Law No. 14,183/21, which increases from 20% to 25% the CSLL rate for the financial sector, in the period between 07/01/2021 and 12/31/2021.

(5) Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Income – Other Expenses). Considers the last 12 months.

**Annualized adjusted ROAE** reached 11.4% in 9M2021, 3.2 pp. above 9M2020, reflecting particularly the decrease in loan loss provision expenses and the increase in income from services and fees, trend offset by decrease in net interest income and increase in other adjusted expenses.

**Adjusted efficiency ratio** reached 54.5% in the twelve months up to September 2021 compared to 54.3% in the twelve months up to September 2020. The trajectory of the efficiency ratio reflects the decrease of the financial margin and stability in income from services and fees, as well as the increase in other adjusted expenses net of other income, compared to the decrease in adjusted administrative expenses.

## OPERATIONAL HIGHLIGHTS

**Total assets** reached R\$101,648.6 million in September 2021, an increase of 12.7% or R\$11,481.3 million compared to September 2020 and 3.7% or R\$3,585.5 million compared to June 2021. The main components of assets and liabilities will be discussed below.

## Asset Evolution Statement - R\$ Million

	Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Sep 2021/ Sep 2020	Sep 2021/ Jun 2021
Total Assets	101,648.6	98,063.0	95,432.1	91,822.9	90,167.2	12.7%	3.7%
Credit Operations	38,701.8	36,640.1	36,852.2	37,605.8	36,257.7	6.7%	5.6%
Securities <sup>(1)</sup>	38,487.4	37,646.2	37,141.4	35,432.6	35,213.9	9.3%	2.2%
Funds Raised and Under Management	81,188.1	79,121.1	78,577.4	80,457.7	78,483.5	3.4%	2.6%
Shareholders' Equity	8,749.5	8,654.4	8,581.2	8,346.2	8,354.9	4.7%	1.1%

(1) Includes derivative financial instruments, interbank investments and cash equivalents, net of repo transactions.

**Credit assets** reached R\$38,701.8 million in September 2021, an increase of 6.7% or R\$2,444.1 million compared to September 2020, mainly influenced by the increase of R\$1,410.8 million in non-earmarked credit and of R\$1,233.2 million in rural loans, partially offset by the decrease of R\$81.2 million in long-term financing. Compared to June 2021, the credit portfolio increased 5.6% or R\$2,061.7 million mostly influenced by the increase of R\$1,051.1 million in rural loans and of R\$897.5 million in non-earmarked credit.

## Statement of the Credit Portfolio - R\$ Million

	Sep 2021	% Total Crédito	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Sep 2021/ Sep 2020	Sep 2021/ Jun 2021
Foreign Exchange	639.6	1.7%	518.7	502.4	510.4	672.7	-4.9%	23.3%
Commercial	28,956.9	74.8%	28,059.4	28,136.2	28,887.4	27,546.1	5.1%	3.2%
Individuals	22,164.0	57.3%	21,861.8	21,873.5	22,278.0	21,373.1	3.7%	1.4%
Payroll <sup>(1)</sup>	17,557.3	45.4%	17,148.4	16,943.5	17,057.1	16,892.4	3.9%	2.4%
Other	4,606.7	11.9%	4,713.3	4,930.0	5,220.9	4,480.7	2.8%	-2.3%
Companies	6,792.8	17.6%	6,197.6	6,262.7	6,609.4	6,173.0	10.0%	9.6%
Working Capital	5,073.2	13.1%	4,563.7	4,527.8	4,873.7	4,493.0	12.9%	11.2%
Other	1,719.6	4.4%	1,633.8	1,734.9	1,735.6	1,680.0	2.4%	5.3%
Long-term Financing	535.3	1.4%	506.9	530.2	569.1	616.4	-13.2%	5.6%
Real Estate Financing	4,042.5	10.4%	4,077.6	4,104.9	4,125.6	4,122.9	-2.0%	-0.9%
Agricultural Financing	4,412.1	11.4%	3,361.0	3,459.3	3,392.2	3,178.9	38.8%	31.3%
Other <sup>(2)</sup>	115.4	0.3%	116.5	119.2	121.1	120.6	-4.4%	-1.0%
<b>Total</b>	<b>38,701.8</b>	<b>100.0%</b>	<b>36,640.1</b>	<b>36,852.2</b>	<b>37,605.8</b>	<b>36,257.7</b>	<b>6.7%</b>	<b>5.6%</b>

(1) Credits linked to portfolio acquired in assignment.

(2) Includes leasing and public sector.

**Securities, interbank investments and cash availabilities** totaled R\$47,435.7 million in September 2021, which, deducted of repurchase agreements, presented a net balance of R\$38,487.4 million, an increase of 9.3% or R\$3,273.5 million compared to September 2020, mainly influenced by the increase in deposits and abroad funding carried out in January 2021, in a context of growth in the loan portfolio. Compared to June 2021, these investments recorded growth of 2.2% or R\$841.2 million, influenced, especially, by the increase in deposits and financial and development funds, in a context of growth in loan portfolio.

**Funds raised and under management**, comprised of deposits, bank notes, subordinated debt and third-party funds, totaled R\$81,188.1 million in September 2021, an increase of 3.4% or R\$2,704.6 million in twelve months and of 2.6% or R\$2,067.0 million in three months, both comparative periods influenced by the increase in deposits.

**Shareholders' equity** reached R\$8,749.5 million in September 2021, an increase of 4.7% or R\$394.6 million compared to September 2020 and of 1.1% or R\$95.1 million compared to June 2021. The evolution of equity in twelve months reflects, in particular, the incorporation of net income, the payment of interest on equity and payment and/or provisioning of dividends, the reassessment of actuarial liabilities on post-employment benefits pursuant to the procedures set forth by CPC 33 (R1) and exchange variation adjustments on the equity of foreign branches. In the quarter, the trend of shareholders' equity reflects, in particular, the incorporation of net income, the payment of interest on equity and the exchange variation adjustments on the equity of foreign branches.

Banrisul paid and provisioned R\$734.2 million in **taxes and contributions** in 9M2021. Taxes withheld and paid, directly levied on financial intermediation and other payments, amounted to R\$669.1 million in the period.

## Other Indicators - %

	9M2021	9M2020	3Q2021	2Q2021	1Q2021	4Q2020	3Q2020
Net Interest Margin	5.71%	6.76%	5.50%	5.80%	5.83%	7.29%	6.37%
Basel Ratio (Prudential Conglomerate)	14.5%	16.2%	14.5%	14.8%	14.8%	15.8%	16.2%
Loan Portfolio Normal Risk / Total Credit	90.9%	88.8%	90.9%	90.0%	89.9%	89.9%	88.8%
Loan Portfolio Risks 1 and 2 / Total Credit	9.1%	11.2%	9.1%	10.0%	10.1%	10.1%	11.2%
Default Rate > 90 Days	2.21%	2.98%	2.21%	2.23%	2.42%	2.31%	2.98%
Cover Ratio > 90 Days <sup>(1)</sup>	315.3%	260.4%	315.3%	327.8%	303.1%	317.7%	260.4%
Provision Ratio <sup>(2)</sup>	7.0%	7.8%	7.0%	7.3%	7.3%	7.3%	7.8%

(1) Provisions for Expected Losses Associated with Credit Risk / Past Due Loans > 90 days.

(2) Provisions for Expected Losses Associated with Credit Risk / Credit Portfolio.

The **NIM** decrease from 9M2020 to 9M2021 reflects the decrease in financial revenues and expenses and smaller representativeness in loan portfolio in volume of profitable assets in the period.

The **90-day default rate** reached 2.21% in September 2021, decreasing 0.77 pp. in twelve months and 0.02 pp. in three months. The balance of 90-day past due credit reached R\$854.1 million in September 2021, decreasing 20.9% in twelve months and increasing 4.7% in the last quarter. The 90-day past due **coverage ratio** reached 315.3% in September 2021, compared to 260.4% in September 2020 and 327.8% in June 2021. From September 2020 to September 2021, the increase of the 90-day coverage ratio reflects the proportionally bigger decrease in past-due loans facing the decrease in the in the balance of provisions for expected losses associated with credit risk. In comparison with June 2021, the decrease in coverage ratio reflects the increase in overdue credits and the mostly stable balance of loan loss provisions.

**Provision ratio** reached 7.0% of the credit portfolio in September 2021, 1.8 pp. below September 2020 and 0.3pp. above June 2021. Loan loss provisions decreased 4.3% or R\$120.0 million in twelve months, due to the rolling over of risk rating levels, impacted by the economic scenario, and the decrease in past-due loans. The portfolio of normal risk loans increased 2.1 pp. from September 2020. In the last quarter, the balance of loan loss provisions were mostly stable, increasing R\$20.0 million reflecting the rollover of the portfolio by rating levels and the increase in past-due loans; the credit portfolio classified as normal risk increased 0.9 pp. from June 2021.



## GUIDANCE

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Expected evolution for credit portfolio, funding and performance indicators for 2021, revised and released on 1H2021 Financial Statements are maintained.

### Guidance

	<b>2021</b>
	<b>Projected <sup>(2)</sup></b>
Credit Portfolio	7% to 12%
Non-direct Lending – Individuals	5% to 10%
Non-direct Lending – Companies	8% to 13%
Agricultural Loans	22% to 27%
Provision Expenses / Credit Portfolio	2% to 3%
Funding <sup>(1)</sup>	4% to 8%
Return on Average Equity	10% to 14%
Efficiency Ratio	54% to 59%
Net Interest Income / Interest-Earning Assets	6% to 7%

(1) Funding: Deposits + Resources from bank notes and similar.

(2) Disclosed in 1H2021.

Porto Alegre, November 10, 2021.