Banrisul

FINANCIAL STATEMENTS

JUNE 2021

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PRESS RELEASE

This Press Release contains forward-looking statements, which not only relate to historic facts but also reflect the targets andexpectations of the Company management. The terms “anticipate”, “desire”, “expect”, “project”, “plan”, “intend” and similar words are intended to identify statements that necessarily involve known and unknown risks.

Known risks include uncertainties which are not limited to the impact of competitive services and pricing, acceptance of services by the market, Banrisul’s and its competitors’ services transactions, regulatory approval, currency fluctuations, changes in the mix of the portfolio of services and other risks described in the Company's reports. This Press Release is up to date and Banrisul may or may not update it with new information and/or future events.

Table 1: Economic and Financial Indicators

Main Income Statement Accounts - R$ Million	1H2021	1H2020	2Q2021	1Q2021	4Q2020	3Q2020	2Q2020	1H2021/ 1H2020	2Q2021/ 1Q2021
Net Interest Income	2,456.5	2,560.9	1,249.1	1,207.3	1,462.4	1,239.5	1,299.3	-4.1%	3.5%
Provisions for Expected Losses Associated with Credit Risk Expenses	347.6	780.8	217.8	129.8	401.3	319.4	484.2	-55.5%	67.9%
Financial Income	3,231.6	4,958.7	1,291.7	1,939.9	1,510.6	1,763.9	2,037.3	-34.8%	-33.4%
Financial Expenses	775.1	2,397.8	42.6	732.6	48.2	524.4	738.0	-67.7%	-94.2%
Income from Services and Fees	960.8	962.0	482.3	478.5	521.3	472.1	457.7	-0.1%	0.8%
Adjusted Administrative Expenses (1)	1,758.2	1,788.0	888.5	869.7	905.0	905.9	867.7	-1.7%	2.2%
Adjusted Other Expenses	461.3	342.2	209.0	252.3	230.1	318.8	167.4	34.8%	-17.2%
Adjusted Other Income	210.3	163.1	110.4	99.8	148.2	146.7	69.8	29.0%	10.6%
Adjusted Net Income	560.8	377.3	281.9	278.9	329.7	117.8	119.8	48.6%	1.1%
Net Income	544.2	377.3	265.2	278.9	232.3	117.8	119.8	44.2%	-4.9%
Main Balance Sheet Accounts - R$ Million	**Jun 2021**	**Jun 2020**	**Jun 2021**	**Mar 2021**	**Dec 2020**	**Sep 2020**	**Jun 2020**	**Jun 2021/ Jun 2020**	**Jun 2021/ Mar 2020**
Total Assets	98,063.0	86,582.8	98,063.0	95,432.1	91,822.9	90,167.2	86,582.8	13.3%	2.8%
Securities (2)	37,646.2	32,926.3	37,646.2	37,141.4	35,432.6	35,213.9	32,926.3	14.3%	1.4%
Total Credit Portfolio	36,640.1	35,965.9	36,640.1	36,852.2	37,605.8	36,257.7	35,965.9	1.9%	-0.6%
Provisions for Expected Losses Associated with Credit Risk	2,673.3	2,982.3	2,673.3	2,700.7	2,763.1	2,813.3	2,982.3	-10.4%	-1.0%
Past Due Loans > 90 Days	815.5	1,272.7	815.5	891.2	869.7	1,080.3	1,272.7	-35.9%	-8.5%
Funds Raised and Under Management	79,121.1	75,329.0	79,121.1	78,577.4	80,457.7	78,483.5	75,329.0	5.0%	0.7%
Shareholders' Equity	8,654.4	8,219.1	8,654.4	8,581.2	8,346.2	8,354.9	8,219.1	5.3%	0.9%
Prudential Conglomerate Reference Equity	6,697.1	6,737.2	6,697.1	6,694.2	6,821.2	6,905.5	6,737.2	-0.6%	0.0%
Average Shareholders' Equity	8,500.3	8,006.7	8,617.8	8,463.7	8,350.6	8,287.0	8,144.1	6.2%	1.8%
Average Total Assets	94,943.0	84,066.2	96,747.5	93,627.5	90,995.1	88,375.0	84,926.4	12.9%	3.3%
Average Profitable Assets	84,447.1	73,495.7	86,145.9	82,820.6	80,219.6	77,837.1	74,770.8	14.9%	4.0%
Stock Market Information - R$ Million	**1H2021**	**1H2020**	**2Q2021**	**1Q2021**	**4Q2020**	**3Q2020**	**2Q2020**	**1H2021/ 1H2020**	**2Q2021/ 1Q2021**
Interest on Own Capital / Dividends (3)	218.4	101.0	125.4	93.1	117.2	0.0	0.0	116.3%	34.7%
Market Capitalization	5,423.0	5,541.6	5,423.0	4,924.1	5,958.8	4,879.1	5,541.6	-2.1%	10.1%
Book Value Per Share	21.16	20.10	21.16	20.98	20.41	20.43	20.10	5.3%	0.9%
Average Price per Share (R$)	12.97	15.58	13.01	12.93	13.00	13.68	12.92	-16.7%	0.6%
Earnings per Share (R$)	1.33	0.92	0.65	0.68	0.57	0.29	0.29	44.2%	-4.9%
Financial Indexes	**1H2021**	**1H2020**	**2Q2021**	**1Q2021**	**4Q2020**	**3Q2020**	**2Q2020**		
Adjusted ROAA (pa.) (4)	1.2%	0.9%	1.2%	1.2%	1.4%	0.5%	0.6%		
Adjusted ROAE (pa.) (5)	13.2%	9.4%	13.1%	13.2%	15.8%	5.7%	5.9%		
Adjusted Efficiency Ratio (6)	54.0%	52.6%	54.0%	53.5%	53.0%	54.3%	52.6%		
Net Interest Margin on Profitable Assets (7)	5.82%	6.97%	5.80%	5.83%	7.29%	6.37%	6.95%		
Adjusted Operating Cost	3.6%	4.3%	3.6%	3.7%	3.9%	4.1%	4.3%		
Default Rate > 90 Days (8)	2.23%	3.54%	2.23%	2.42%	2.31%	2.98%	3.54%		
Coverage Ratio 90 days (9)	327.8%	234.3%	327.8%	303.1%	317.7%	260.4%	234.3%		
Provisioning Index (10)	7.3%	8.3%	7.3%	7.3%	7.3%	7.8%	8.3%		
Basel Ratio (Prudential Conglomerate)	14.8%	16.0%	14.8%	14.8%	15.8%	16.2%	16.0%		
Structural Indicators	**Jun 2021**	**Jun 2020**	**Jun 2021**	**Mar 2021**	**Dec 2020**	**Sep 2020**	**Jun 2020**		
Branches	500	514	500	502	507	508	514		
Service Stations	156	181	156	156	182	182	181		
Electronic Service Stations	418	422	418	426	418	418	422		
Employees	9,156	10,216	9,156	9,224	9,280	10,187	10,216		
Economic Indicators	**1H2021**	**1H2020**	**2Q2021**	**1Q2021**	**4Q2020**	**3Q2020**	**2Q2020**		
Effective Selic Rate	1.27%	1.75%	0.79%	0.48%	0.47%	0.51%	0.73%		
Exchange Rate (R$/USD - end of period)	5.00	5.48	5.00	5.70	5.20	5.64	5.48		
Exchange Rate Variation (%)	-3.74%	35.86%	-12.20%	9.63%	-7.87%	3.01%	5.33%		
IGP-M (General Market Price Index)	15.09%	4.39%	6.31%	8.27%	7.64%	9.59%	2.66%		
IPCA (Extended Consumer Price Index)	3.77%	0.10%	1.68%	2.05%	3.13%	1.24%	-0.43%		

(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.

BUSINESS SCENARIO

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, it 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. Now a new phase will begin, in which service will once again be solely by queue, streamlining it, expanding business and keeping us in line with the practices of other large banks. Afinidade customers will be able to continue with service by appointment, as adopted before the pandemic.

Faced with the challenges of the first half 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 has been gradually absorbing 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% a.a. The Notes have a 10-year term, with a 5-year repurchase option. Banrisul is awaiting the approval of the Central Bank of Brazil for the Notes to make up the Tier II Capital of the Reference Equity.

In the first half 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. 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 Bank implemented phase 1, referring to the sharing of data from the service channels, products and services available to customers, and for phase 2, the process of compliance with the information security requirements was started.

Among the advances in **sustainability**, stand out in the period initiatives related to climate change, including adherence to the Brazilian GHG Protocol Program and the CDP - Carbon Disclosure Project, as well as the beginning of the project for the migration of energy consumption to renewable energy sources. 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 1H2021 and 2Q2021 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.

Table 2: Key Items of the Income Statement - R$ Million

	1H2021	1H2020	2Q2021	1Q2021	4Q2020	3Q2020	2Q2020	1H2021/ 1H2020	2Q2021/ 1Q2021
Net Interest Income	2,456.5	2,560.9	1,249.1	1,207.3	1,462.4	1,239.5	1,299.3	-4.1%	3.5%
Provisions for Expected Losses Associated with Credit Risk Expenses	347.6	780.8	217.8	129.8	401.3	319.4	484.2	-55.5%	67.9%
Income from Services and Fees	960.8	962.0	482.3	478.5	521.3	472.1	457.7	-0.1%	0.8%
Adjusted Administrative Expenses	1,758.2	1,788.0	888.5	869.7	905.0	905.9	867.7	-1.7%	2.2%
Adjusted Operating Income	847.1	568.8	420.9	426.2	491.7	211.8	209.9	48.9%	-1.3%
Adjusted Net Income	560.8	377.3	281.9	278.9	329.7	117.8	119.8	48.6%	1.1%
Net Income	544.2	377.3	265.2	278.9	232.3	117.8	119.8	44.2%	-4.9%

Net income reached R$544.2 million in the first half of 2021, 44.2% or R$166.9 million above the net income for the same period in 2020. In 2Q2021, net income totaled R$265.2 million, with an increase of R$145.4 million compared to 2Q2020 and a decrease of R$13.7 million compared to 1Q2021. Net income for the first half and second quarter 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 increase in the rate impacted the tax credits and debts constituted on the temporary differences existing in deferred taxes, as of June 2021, which will take place until December 2021. The events mentioned were treated, for the purposes of income analysis, as not recurrent.

Adjusted net income for non-recurring events reached R$560.8 million in 1H2021, 48.6% or R$183.5 million above the net income in 1H2020. In 2Q2021, adjusted net income totaled R$281.9 million, an increase of R$2.9 million compared to 1Q2021. The **adjusted performance** recorded by Banrisul in 1H2021 compared to 1H2020 reflects (i) lower loan loss provision expenses, (ii) decreased net interest income, (iii) decreasing administrative expenses, (iv) an increase in other adjusted expenses and revenues, and (v) consequent higher volume of income taxes. In the comparison between 2Q2021 and 1Q2021, the adjusted performance reflects, in particular (i) increased net interest income, (ii) higher loan loss provision expenses, (iii) stable income from services and fees, (iv) increased administrative expenses, (v) reduction in other adjusted expenses net of other revenues and (vi) consequent lower volume of income taxes.

Net interest income for 1H2021 reached R$2,456.5 million, decreasing 4.1% or R$104.4 million compared to 1H2020, mainly reflecting a greater reduction in interest income compared to the decrease in interest expenses. In 2Q2021, net interest income amounted to R$1,249.1 million, an increase of 3.5% or R$41.8 million compared to 1Q2021, an evolution that reflects, in particular, a greater reduction in interest expenses compared to the decrease in interest income, in a context of exchange rate variation, increase in the Selic rate and flat credit portfolio.

Loan loss provision expenses reached R$347.6 million in 1H2021, decreasing 55.5% or R$433.3 million compared to 1H2020, reflecting, in particular, the rollover of the portfolio by risk rating, impacted by the economic scenario, and the decrease in defaults. In 2Q2021, these expenses totaled R$217.8 million, an increase of 67.9% or R$88.1 million compared to 1Q2021, due to the rollover of the portfolio by risk rating and the higher recovery of written off credit, which is fully provisioned, in a context of decreasing overdue credit.

Income from services and banking fees reached R$960.8 million in 1H2021, mostly stable compared to 1H2020. In 2Q2021, these revenues amounted to R$482.3 million, mostly flat, increasing R$3.8 million, compared to

1Q2021, mainly due to the growth in the acquiring network's revenues, partially offset by the decrease in checking account fees.

Administrative expenses, comprised of personnel and other administrative expenses, totaled R$1,758.2 million in 1H2021, decreasing 1.7% or R$29.8 million compared to 1H2020. In 2Q2021, administrative expenses totaled R$888.5 million, an increase of 2.2% or R$18.8 million compared to 1Q2021. **Personnel expenses** totaled R$912.9 million in 1H2021, a decrease of 7.3% or R$72.1 million compared to 1H2020, reflecting the collective wage agreement and the resignation of employees within the Voluntary Termination Plan. In 2Q2021, personnel expenses totaled R$453.9 million, a decrease of 1.1% or R$5.1 million compared to 1Q2021. **Other administrative expenses** totaled R$845.3 million in 1H2021, an increase of 5.3% or R$42.3 million compared to 1H2020, mainly influenced by the increase in expenses with specialized technical services and expenses with third-party services. In 2Q2021, other administrative expenses totaled R$434.6 million, an increase of 5.8% or R$23.9 million compared to 1Q2021, mainly influenced by the increase in expenses with third-party services, especially with the generation of payroll loans through correspondents, and increased expenses with specialized technical services.

The reconciliation between reported and managerial net income is presented below, and considers the non-recurring events recorded in 4Q2020 and 1H2021. ROE, ROA and efficiency ratio are calculated based on adjusted net income.

Table 3: Accounting Net Income Statement X Adjusted Net Income - R$ Million and %

	1H2021	1H2020	2Q2021	1Q2021	4Q2020	3Q2020	2Q2020
Adjusted Net Income	560.8	377.3	281.9	278.9	329.7	117.8	119.8
Adjustments	(16.7)	-	(16.7)	-	(97.3)	-	-
Voluntary Termination Plan (1)	-	-	-	-	(177.0)	-	-
Provision for Tax Contingencies (2)	(76.0)	-	(76.0)	-	-	-	-
Tax Effects (3)	34.2	-	34.2	-	79.6	-	-
Tax Credits – CSLL Law No. 14,183/21 (4)	25.2	-	25.2	-	-	-	-
Net Income	544.2	377.3	265.2	278.9	232.4	117.8	119.8
Adjusted ROAA	1.2%	0.9%	1.2%	1.2%	1.4%	0.5%	0.6%
Adjusted ROAE	13.2%	9.4%	13.1%	13.2%	15.8%	5.7%	5.9%
Adjusted Efficiency Ratio (5)	54.0%	52.6%	54.0%	53.5%	53.0%	54.3%	52.6%

(1) Costs accounted for under the Voluntary Termination Plan refer to 901 employees; of this total, 96.8% or 872 employees had already left the Bank under the Voluntary Termination Plan by the end of June 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 13.2% in 1H2021, 3.8 pp. above 1H2020, reflecting particularly the decrease in loan loss provision expenses and the decrease in administrative expenses, partially offset by the decrease in net interest income, stable banking fees and increase in other adjusted expenses and revenues.

Adjusted efficiency ratio reached 54.0% in the twelve months up to June 2021 compared to 52.6% in the twelve months up to June 2020. The trajectory of the efficiency ratio reflects the decrease of the financial margin and of banking 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$98,063.0 million in June 2021, an increase of 13.3% or R$11,480.2 million compared to June 2020 and 2.8% or R$2,631.0 million compared to March 2021. The main components of assets and liabilities will be discussed below.

Table 4: Asset Evolution Statement - R$ Million

	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Jun 2021/ Jun 2020	Jun 2021/ Mar 2021
Total Assets	98,063.0	95,432.1	91,822.9	90,167.2	86,582.8	13.3%	2.8%
Credit Operations	36,640.1	36,852.2	37,605.8	36,257.7	35,965.9	1.9%	-0.6%
Securities (1)	37,646.2	37,141.4	35,432.6	35,213.9	32,926.3	14.3%	1.4%
Funds Raised and Under Management	79,121.1	78,577.4	80,457.7	78,483.5	75,329.0	5.0%	0.7%
Shareholders' Equity	8,654.4	8,581.2	8,346.2	8,354.9	8,219.1	5.3%	0.9%

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

Credit assets reached R$36,640.1 million in June 2021, an increase of 1.9% or R$674.2 million compared to June 2020, mainly influenced by the increase of R$753.4 million in non-earmarked credit and of R$458.6 million in rural credit, partially offset by the reduction of R$307.5 million in the foreign exchange portfolio and of R$147.7 million in long-term financing. Compared to March 2021, the credit portfolio was mostly flat, decreasing R$212.1 million, influenced, in particular, by the decrease of R$98.3 million in rural credit and R$76.8 million in non-earmarked credit.

Table 5: Statement of the Credit Portfolio - R$ Million

	Jun 2021	% Total Credit	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Jun 2021/ Jun 2020	Jun 2021/ Mar 2021
Foreign Exchange	518.7	1.4%	502.4	510.4	672.7	826.2	-37.2%	3.3%
Commercial	28,059.4	76.6%	28,136.2	28,887.4	27,546.1	27,306.0	2.8%	-0.3%
Individuals	21,861.8	59.7%	21,873.5	22,278.0	21,373.1	21,318.7	2.5%	-0.1%
Payroll (1)	17,148.4	46.8%	16,943.5	17,057.1	16,892.4	16,314.0	5.1%	1.2%
Other	4,713.3	12.9%	4,930.0	5,220.9	4,480.7	5,004.6	-5.8%	-4.4%
Companies	6,197.6	16.9%	6,262.7	6,609.4	6,173.0	5,987.3	3.5%	-1.0%
Working Capital	4,563.7	12.5%	4,527.8	4,873.7	4,493.0	4,207.6	8.5%	0.8%
Other	1,633.8	4.4%	1,734.9	1,735.6	1,680.0	1,779.7	-8.2%	-5.8%
Long-term Financing	506.9	1.4%	530.2	569.1	616.4	654.6	-22.6%	-4.4%
Real Estate Financing	4,077.6	11.1%	4,104.9	4,125.6	4,122.9	4,148.8	-1.7%	-0.7%
Agricultural Financing	3,361.0	9.2%	3,459.3	3,392.2	3,178.9	2,902.4	15.8%	-2.8%
Other (2)	116.5	0.3%	119.2	121.1	120.6	127.9	-8.9%	-2.2%
Total	**36,640.1**	**100.0%**	**36,852.2**	**37,605.8**	**36,257.7**	**35,965.9**	**1.9%**	**-0.6%**

(1) Credits linked to acquired portfolio with recourse have been added to Credit to Individuals since March 2020, with adjusted effects on previous periods.
(2) Includes leasing and public sector.

Securities, **interbank investments and cash availabilities** totaled R$46,325.6 million in June 2021, which, deducted of repurchase agreements, presented a net balance of R$37,646.2 million, an increase of 14.3% or R$4,719.9 million compared to June 2020, mainly influenced by the increase in deposits and external funding carried out in January 2021, in a context of lower growth in the loan portfolio and increase in compulsory deposits at Bacen. Compared to March 2021, these investments recorded growth of 1.4% or R$504.8 million, influenced, especially, by the increase in financial and development funds.

Funds raised and under management, comprised of deposits, bank notes, subordinated bond and third-party funds, totaled R$79,121.1 million in June 2021, an increase of 5.0% or R$3,792.1 million in twelve months, especially due to the growth in deposits. Compared to March 2021, funds raised and under management increased by 0.7% or R$543.7 million, mainly influenced by the growth in third-party funds.

Shareholders' equity reached R$8,654.4 million in June 2021, an increase of 5.3% or R$435.3 million compared to June 2020 and an increase of 0.9% or R$73.2 million compared to March 2021. The evolution of equity in twelve months reflects, in particular, the incorporation of net income, the payment of interest on equity and dividends paid and/or provisioned, 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 dividends paid and/or provisioned, as well as the exchange variation adjustments on the equity of foreign branches.

Banrisul paid and provisioned R$520.0 million in **taxes and contributions** in 1H2021. Taxes withheld and paid, directly levied on financial intermediation and other payments, amounted to R$411.5 million in the period.

Table 6: Other Indicators - %

	1H2021	1H2020	2Q2021	1Q2021	4Q2020	3Q2020	2Q2020
Net Interest Margin	5.82%	6.97%	5.80%	5.83%	7.29%	6.37%	6.95%
Basel Ratio (Prudential Conglomerate)	14.8%	16.0%	14.8%	14.8%	15.8%	16.2%	16.0%
Loan Portfolio Normal Risk / Total Credit	90.0%	88.0%	90.0%	89.9%	89.9%	88.8%	88.0%
Loan Portfolio Risks 1 and 2 / Total Credit	10.0%	12.0%	10.0%	10.1%	10.1%	11.2%	12.0%
Default Rate > 90 Days	2.23%	3.54%	2.23%	2.42%	2.31%	2.98%	3.54%
Cover Ratio > 90 Days (1)	327.8%	234.3%	327.8%	303.1%	317.7%	260.4%	234.3%
Provision Ratio (2)	7.3%	8.3%	7.3%	7.3%	7.3%	7.8%	8.3%

(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 1H2020 to 1H2021 reflects the decrease in financial revenues and expenses, impacted, in special, by the decrease in interest rates, lined up with the decrease in Selic Rate, facing the increase in profitable assets, especially, securities.

The **90-day default rate** reached 2.23% in June 2021, decreasing 1.31 pp. in twelve months and 0.19 pp. in three months. The balance of 90-day past due credit reached R$815.5 million in June 2021, decreasing 35.9% in twelve months and 8.5% in the last quarter. The 90-day past due **coverage ratio** reached 327.8% in June 2021, compared to 234.3% in June 2020 and 303.1% in March 2021. From June 2020 to June 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.

Provision ratio reached 7.3% of the credit portfolio in June 2021, 1.0 pp. below June 2020 and stable from March 2021. Provisions for expected losses associated with credit risk decreased R$309.0 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 2.0 pp. from June 2020. In the last quarter, the balance of provisions for expected losses associated with credit risk decreased R$27.4 million reflecting the rollover of the portfolio by rating levels and the decrease in past-due loans.

GUIDANCE

The first half of this year was challenging for the business environment, due to the worsening of the Covid-19 pandemic, which affected credit granting. With the advance of vaccination in the country, a more favorable scenario is expected for the performance of the credit portfolio. However, the performance observed in the first half entails a revision of the expected guidance for the year. The expectation is that the second half will resume the growth pace of the pre-pandemic period, especially in payroll-deductible lines, operations with guaranteed funds and the strategy in relation to rural credit. On the other hand, the stable quality in the granting of new credit and the lower level of NPLs reduced the expectation of expenses with provision for loan losses, which also led to an adjustment to the guidance.

For funding, the expectation is within the range previously disclosed. With regard to performance indicators, the maintenance of the Selic Rate at historic lows until the beginning of this year was reflected in a lower price level. The trajectory of successive increases in the Selic Rate in 2021, continuing the process of normalization, generates short-term pressure on the financial margin, which will converge to previous levels as new operations are granted and the credit portfolio grows, thus remaining in the expected range. The efficiency ratio range was adjusted to reflect the deterioration observed in the context of the first half-year, which affected revenue lines. We highlight that efficient management is one of Banrisul's strategic pillars, committed to continually seek optimization of processes and structures.

Table 7: Guidance

	2021	
	Projected (2)	**Revised**
Credit Portfolio	10% to 15%	7% to 12%
Non-direct Lending – Individuals	10% to 15%	5% to 10%
Non-direct Lending – Companies	11% to 16%	8% to 13%
Rural Loans	22% to 27%	Maintained
Provision Expenses / Credit Portfolio	3,5% to 4,5%	2% to 3%
Funding (1)	4% to 8%	Maintained
Return on Average Equity	10% to 14%	Maintained
Efficiency Ratio	50% to 54%	54% to 59%
Net Interest Income / Interest-Earning Assets	6% to 7%	Maintained

(1) Funding: Deposits + Resources from bank notes and similar.
(2) Disclosed in 4Q2020 e mantained in 1Q2021.

Porto Alegre, August 12, 2021.

ANALYSIS OF PERFORMANCE

Following is the analysis of the performance of Banco do Estado do Rio Grande do Sul S.A. related to the first semester and second quarter of 2021.

MARKET SHARE

In March 2021, Banrisul occupied the 11th position in total assets, the 10th in shareholders' equity and 9th in funding (total deposits, open market funding and borrowings and onlendings) and the 6th in number of branches, according to ranking published by the Central Bank of Brazil (BNDES not included).

Banrisul's domestic market share in time deposits reached 2.7765% in June 2021 from 3.0096% in June 2020; deposits grew 8.1% year-on-year in Banrisul vis-à-vis the 17.2% expansion observed within the banking industry in the same period. As to demand deposits, Banrisul's participation in the domestic market reached 1.1297% in June 2021, increasing 0.0037 pp. from June 2020; as for savings accounts, Banrisul's portfolio reached 1.1051% from the domestic market balance in June 2021, increasing 0.0198 pp. from June 2020. Banrisul's share in credit in the Brazilian credit market reached 0.8695% in June 2021 from 0.9925% in June 2020.

Credit market share reached 17.6274% of the total credit granted within Rio Grande do Sul in March 2021, decreasing 1.7732pp. in comparison to March 2020. In the State of Rio Grande do Sul, in March 2021 Banrisul's market share reached 39.7179% in time deposits, decreasing 4.6589 pp. in twelve months, while reaching 12.3583% in saving deposits in the same month, decreasing 0.4158 pp. year-on-year. Demand deposits decreased 0.5901 pp. in twelve months, reaching 23.4668% in March 2021.

Table 6: Market Share

	Brazil		Rio Grande do Sul	
	Jun 2021 (1)	Jun 2020	Mar 2021 (2)	Mar 2020
Demand Deposits	1.1297%	1.1260%	23.4668%	24.0569%
Saving Deposits	1.1051%	1.0853%	12.3583%	12.7741%
Time Deposits	2.7765%	3.0096%	39.7179%	44.3768%
Credit Operations	0.8695%	0.9925%	17.6274%	19.4006%
Number of Branches	2.7882%	2.6555%	31.7639%	30.7837%

(1) Last information disclosed.
(2) Last information available.

MARGIN ANALYSIS

Financial Intermediation Performance

The presented margin analysis was calculated based on average balances of assets and liabilities, calculated from the closing balances of the months that compose the respective analyzed period. The following chart shows the revenue-generating assets and interest-bearing liabilities, the corresponding financial incomes on assets and financial expenses on liabilities, as well as the effective average rates practiced.

Credit operations include advances on foreign exchange contracts and leasing agreements, which are shown at the current net value of the leasing agreements. Income from credit operations more than 60 days overdue, irrespective of their risk level, will only be booked as revenues when received.

Average balances of interbank investment and funds invested or raised in the interbank market correspond to the redemption amount deducted from the income or expenses corresponding to future periods. Average balances of deposits, open-market funding, borrowings and onlendings include the fees payable till the date of closing of the Financial Statements, booked on a pro rata die basis. As for expenses related to these items, those due on deposits include contributions to the Deposit Guarantee Fund (Fundo Garantidor de Crédito - FGC).

Margins produced by interest-earning assets decreased from 1H2020 to 1H2021. Average interest-earning assets grew 14.9% and interest-bearing liabilities increased 14.8%. The absolute margin decreased 4.1% in 1H2021and the relative annualized margin decreased 1.15 pp. when compared to 1H2020.

Interest-earning assets and interest-bearing liabilities were impacted by the foreign exchange variation, especially in credit operations linked to trade finance transactions, derivatives financial instruments, subordinated debt and foreign onlendings, as well as the reduction of the Selic. Besides the basic interest rates that index transactions in the financial sector, the assets and liabilities structure, as well as the time and interest rate conditions of transactions, are determinant factors in the formation of the margin recorded in each period.

Representing 40.4% of the total average interest-earning assets, credit assets decreased 4.4 pp. from 1H2020 to 1H2021; treasury operations amounted to 48.4% of interest-earning assets in 1H2021, increasing 7.9 pp. from 1H2020. Compulsory deposits decreased 3.6 pp comparing to 1H2020, reaching 8.8% in 1H2021.

As to interest-bearing liabilities, the average balance of time deposits represented 61.1% of the cost-generating liabilities in 1H2021, decreasing 1.9 pp. from 1H2020. Savings deposits reached 15.0% of the total interest-bearing liabilities in 1H2021, decreasing 0.2 pp. from 1H2020. Among the other interest-bearing liabilities, market funding represented 9.2%, increasing 3.2 pp. from 1H2020. Subordinated debt represented 4.0% in 1H2021, with a decrease of 0.3 pp. compared to 1H2020, an increase motivated by the exchange rate variation and mark to market. Bank notes represented 2.7% of the interest-bearing liabilities in 1H2021, decreasing 2.5 pp. from 1H2020.

All together, these variations decreased spreads, which reached 2.56% in 1H2021.

Table 7: Margin Analysis - R$ Million and %

	1H2021			1H2020			2020			2019		
	Average Balance	Income Expense	Average Rate	Average Balance	Income Expense	Average Rate	Average Balance	Income Expense	Average Rate	Average Balance	Income Expense	Average Rate
Interest-Earning Assets	**84,447.1**	**3,231.6**	**3.83%**	**73,495.7**	**4,958.7**	**6.75%**	**76,228.3**	**8,233.2**	**10.80%**	**70,212.7**	**9,105.4**	**12.97%**
Loans (1)	34,089.7	2,754.7	8.08%	32,890.2	3,313.4	10.07%	33,186.0	6,311.3	19.02%	31,627.5	6,818.0	21.56%
Securities (2)	40,886.7	548.2	1.34%	29,748.4	510.8	1.72%	32,854.9	836.0	2.54%	25,443.9	1,422.7	5.59%
Derivatives	886.7	(197.9)	-22.31%	675.3	938.0	138.92%	814.7	782.8	96.09%	81.7	132.1	161.60%
Compulsory Deposits	7,434.2	95.7	1.29%	9,092.5	165.9	1.82%	8,268.3	241.8	2.92%	12,014.8	672.9	5.60%
Other	1,149.9	31.0	2.69%	1,089.4	30.6	2.81%	1,104.4	61.4	5.56%	1,044.7	59.7	5.71%
Non Interest-Earning Assets	**11,460.5**	-	-	**10,306.7**	-	-	**10,642.8**	-	-	**9,059.0**	-	-
Total Assets	**95,907.6**	**3,231.6**	**3.37%**	**83,802.4**	**4,958.7**	**5.92%**	**86,871.2**	**8,233.2**	**9.48%**	**79,271.7**	**9,105.4**	**11.49%**
Interest-Bearing Liabilities	**74,425.0**	**(775.1)**	**1.04%**	**64,853.2**	**(2,397.8)**	**3.70%**	**67,116.5**	**(2,970.4)**	**4.43%**	**61,337.2**	**(3,580.4)**	**5.84%**
Interbank Deposits	1,081.9	(4.6)	0.42%	918.1	(14.5)	1.57%	1,098.6	(23.9)	2.18%	257.8	(10.3)	4.01%
Saving Deposits	11,173.1	(138.6)	1.24%	9,825.6	(163.0)	1.66%	10,256.6	(285.5)	2.78%	9,341.5	(419.9)	4.49%
Time Deposits	45,474.6	(543.4)	1.19%	40,852.9	(673.4)	1.65%	42,571.5	(1,090.4)	2.56%	38,940.9	(2,102.3)	5.40%
Repurchase Agreements (REPOs)	6,845.3	(104.2)	1.52%	3,875.5	(75.1)	1.94%	4,046.1	(121.9)	3.01%	3,871.0	(252.7)	6.53%
Resources from Bank Notes (3)	2,034.8	(24.5)	1.20%	3,342.2	(59.9)	1.79%	3,040.1	(87.1)	2.86%	3,295.1	(192.3)	5.84%
Subordinated Debt	3,005.6	53.5	-1.78%	2,818.1	(1,000.5)	35.50%	2,949.3	(885.7)	30.03%	2,211.8	(315.7)	14.27%
Domestic Borrowing and Onlending	1,420.9	(24.9)	1.75%	1,512.6	(29.4)	1.94%	1,492.2	(55.9)	3.74%	1,631.9	(68.2)	4.18%
Foreign Borrowing and Onlending (4)	1,796.5	32.9	-1.83%	797.2	(361.7)	45.38%	701.2	(387.0)	55.19%	761.7	(147.8)	19.40%
Financial and Development Funds	1,592.2	(21.3)	1.34%	911.0	(20.3)	2.22%	960.9	(33.1)	3.44%	1,025.4	(71.2)	6.94%
Non-Interest-Bearing Liabilities	**12,906.5**	-	-	**10,905.3**	-	-	**11,578.1**	-	-	**10,331.5**	-	-
Shareholders' Equity	**8,576.2**	-	-	**8,043.8**	-	-	**8,176.5**	-	-	**7,603.0**	-	-
Liabilities and Shareholders' Equity	**95,907.6**	**(775.1)**	**0.81%**	**83,802.4**	**(2,397.8)**	**2.86%**	**86,871.2**	**(2,970.4)**	**3.42%**	**79,271.7**	**(3,580.4)**	**4.52%**
Spread			**2.56%**			**3.06%**			**6.06%**			**6.97%**
Margin		**2,456.5**	**2.91%**		**2,560.9**	**3.48%**		**5,262.8**	**6.90%**		**5,525.0**	**7.87%**
Annualized Margin			**5.82%**			**6.97%**			**6.90%**			**7.87%**

(1) Includes advances on foreign exchange contracts, leasing operations and other credits with credit granting characteristics.
(2) Includes interbank investments.
(3) Includes financial and real estate bank notes.
(4) Includes external funding in the amount of R$1,582.0 million, issued as of January 2021, for the purposes of margin analysis.

VARIATIONS IN INTEREST INCOME AND EXPENSES: VOLUMES AND RATES

The variations in the volume and interest rates were calculated based on the average balances in the period and the variations in the average interest rates, exchange variation included, on interest-earning assets and interest-bearing liabilities. Variation of interest rate was calculated by variation on interest rate in the period multiplied by the average interest-earning assets or average interest-bearing liabilities in the second period. The volume change was computed as the difference between the interest amounts from the current period to the previous one.

The decrease in income (driven by the reduction of average interest rates of interest-earning assets) and the decrease in expenses (driven by the decrease of interest-bearing liabilities average interest rates) reduced margins by R$73.8 million. The increase in revenues produced by the variation of the average balance of interest-earning asset, in amounts less expressive than those of the increase in the expenses produced by the variation of the average balance of interest-bearing liabilities, produced an overall decrease of R$30.6 million in financial margin. Altogether, financial margin decreased R$104.4 million from 1H2020 to 1H2021.

The following table presents the allocation of variations in the interest incomes and expenses by the change in average volume of interesting-earning assets and interesting-bearing liabilities and the variation of the average interest rate over these assets and liabilities: (i) 1H2020 to 1H2021, (ii) 2020 vs 2019, (iii) 2019 vs 2018.

Table 8: Variations in Interest Income and Expenses: Volumes and Rates - R$ Million

	1H2021/1H2020			2020/2019			2019/2018		
	Increase / Decrease According to change in:			Increase / Decrease According to change in:			Increase / Decrease According to change in:		
	Average Volume	Interest Rate	Net Change	Average Volume	Interest Rate	Net Change	Average Volume	Interest Rate	Net Change
Interest-Earning Assets									
Loans, Leasing Operations and Other Receivables	117.1	(675.8)	(558.7)	324.3	(831.1)	(506.8)	506.7	(646.5)	(139.8)
Securities	90.2	(52.8)	37.4	335.7	(922.4)	(586.7)	49.1	(254.8)	(205.7)
Derivatives	221.3	(1.357.2)	(1.135.9)	681.5	(30.8)	650.7	194.3	(279.8)	(85.5)
Compulsory Deposits	(44.7)	(25.5)	(70.2)	(398.1)	(33.1)	(431.2)	14.3	(45.0)	(30.7)
Other	1.4	(1.1)	0.4	3.2	(1.5)	1.7	2.6	12.7	15.3
Total Interest-Earning Assets	**385.2**	**(2.112.3)**	**(1.727.1)**	**946.7**	**(1.818.9)**	**(872.2)**	**767.0**	**(1.213.4)**	**(446.4)**
Interest-Bearing Liabilities									
Interbank Deposits	(2.2)	12.1	9.9	(15.8)	2.2	(13.6)	(5.6)	1.1	(4.5)
Saving Deposits	(20.4)	44.8	24.4	(37.9)	172.2	134.3	(26.9)	26.9	0.0
Time Deposits	(70.1)	200.0	130.0	(180.5)	1.192.5	1.012.0	(140.4)	155.1	14.7
Repurchase agréments (REPOs)	(40.4)	11.3	(29.1)	(11.0)	141.7	130.8	62.9	(9.7)	53.2
Resources from Bank Notes	(24.4)	59.9	35.4	16.2	89.0	105.2	(56.2)	5.6	(50.6)
Subordinated Debt	(62.4)	1.116.4	1.054.0	(132.2)	(437.7)	(569.9)	(43.2)	138.8	95.5
Domestic Borrowings and Onlendings	2.1	2.5	4.6	8.7	3.7	12.3	39.3	45.9	85.2
Foreign Borrowings and Onlendings	(195.7)	590.3	394.7	10.8	(250.0)	(239.2)	14.4	84.0	98.4
Financial and Developmentee Funds	(2.3)	1.2	(1.1)	4.8	33.3	38.1	(7.9)	(3.7)	(11.6)
Total Interest-Bearing Liabilities	**(415.8)**	**2.038.5**	**1.622.7**	**(337.0)**	**946.9**	**609.9**	**(163.6)**	**443.9**	**280.3**
Margin	**(30.6)**	**(73.8)**	**(104.4)**	**609.7**	**(872.0)**	**(262.3)**	**603.4**	**(769.5)**	**(166.1)**

(1) Derivatives are used by Banrisul to mitigate the risks of exchange rate variations in foreign funding. In this sense, the variations presented must be analyzed as a whole.

ASSET EVOLUTION

TOTAL ASSETS

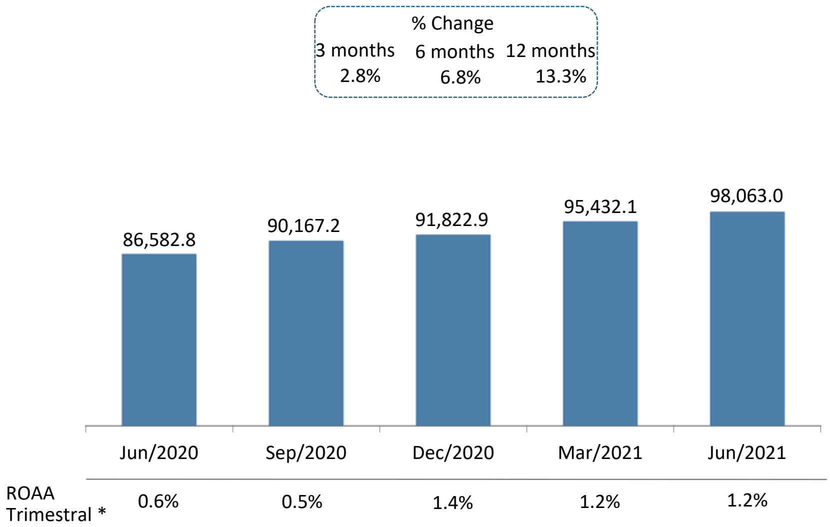
Total assets reached R$98,063.0 million in June 2021, and are divided into (i) securities added to interbank deposits and cash (47.2%); (ii) loans (37.4%) of total assets; (iii) compulsory deposits placed at the Central Bank of Brazil (7.9%) and (iv) other assets (7.5%).

In the last twelve months, total assets grew 13.3% (R$11,480.2 million), mostly from the increase of R$4,461.0 million in deposits, of R$4,459.6 million in repurchase agreements and of R$1,582.0 million in subordinated bond issued as of January 2021. As to asset allocation, the balance of securities, jointly with net interbank investments, increased R$9,179.5 million, and credit portfolio increased R$674.2 million and compulsory deposits placed at the Central Bank of Brazil increased R$487.4 million in the period.

From December 2020, total assets increased by 6.8% (R$6,240.1 million), mainly due to the increase of R$4,316.9 million in repurchase agreements, of R$1,582.0 million in external funding, and of R$800.4 million in financial and development funds, mostly offset by the decrease of R$1,266.5 in deposits. As for the allocation, securities increased by R$6,530.6 million, credit portfolio decreased by R$965.7 million.

In comparison with March 2021, the total assets added up to 2.8% or R$2,631.0 million, especially in funding on the open market in R$1,659, 5 million, due to the increase in deposits, in R$337.3 million and stability of deposits, increasing R$213.5 million. As for the allocation, the treasury balance showed an increase of R$2,164.4 million and compulsory deposits at Bacen of R$275.3 million, while the loan portfolio was relatively stable.

Graph 1: Total Assets - R$ Million



* Anualizado e calculado com base no Lucro Líquido Ajustado.

SECURITIES AND DERIVATIVES

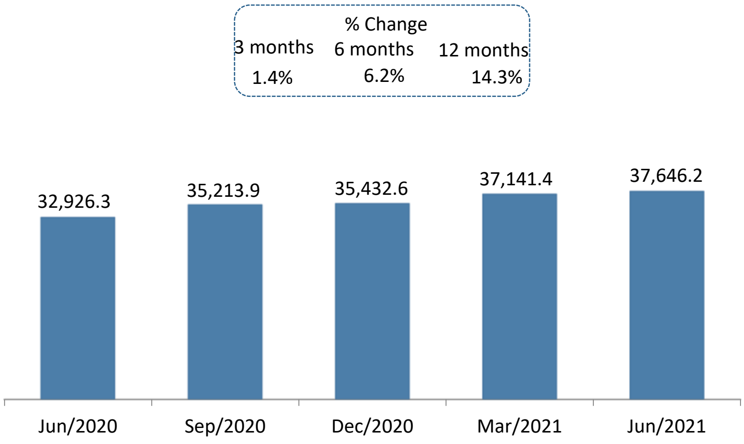
Securities, derivatives, interbank investments and cash, net of repo transactions, totaled R$37,646.2 million in June 2021, increasing 14.3% (R$4,719.9 million) from June 2020 and 6.2% (R$2,213.7million) from December 2020 and 1.4% (R$504.8 million) from March 2021.

The balance evolution from June 2020 was mainly driven by the increase in deposits and external funding issued as of January 2021, in a context of increasing reserve requirements at the Central Bank of Brazil and lower increase of the credit portfolio.

From December 2020, the performance reflects particularly the external funding, and the decrease of credit assets, in a context of decreasing deposits. In comparison with March 2021, the trajectory came, in particular, from the increase in financial and development funds.

The securities portfolio is distributed as follows: 60.1% (R$27,837.9 million) as “held to maturity”, 17.6% (R$8,174.8 million) as securities held for trading, 17.4% (R$8,063.4 million) as interbank investments, as securities held for trading, 3.4% (R$1,583.3 million) as cash, 1.4% (R$661.7 million) as derivatives and R$3.9 million as “available for sale”, totaling R$46,325.6 million. Federal government bonds account for 92.8% of treasury investments.

Graph 2: Securities and Derivatives(1) - R$ Million

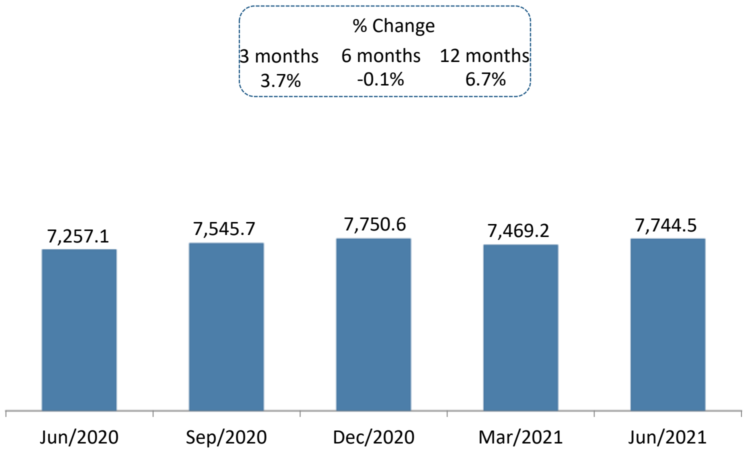


(1)Somadas as aplicações interfinanceiras de liquidez e as disponibilidades e deduzidas as obrigações compromissadas.

Compulsory Deposits placed at Central Bank of Brazil

The balance of compulsory deposits placed at Central Bank of Brazil amounted to R$7,444.5 million in June 2021, increasing 6.7% (R$487.4) since June 2020, stable and decreasing R$6.1 million from December 2020 and increasing 3.7% (R$275.3 million) since March 2021.

Graph 3: Compulsory Deposits placed at Central Bank of Brazil - R$ Million



The decrease in compulsory deposits placed at Central Bank of Brazil in June 2021 from March 2020, was especially influenced by the increase of reserve requirements over time deposits, R$495.0 million, mostly impacted by the increase in such deposits.

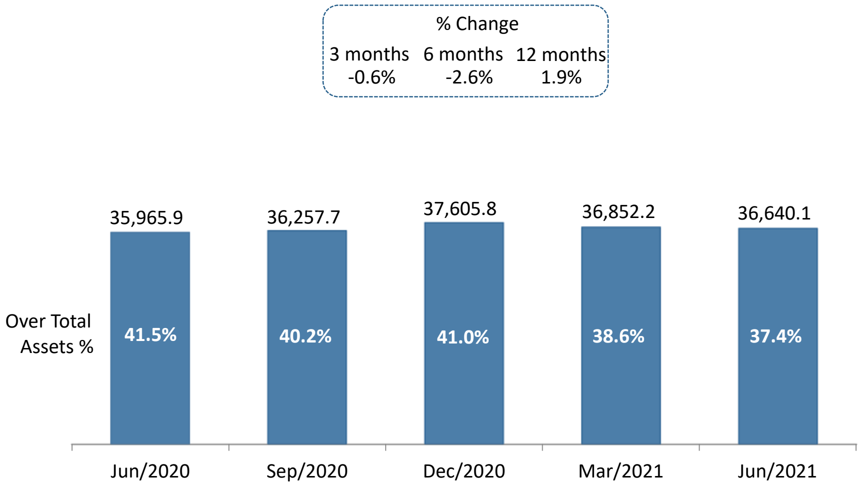
From December 2020 to June 2021, the trajetory was mainly driven by the decrease of reserve requirements over demand deposits, R$185.0 million, due to the reduction in the volume of these deposits, partially offset by the increase in compulsory deposits on time deposits, by R$97.5 millionand savings of R$68.3 million.

The growth of compulsory deposits at Bacen in June 2021 in relation to March 2021 came, in particular, from the increase in compulsory deposits on time deposits, in R$137.7 million, and savings deposits, in R$67.8 million, impacted by the increase in the balance of these deposits.

CREDIT OPERATIONS

Banrisul's credit portfolio totaled R$36,640.1 million in June 2021, increasing 1.9% (R$674.2 million) over June 2020 and decrease of 2.6% (R$965.7 million) from December 2020 and stable, decreasing R$212.1 million from March 2021. Expanded credit portfolio, which includes co-obligations and risks on granted guarantees, reached R$36,865.8 million in June 2021, increasing 1.8% (R$659.1 million) from June 2020 and decreasing 2.5% (R$935.9 million) from December 2020 and stable, decreasing R$178.7 million from March 2021.

Graph 3: Credit Operations - R$ Million



In the last twelve months, the increase in the credit balance was mainly driven by the increase in rural loans (R$458.6 million) and in non-earmarked credit (R$753.4 million), partially offset mainly by the decrease in foreign exchange portfolio (R$307.5 million), in long term credit (R$147.7 million) and in real state financing (R$71.2 million).

In comparison with December 2020, the credit portfolio balance was mainly influenced by the decrease in non-earmarked credit (R$828.0 million), mainly due to the decrease in working capital and personal loans lines.

In comparison with March 2021, the relative stability of the credit portfolio balance was mainly influenced by the reduction in rural credit, by R$98.3 million, and in the commercial credit portfolio, by R$76.8 million.

Breakdown of Credit by Company Size

Credit to companies totaled R$8,445.0 million in June 2021, and represented 23.0% of the total loan portfolio. Of the outstanding balance of corporate credit, 58.7% is allocated in credit to micro, small and medium size companies.

In the last twelve months, credit to micro, small and medium-sized companies increased 1.6% (R$77.8 million), with credit to large-sized companies decreaseing 16.8% (R$703.7 million). In the last three months, credit to micro, small and medium-sized companies decreased 1.5% (R$78.0 million) and credit to large sized companies decreased 1.6% (R$56.2 million).

Table 9: Breakdown of Credit to Companies by Company Size - R$ Million

	Jun2021			Mar 2020			Jun 2020			Jun 2021/ Junr 2020	Jun 2021/ Mar 2020
	Balance	% Company Portfolio	% Total Portfolio	Balance	% Company Portfolio	% Total Portfolio	Balance	% Company Portfolio	% Total Portfolio		
Large Companies	3,488.4	41.3%	9.5%	3,544.6	41.3%	9.6%	4.192,1	46,2%	11,7%	-16,8%	-1,6%
Total Middle/Small/Micro	4,956.6	58.7%	13.5%	5,034.6	58.7%	13.7%	4.878,8	53,8%	13,6%	1,6%	-1,5%
Middle Companies	2,954.9	35.0%	8.1%	3,012.9	35.1%	8.2%	3.074,3	33,9%	8,5%	-3,9%	-1,9%
Small Companies	1,605.1	19.0%	4.4%	1,615.4	18.8%	4.4%	1.344,6	14,8%	3,7%	19,4%	-0,6%
Micro-Companies	396.6	4.7%	1.1%	406.2	4.7%	1.1%	459,9	5,1%	1,3%	-13,8%	-2,4%
Total Companies	**8,445.0**	**100.0%**	**23.0%**	**8,579.2**	**100.0%**	**23.3%**	**9.070,9**	**100,0%**	**25,2%**	**-6,9%**	**-1,6%**

Criteria: average monthly revenue (Micro - up to R$30,000; Small - up to R$400,000; Mid-sized - up to R$25 million). For Large companies: average monthly revenue above R$25 million or Total Asset above R$240 million.

Breakdown of Credit by Sector

The balance of credit operations segmented by sector of activity is presented as follows:

Table 10: Breakdown of Credit by Sector - R$ Million

	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Jun 2021/ Jun 2020	Jun 2021/ Mar 2021
Public Sector	**102.5**	**103.5**	**103.6**	**101.5**	**104.3**	**-1.8%**	**-0.9%**
Public Management - Direct and Indirect	102.5	103.5	103.6	101.5	104.3	-1.8%	-0.9%
Private Sector	**36,537.6**	**36,748.8**	**37,502.2**	**36,156.2**	**35,861.6**	**1.9%**	**-0.6%**
Corporate	8,342.5	8,475.8	8,952.2	8,836.9	8,966.6	-7.0%	-1.6%
Agricultural	249.4	251.6	272.6	159.9	168.3	48.2%	-0.9%
Food, beverage and smoke	1,100.5	1,104.0	1,146.4	1,194.7	1,241.6	-11.4%	-0.3%
Automotive	358.6	363.0	383.3	352.9	337.3	6.3%	-1.2%
Pulp, wood and furniture	156.0	155.8	185.0	202.1	198.2	-21.3%	0.2%
Wholesale Food Business	547.1	562.0	535.0	552.1	626.9	-12.7%	-2.7%
Wholesale Business, except for food	535.7	539.7	559.9	506.3	512.8	4.5%	-0.7%
Retail Business - Others	774.1	748.8	784.3	720.0	612.2	26.4%	3.4%
Construction and Real Estate	760.1	816.8	837.5	817.4	824.0	-7.7%	-6.9%
Education, Health and other Social Services	1,039.3	1,138.1	1,233.6	1,367.6	1,358.5	-23.5%	-8.7%
Electronics and Computing	287.9	272.1	313.8	312.6	313.4	-8.1%	5.8%
Financials and Insurance	316.2	329.6	338.7	349.6	474.3	-33.3%	-4.1%
Machine and Equipment	261.2	236.1	239.2	216.9	215.1	21.5%	10.6%
Metallurgy	213.3	214.8	230.3	198.3	214.2	-0.5%	-0.7%
Infrastructure Works	33.6	30.0	31.4	136.2	134.4	-75.0%	12.1%
Oil and Natural Gas	317.0	315.1	355.3	359.0	368.6	-14.0%	0.6%
Chemical and Petrochemical	398.6	406.4	434.1	372.7	419.8	-5.0%	-1.9%
Private Services	221.1	212.7	219.6	215.1	199.5	10.8%	3.9%
Textile, Confections and Leather	198.5	201.5	234.0	216.3	203.4	-2.4%	-1.5%
Transportation	296.7	295.6	314.7	286.0	285.9	3.8%	0.4%
Others	277.6	281.9	303.5	300.9	258.1	7.5%	-1.5%
Individuals	28,195.1	28,273.0	28,550.0	27,319.4	26,895.0	4.8%	-0.3%
Total	**36,640.1**	**36,852.2**	**37,605.8**	**36,257.7**	**35,965.9**	**1.9%**	**-0.6%**

Breakdown of Credit by Portfolio

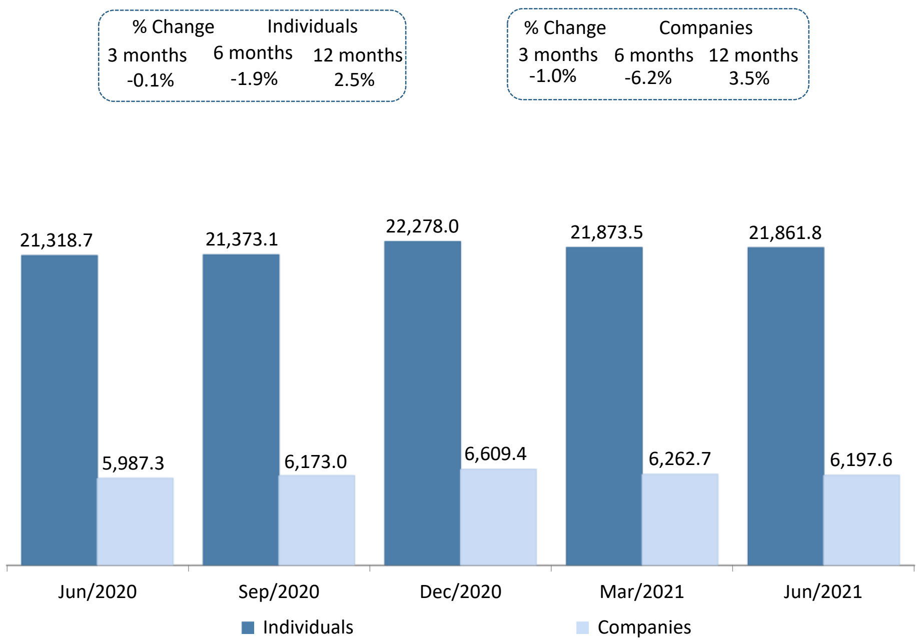
The breakdown of credit by portfolio presents both earmarked and non-earmarked loan assets. The non-earmarked portfolio, leasing and public sector are freely funded from time deposits and equity and comprised 76.9% of the total credit portfolio in June 2021. Development credit lines (long-term finance), agricultural, real estate finance and foreign exchange portfolios, which have specific funding sources and are used for mandatory credit allocation, represented 23.1% of total credit balance in June 2021.

Table 11: Breakdown of Credit by Portfolio - R$ Million

	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Jun 2021/ Jun 2020	Jun 2021/ Mar 2021
Private Sector	**36,537.6**	**36,748.8**	**37,502.2**	**36,156.2**	**35,861.6**	**1.9%**	**-0.6%**
Commercial	28,059.4	28,136.2	28,887.4	27,546.1	27,306.0	2.8%	-0.3%
Individuals	21,861.8	21,873.5	22,278.0	21,373.1	21,318.7	2.5%	-0.1%
Companies	6,197.6	6,262.7	6,609.4	6,173.0	5,987.3	3.5%	-1.0%
Leasing	4,077.6	4,104.9	4,125.6	4,122.9	4,148.8	-1.7%	-0.7%
Rural	3,361.0	3,459.3	3,392.2	3,178.9	2,902.4	15.8%	-2.8%
Long Term Financing	506.9	530.2	569.1	616.4	654.6	-22.6%	-4.4%
Foreign Exchange	518.7	502.4	510.4	672.7	826.2	-37.2%	3.3%
Agricultural Financing	14.1	15.7	17.6	19.2	23.6	-40.5%	-10.6%
Public Sector	102.5	103.5	103.6	101.5	104.3	-1.8%	-0.9%
Total of Credit-like Transactions	**36,640.1**	**36,852.2**	**37,605.8**	**36,257.7**	**35,965.9**	**1.9%**	**-0.6%**
Co-obligation, sureties and guarantees	225.7	192.3	195.9	212.6	240.8	-6.3%	17.3%
Total	**36,865.8**	**37,044.6**	**37,801.7**	**36,470.3**	**36,206.8**	**1.8%**	**-0.5%**

Making up 76.6% of Banrisul's total loan book, the balance of non-earmarked credit portfolio at the end of June 2021 reached R$28,059.4 million. Within the non-earmarked credit portfolio, credit to individuals corresponded to 77.9% of the balance of the non-earmarked portfolio and to 59.7% of the total loan book in June 2021. Credit to companies represented 22.1% of the balance of non-earmarked credit and 16.9% of the total stock of credit in the same month.

Graph 4: Non-earmarked Credit Portfolio Evolution - Individuals and Companies - R$ Million



(1) Credits linked to acquired portfolio with recourse have been added to Credit to Individuals since March 2020, with adjusted effects on previous periods.

Real estate finance totaled R$4,077.6 million in June 2021, decreasing 1.7% (R$71.2 million) from June 2020 and 1.2% (R$48.0 million) from December 2020, relatively stable, decreasing R$27.3 million from March 2021. Real estate finance lines represented 11.1% of the Bank’s total credit portfolio in June 2021, including R$11.2 million related to an operation involving the sale of credit with recourse.

Rural loans totaled R$3,361.0 million in June 2021, increasing 15.8% (R$458.6 million) from June 2020, relatively stable, decreasing R$31.2 million from December 2020, and decreasing 2.8% (R$98.3 million) from March 2021. Rural loans represented 9.2% of the loan portfolio in June 2021.

Long-term finance totaled R$506.9 million in June 2021, with a decreases of 22.6% (R$147.7 million) from June 2020 and of 10.9% (R$62.2 million) from December 2020 and 4.4% (R$23.3 million) from March 2021.

Foreign exchange portfolio totaled R$518.7 million in June 2021, decreasing 37.2% (R$307.5 million) from June 2020 and increasing 1.6% (R$8.3 million) from December 2020 and 3.3% (R$16.3 million) from March 2021.

Non-earmarked Credit

Composed by lower risk credit portfolios, non-earmarked credit to individuals reached R$21,861.8 million in June 2021, increasing 2.5% (R$543.1 million) from June 2020 and decreasing 1.9% (R$416.2 million) from December 2020, relatively stable, decreasing R$11.7 million from March 2021. The non-earmarked portfolio is manly composed by payroll loans, which totaled R$17,148.4 million in June 2021, accounting for 78.4% of the non-direct lending to individuals and for 61.1% of the total non-earmarked portfolio. From the total amount of payroll loans, 64.0% (R$10,979.8 million) are credit operations originated at Banrisul's network, 35.5% (R$6,094.2 million) are credit operations originated at banking correspondents and 0.4% (R$74.4 million) are credit operations acquired with recourse.

The trend on the non-earmarked credit portfolio for individuals in twelve months was manly influenced by the increase of R$834.4 million in payroll loans, especially INSS payroll loans and debid and credit card of R$252.4 million, partially offset by the decrease of R$480.0 million in non-earmarked credit, facing specially the credit line anticipation of salary and of R$91.3 million in renegotiation.

From December 2020, the decrease in non-earmarked credit came, mostly, from the decrease in personal loans (R$480.1 million), specially the payroll anticipation of R$91.3 million, mainly state payroll loans.

Compared to March 2021, the trajectory of the individual commercial portfolio reflected the decrease in personal credit, of R$278.4 million, and overdraft of R$39.7 million, partially offset by the increase in payroll-deductible loans, at R$204.9 million, and credit and debit card at R$106.4 million.

Non-earmarked credit to companies reached R$6,197.6 million in June 2021, increasing 3.5% (R$210.3 million) from June 2020, mostly driven by the increase of R$356.2 million in working capital lines, in particularly as relief credit granted in programs such as PEAC and Pronampe which reached R$1,648.5 million, trend partially minimized by the decreases of R$95.2 million in debtor accounts, and of R$81.7 million in credit abroad.

From December 2020 to June 2021, non-earmarked credit to companies decreased 6.2% (R$411.8 million), mainly influenced by the decrease of R$310.0 million in working capital lines, relatively stable, decreasing R$65.1 million, offset by the decrease in credit abroad of R$41.0 million, and debit accounts of R$19.3 million from March 2021.

Table 12: Composition of Non-Earmarked Credit - Individuals and Companies - R$ Million

	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Jun 2021/ Jun 2020	Jun 2021/ Mar 2021
Individuals	**21,861.8**	**21,873.5**	**22,278.0**	**21,373.1**	**21,318.7**	**2.5%**	**-0.1%**
Credit and Debit Card (1)	2,128.0	2,021.6	2,194.6	1,969.5	1,875.6	13.5%	5.3%
Overdraft	385.1	424.7	349.8	397.2	442.2	-12.9%	-9.3%
Payroll Loans	17,148.4	16,943.5	17,057.1	16,892.4	16,314.0	5.1%	1.2%
Non Payroll Personal Loans	1,362.5	1,640.9	1,842.5	1,286.8	1,842.4	-26.1%	-17.0%
Other	837.8	842.8	834.0	827.1	844.4	-0.8%	-0.6%
Companies	**6,197.6**	**6,262.7**	**6,609.4**	**6,173.0**	**5,987.3**	**3.5%**	**-1.0%**
Credit and Debit Cards (1)	134.3	132.0	147.0	141.8	137.2	-2.1%	1.7%
Working Capital	4,563.7	4,527.8	4,873.7	4,493.0	4,207.6	8.5%	0.8%
Debtor Accounts	333.0	352.3	294.1	346.0	428.2	-22.2%	-5.5%
Compror/Vendor	9.1	18.7	13.2	12.2	14.0	-35.3%	-51.6%
Foreign Credit	48.6	89.5	98.6	112.8	130.3	-62.7%	-45.7%
Debt Instruments Discount	40.1	53.3	64.2	58.7	70.4	-43.0%	-24.7%
Other	1,068.7	1,089.1	1,118.5	1,008.5	999.6	6.9%	-1.9%
Total	**28,059.4**	**28,136.2**	**28,887.4**	**27,546.1**	**27,306.0**	**2.8%**	**-0.3%**

(1) Of the R$2,262.3 million balance, R$313.9 million refers to revolving credit card lines.

Breakdown of Credit Disbursement

Total credit grant reached R$18,188.7 million in 1H2021, decreasing 18.5% (R$4,135.2 million) in comparison to 1H2020. In 2Q2021 the decrease in credit assets granted R$9,961.8 million, decreasing 4.7% (R$488.3 million) from 2Q2021, and increasing 21.2% (R$1,734.8 million) from 1Q2021.

From 1H2020 to 1H2021, the decrease in credit concessions was mainly due to the decrease of R$3,825.5 million in non-earmarked credit and of R$327.4 million in credit concessions in rural loans, partially offset by real state credit of R$143.4 million.

Compared to 2Q2020, the decrease in the volume of credit granted in 2Q2021 was mainly due to the reduction in the volume granted in commercial credit by R$559.7 million, a movement partially offset by the growth in real estate credit granting of R$108.5 million.

Quarter on quarter, the increase in the volume of credit granted in 2Q2021 came mainly from the increase of R$1,577.8 million in the volume of non earmarked loans concessions.

Table 13: Composition of Credit Grant Volumes by Credit Products - R$ Million

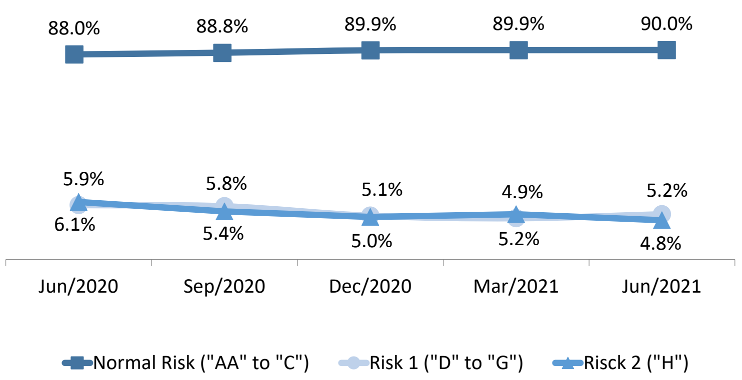
	1H2021	1H2020	2Q2021	1Q2021	4Q2020	3Q2020	2Q2020	1H2021/ 1H2020	2Q2021/ 1Q2021
Foreign Exchange	457.1	550.1	209.8	247.3	135.0	172.4	202.4	-16.9%	-15.1%
Non-earmarked [1]	15,943.7	19,769.3	8,760.8	7,183.0	10,261.0	11,595.3	9,320.5	-19.4%	22.0%
Individuals	11,302.7	13,991.7	6,148.0	5,154.7	7,272.5	8,612.9	6,937.8	-19.2%	19.3%
Companies	4,641.0	5,777.6	2,612.8	2,028.2	2,988.6	2,982.4	2,382.7	-19.7%	28.8%
Leasing	-	1.2	-	-	-	0.1	-	-100.0%	-
Long-term Financing	115.0	146.6	64.1	50.9	44.5	39.4	107.4	-21.5%	25.8%
Real Estate	443.7	300.3	225.4	218.3	220.9	170.7	117.0	47.7%	3.3%
Agricultural	1,229.1	1,556.5	701.6	527.5	689.0	1,014.8	702.8	-21.0%	33.0%
Total	**18,188.7**	**22,324.0**	**9,961.8**	**8,226.9**	**11,350.5**	**12,992.7**	**10,450.1**	**-18.5%**	**21.1%**

(1) Credit grant does not include receivables from credit and debit cards.

Breakdown of Credit by Rating

Normal credit risk operations, rated from AA to C according to the Resolution No. 2682/99 of the National Monetary Council, accounted for 90.0% of the credit portfolio in June 2021, increasing 2.0 pp. from June 2020 and 0.1 pp. from December 2020 and March 2021.

Graph 5: Credit Portfolio by Risk Levels (%)



Allowance for Loan Losses

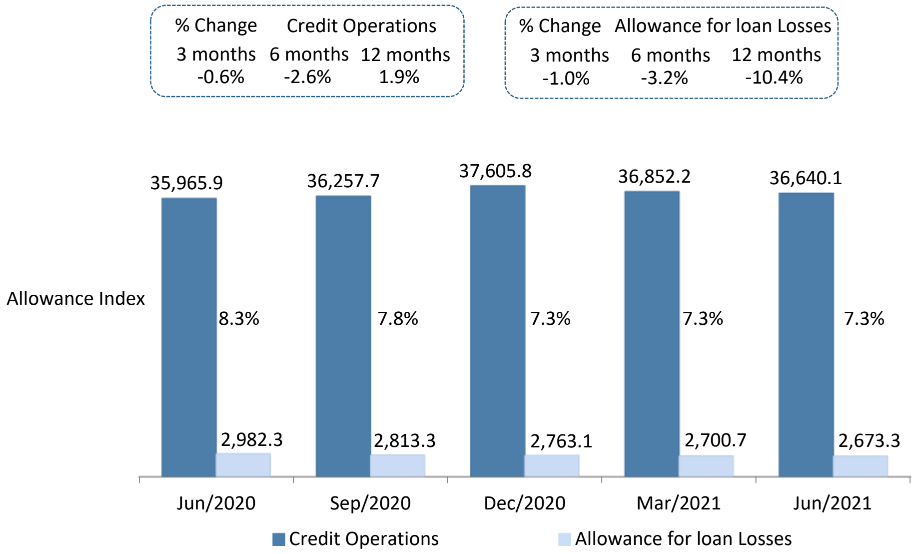
Representing 7.3% of the loan portfolio, allowance for loan losses totaled R$2,673.3 million in June 2021, decreasing 1.0 pp. from June 2020 and stable from March 2021.

Allowance for loan losses decreased 10.4% (R$309.0 million) from June 2020, reflecting the rolling over of the portfolio by risk rating on account of the current economic scenario, and the decrease in overdue loans.

In comparison with December 2020, the balance of provision for credit losses decreased 3.2% (R$89.8 million), reflecting the rollover of the portfolio by rating levels, decreasing overdue loans and credit portfolio.

Compared to March 2021, the balance of provision for loan losses decreased 1.0% or R$27.4 million, reflecting the rollover of the portfolio by rating levels, reduction of overdue loans, in a context of relative stability of the credit portfolio.

Graph 6: Breakdown of Allowance for Loan Losses - R$ Million



The breakdown of the allowance for loan losses in June 2021, as per Resolution No. 2682/99 of the CMN, was as follows:

(i) R$706.1 million for operations with installments 60 days overdue;

(ii) R$1,967.2 million for contracts due or less than 60 days overdue.

Table 14: Balance of Allowance for Loan Losses - R$ Million

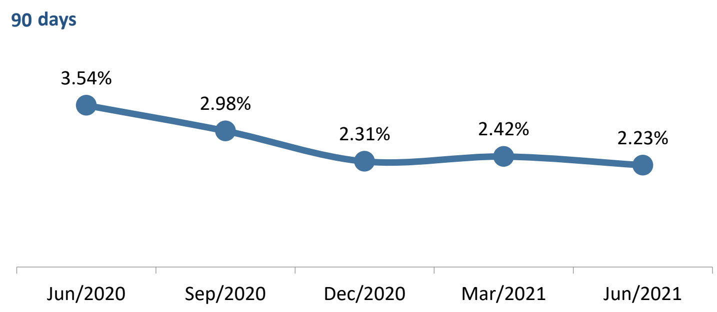
Risk Levels	Required Provision %	Portfolio	Relative Accumulated Share %	Past Due Credits	Receivable Credits	Minimum Provision		Total Provision	Provision Over Portfolio %
						Past Due	Receivables		
AA	-	4,115.3	11.23%	-	4,115.3	-	-	-	0.00%
A	0.5%	19,061.5	63.26%	-	19,061.5	-	95.3	95.3	0.50%
B	1.0%	8,351.5	86.05%	-	8,351.5	-	83.5	83.5	1.00%
C	3.0%	1,442.2	89.98%	38.0	1,404.2	1.1	42.1	43.3	3.00%
D	10.0%	750.8	92.03%	69.0	681.7	6.9	68.2	75.1	10.00%
E	30.0%	294.4	92.84%	87.5	206.9	26.3	62.1	88.3	30.00%
F	50.0%	378.7	93.87%	109.0	269.7	54.5	134.9	189.4	50.00%
G	70.0%	491.0	95.21%	117.8	373.2	82.5	261.3	343.7	70.00%
H	100.0%	1,754.8	100.00%	534.8	1,219.9	534.8	1,219.9	1,754.8	100.00%
Total		**36,640.1**		**956.2**	**35,684.0**	**706.1**	**1,967.2**	**2,673.3**	**7.30%**

Default Rate

The default rate is the amount of credit operations overdue by more than 90 days in relation to the total amount of active credit operations.

NPLs above 90 days reached 2.23% of the loan book in June 2021, decreasing 1.31 pp. in twelve months and 0.08 pp. from December 2020, and 0.19 pp. from March 2021. 90 day plus overdue loans totaled R$815.5 million in June 2021, decreasing 35.9% (R$457.1 million) from June 2020 and 6.2% (R$54.2 million) from December 2020, and 8.5% (R$75.6 million) from March 2021.

Graph 7: Default Rate

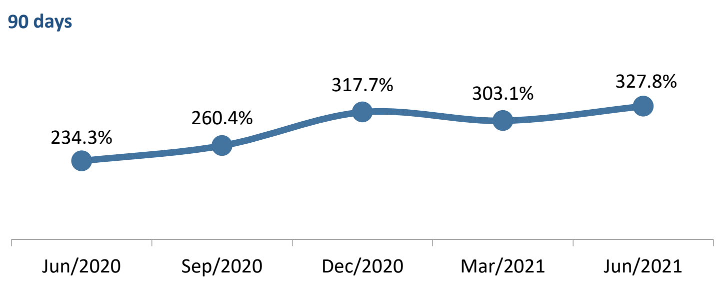


Coverage Ratio

The coverage ratio, the percentage between the allowance for loan losses and the balance of operations 90 days overdue over, shows the capacity to cover defaults with provisions and remains at comfortable levels.

In June 2021, coverage ratio for 90-day overdue transactions reached 327.8%. The increase in the coverage ratio for 90-day in comparison to June 2020, December 2020 and March 2021 reflects the decrease in overdue loans greater than the decrease in the balance of allowance for loan losses.

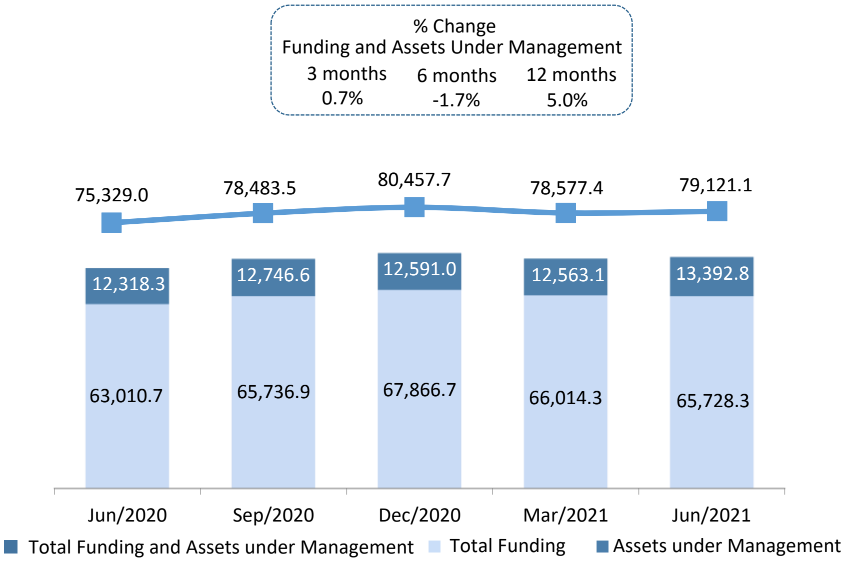
Graph 8: Coverage Ratio



Funding and Assets Under Management

Consisting of deposits, bank notes and subordinated bond, funding and assets under management totaled R$79,121.1 million in June 2021, an increase of 5.0% (R$3,792.1 million) from March 2020, decrease of 1.7% (R$1,336.6 million) from December 2020, increasing 0.7 % (R$543.7 million) from March 2021.

Graph 9: Funds Raised and Under Management - R$ Million



The increase from June 2020 was mostly influenced by the increase of deposits, partially offset by the decrease in resources from bank notes. From December 2020, the trajectory of the funds raised and under management was mostly influenced by the decrease in deposits.. From March 2021, relative stability, mostly influenced by the increase of managed resources and total deposits, partially offset by the increase of subordinated debt and bank notes.

Table 15: Funding Composition per Product- R$ Million

	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Jun 2021/ Jun 2020	Jun 2021/ Mar 2021
Total Deposits	61,180.0	60,966.5	62,446.5	59,892.7	56,719.0	7.9%	0.4%
Demand Deposits	3,768.2	3,580.4	4,289.1	3,476.3	2,970.4	26.9%	5.2%
Saving Deposits	11,416.6	11,110.9	11,065.6	10,705.2	10,282.0	11.0%	2.8%
Interbank Deposits	123.4	1,183.9	1,478.8	1,196.2	1,055.4	-88.3%	-89.6%
Time Deposits	45,855.5	45,076.3	45,599.6	44,502.9	42,400.5	8.1%	1.7%
Other Deposits	16.3	15.1	13.4	12.1	10.7	52.8%	8.2%
Resources from Notes (1)	1,742.5	1,919.8	2,440.5	2,663.9	3,083.4	-43.5%	-9.2%
Subordinated Debt	2,805.7	3,127.9	2,979.6	3,180.3	3,208.3	-12.5%	-10.3%
Total Funding	**65,728.3**	**66,014.3**	**6,.866.7**	**65,736.9**	**63,010.7**	**4.3%**	**-0.4%**
Assets Under Management	13,392.8	12,563.1	12,591.0	12,746.6	12,318.3	8.7%	6.6%
Total Funding and Assets Under Management	**79,121.1**	**78,577.4**	**80,457.7**	**78,483.5**	**75,329.0**	**5.0%**	**0.7%**

(1) Bank Notes and Real Estate Notes.

Total Deposits

Total deposits reached R$61,180.0 million in June 2021, increasing 7.9% (R$4,461.0 million) from June 2020, mainly driven by the increase in time deposits and savings, partly offset by the decrease of interbank deposits. From December 2020, decreasing 2.0% (R$1,266.5 miliion), mainly due to the decrease of time and demand deposits. Comparing March 2021, relativity stable increasing R$213.5 million, due to the increase of demand, savings and time deposits, minimized by the decrease of interbank deposits.

Time Deposits

Banrisul's main funding vehicle, time deposits totaled R$45,855.5 million in June 2021, increasing 8.1% (R$3,455.0 million) from June 2020, R$255.9 million from December 2020 and 1.7% (R$779.2 million) from March 2021.

Demand Deposits

In June 2021, demand deposits reached R$3,768.2 million, increasing 26.9% (R$797.8 million) from June 2020, decreasing 12.1% (R$520.9 million) from December 2020 and increasing 5.2% (R$187.8 million) from March 2021.

Saving Deposits

Savings deposits totaled R$11,416.6 million in June 2021, increasing 11.0% (R$1,134.5 million) from June 2020, 3.2% (R$351.0 million) from December 2020 and 2.8% (R$305.7 million) from March 2021.

Resources from Notes

Bank and real estate notes reached R$1,742.5 million in June 2021, decreasing 43.5% (R$1,340.9 million) from June 2020, 28.6% (R$698.0 million) from December 2020 and 9.2% (R$177.3 million) from March 2021.

Subordinated Bond

The subordinate bond amounted to R$2,805.7 million in June 2021, decreasing 12.5% (R$402.6 million) from June 2020 and 5.8% (R$173.9 million) from December 2020 and 10.3% (R$322.2 million) from March 2021 due to mark-to market and the exchange rate variation in those periods.

On January 28, 2021, Banrisul issued new subordinated debt (Tier II) in the amount of US$300 million (three hundred million dollars) with annual interest of 5.375%, for a 10-year term, with a repurchase option in 5 years, according to conditions previously agreed in the Offering Memorandum. This debt is not yet authorized for Tier II Capital Subordination.

The balance of this issuance is recorded under Obligations from Loans Abroad.

Shareholders' Equity

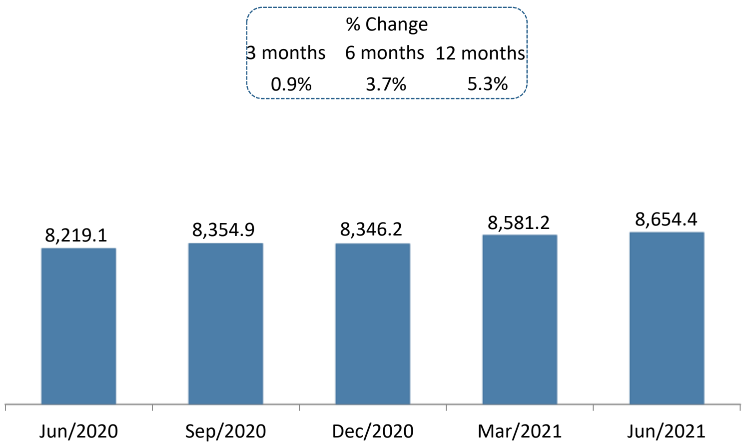
Banrisul's shareholders' equity reached R$8,654.4 million at the end of June 2021, an increase of 5.3% (R$435.3 million) from June 2020 and 3.7% (R$308.2 million) from December 2020, increasing 0.9 % (R$73.2 million) from March 2021.

From June 2020, the evolution of shareholders' equity results from incorporating net income (after the payment/provision of interest and dividends on equity), the reassessment of R$104.0 million in actuarial liabilities, in December 2020, related to post-employment benefits (pursuant the Committee of Accounting Pronouncement 33-R1) and the adjustments of R$48.4 million in equity participation in subsidiaries abroad impacted by foreign exchange rates.

In comparison to December 2020, the stability of shareholder's equity reflects, mostly, the incorporation of results, the payment of interest and dividends on equity, and the adjustments of R$19.9 million in equity participation in subsidiaries abroad impacted by foreign exchange rates.

Compared to March 2021, the increase in PL mainly reflects the incorporation of the results generated, the payments of interest on equity and dividends paid and/or provisioned, and the exchange variation adjustments on the equity of foreign branches at R$71.1 million.

Graph 10: Shareholders' Equity - R$ Million



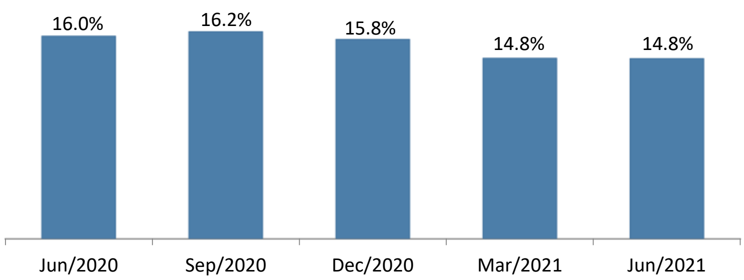
BASEL RATIO

Pursuant to CMN Resolutions No. 4192/13 and No. 4193/13, the assessment of Regulatory Capital and Risk-Weighted Assets is done over the Prudential Conglomerate. Reference equity reached R$6,697.1 million in June 2021, decreasing R$40.1 million from June 2020, mainly due to the total exclusion of the Tier II subordinated debt due to the application of the Basel III timeline over operations performed in accordance to legislation prior to CMN Resolution No. 4192/13. From March 2021, the reference equity increased R$2.9 million.

The total exposure of Risk Weighted Assets (RWA_{TOTAL}) reached R$45,351.4 million in June 2021, increasing R$3,213.7 million in twelve months mainly due to the increase of R$2,803.5 million in market risk share (RWA_{MPAD}), mostly driven by the foreign exchange exposure (RWA_{CAM}), increase of R$547.6 million in the parcela de risco de crédito (RWA_{CPAD})) and the decrease of R$137.5 million in the operational risk share (RWA_{OPAD}). Risk-weighted assets increased R$90.0 million since March 2021, increasing R$90.0 million, due to the increase of R$174.5 million in RWA_{CPAD}, and the decrease of R$84.5 million in $RWA_{MPAD.}$ and RWA_{OPAD} was stable.

Basel ratio reached 14.8% in June 2021, decreasing 1.2 pp. from June 2020 and stable from March 2021. The current minimum level for the Basel ratio in Brazil is 9.625%, in force from April 1, 2021, to September 30, 2021. Core capital and Tier I capital were the same as the Basel ratio, due to the exclusion of the subordinated debt from the Tier II reference equity. Leverage ratio reached 6.7% in June 2021, with the minimum set at 3.0%, in force since January 2018, as per CMN Resolution No. 4615/17.

Graph 11: Basel Ratio



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EVOLUTION OF INCOME STATEMENT ACCOUNTS

NET INCOME

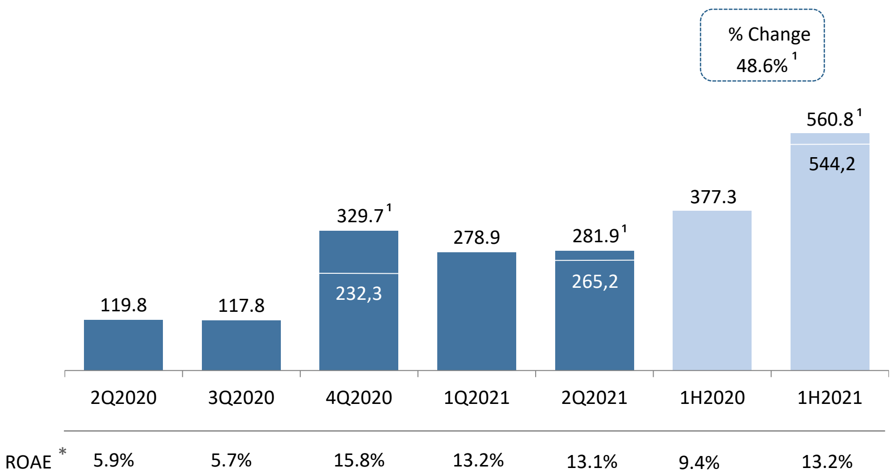
Reported net income in 1H2021 reached R$544.2 million, increasing 44.2% (R$166.9 million) from 1H2020. It was mainly driven by the adjustment of the provision for tax contingencies and the update of the installments to be realized of deferred tax credits and debts, due to the enactment of Law 14,183/21, which increases from 20% to 25% of the Social Contribution rate on the Net Income of the financial sector, in the period from July 1, 2021 to December 31, 2021; this increase in the rate impacted tax credits and debts on temporary differences existing in deferred taxes, as of June 2021, which will take place until December 2021. Also, in 4Q2020, net income was impacted by R$97.3 million by Voluntary Termination Program net of tax effects. All these events were treated, for the purpose of analyzing results, as non-recurring.

Reported adjusted net income in 1H2021 reached R$560.8million, increasing 48.6% (R$183.5 million) from 1H2020. It was mainly driven by lower allowance for loan loss expenses (R$433.3 million), lower financial margin (R$104.4 million), lower administrative expenses (R$29.8 million), increase in other adjusted expense and income (R$71.8 million) and higher taxes on profit (R$88.6 million).

In comparison to the net income in 2Q2020, adjusted net income in 2Q2021 increased 135.3% (R$162.1 million), mainly due to the lower allowance for loan loss expenses (R$266.4 million), lower financial margin (R$50.2 million), increased adjusted administrative expenses (R$20.8 million), and consequent increase taxes on profit (R$43.5 million).

In comparison to the net income for 1Q2021, adjusted net income for 2Q2021 increased 1.1%, or R$2.9 million; influenced by the increase in the financial margin of R$41.8 million; bigger allowance for loan loss expenses of R$88.1 million, stable services and bank fees incomes, increasing R$3.8 million, due to the increase of administrative expenses of R$18.8 million, by the decrease adjusted income and expenses of R$54.0 million and by the consequent lower volume of income taxes of R$7.6 million.

Graph 12: Net Income - R$ Million



[1] Adjusted Net Income .

* Annualized and calculated based on Adjusted Net Income.

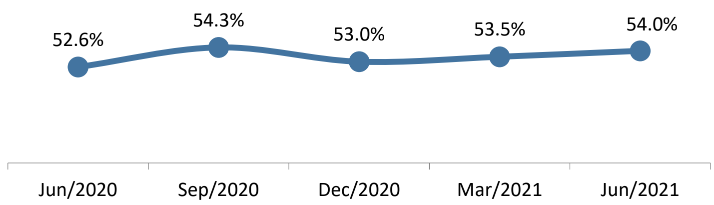
Return on Average Shareholders' Equity

Annualized adjusted return on average shareholders' equity reached 13.2% in 1H2021, 3.8 pp. above 1H2020, in an environment that combined: (i) decreasing expenses for allowance for loan losses; (ii) decreasing financial margins; (iii) decreasing administrative expenses and (iv) increasing other expenses and incomes.

Efficiency Ratio

The efficiency ratio reached 54.0% in the accumulated twelve months up to June 2021, from 52.6% in the accumulated twelve moths up to June 2020. The unfavorable trend of efficiency ratio reflects the decrease in adjusted administrative expenses in lower proportion than the decrease of net interest income and banking fees and the increase in other adjusted expenses net.

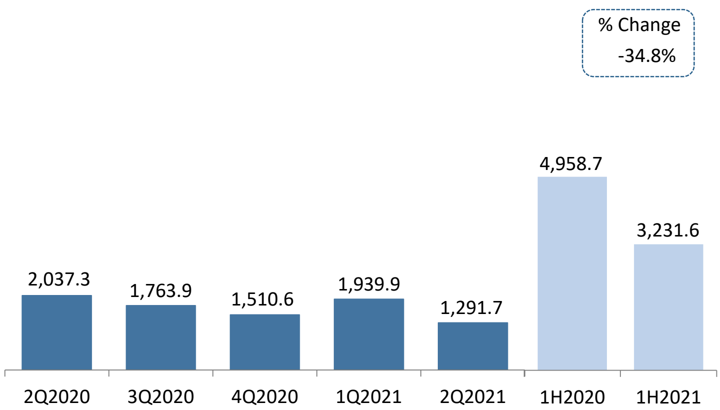
Graph 13: Adjusted Efficiency Ratio



Financial Income

Financial income reached R$3,231.6 million in 1H2021, decreasing 34.8% (R$1,727.1 million) from 1H2020, decreasing 36.6% (R$745.6 million) from 2Q2020 and decreasing 33.4% (R$648.2 million) from 1Q2021. The trend of the Selic Rate and the exchange variation influenced financial intermediation revenues in those periods.

Graph 14: Financial Income - R$ Million



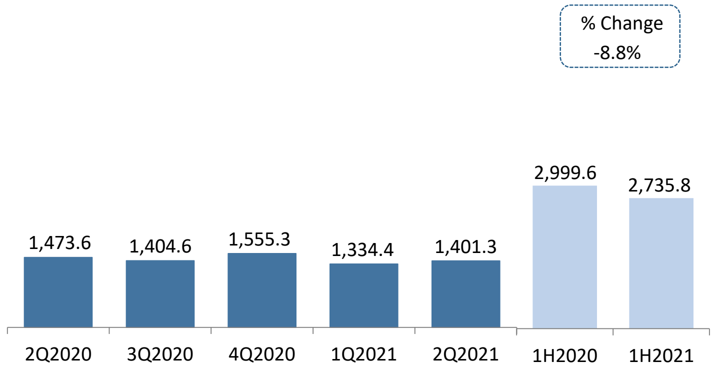
From 1H2020 to 1H2021, the trend in revenues from financial intermediation was mainly influenced by the decreases in revenues from securities and derivatives (R$1,098.7million), in revenues from credit operations (R$263.9 million), and in foreign exchange income (R$294.8 million).

From 2Q2020 to 1Q2021, the decrease in revenues from financial intermediation was mostly influenced by the decrease of R$573.7 and R$639.7 million in revenues from securities and derivatives respectively.

Revenues from Credit Operations

Revenues from credit operations, including revenues from leases and other credits, totaled R$2,735.8 million in 1H2021, decreasing 8.8% (R$263.9 million) from 1H2020. In 2Q2021 totaled R$1,401.3 million, decreasing 4.9% (R$72.3 million) from 2Q2020 and increasing 5.0% (66.9 million) from 1Q2021.

Graph 15: Revenues from Credit Operations - R$ Million



The trend of revenues from credit operations from 1H2020 to 1H2021 was mainly driven by the decrease of R$277.2 million in revenues from non-earmarked credit, and of revenues of long term credit in R$60.0 million, due to foreign exchange loans , partially offset by the increase of R$73.1 million in foreign exchange loans.

The decrease in revenues from credit operations from 2Q2020 to 2Q2021 was mainly due to the decrease of commercial credit of R$123.2 million, and R$22.0 million in revenues from long-term finance, specially facing, revenues from foreign exchange loans, impacted by the exchange rate in the period,partially offset by the increase in write off recoveries of R$76.9 million.

Compared to 1Q2021, the growth in credit revenue in 2Q2021 was mainly due to the increase in revenue from the recovery of credits written off to loss, by R$79.2 million, a movement offset, especially by the retraction in revenue from long-term financing, by R$20.6 million, mainly due to the revenue from financing in foreign currency, impacted by the exchange rate variation in the period.

Revenues from Non-Earmarked Credit - Individuals and Companies

In 1H2021, total non-earmarked credit revenues reached R$2,265.1 million, decreasing 10.9% (R$277.2 million) from 1H2020. In 2Q2021 total non-earmarked credit revenues reached R$1,139.8 million, decreasing 9.8% (R$123.2 million) from 2Q2021 and increasing 1.3% (R$14.4 million) from 1Q2021.

Table 16: Revenues from Non-Earmarked Credit - Individuals and Companies - R$ Million

	1H2021	1H2020	2Q2021	1Q2021	4Q2020	3Q2020	2Q2020	1H2021/ 1H2020
Individuals	**1,926.3**	**2.106,1**	**963.3**	**963.1**	**965.9**	**1.003.3**	**1.055.2**	**-8.5%**
Credit Card [1]	85.2	94.0	43.8	41.4	36.8	38.1	46.1	-9.3%
Overdraft	203.5	228.2	103.3	100.2	93.5	98.5	112.1	-10.8%
Payroll Loan	1.349.2	1.422.2	674.5	674.8	696.6	708.9	717.1	-5.1%
Non Payroll Loan - Personal Credit	219.9	289.9	107.3	112.6	104.1	121.5	143.6	-24.2%
Other	68.5	71.8	34.4	34.1	35.0	36.3	36.2	-4.6%
Companies	**338.8**	**436.2**	**176.5**	**162.3**	**164.7**	**179.3**	**207.8**	**-22.3%**
Credit Card [1]	3.5	5.5	1.8	1.7	1.4	1.8	2.8	-36.5%
Working Capital	195.7	233.4	106.4	89.2	95.7	103.6	115.2	-16.2%
Debtor Accounts	90.3	131.7	44.6	45.8	41.1	46.6	60.1	-31.4%
Compror/Vendor	0.7	1.0	0.4	0.3	0.4	0.3	0.4	-27.2%
Foreign Credit	1.3	3.0	0.5	0.8	0.9	1.2	1.5	-55.6%
Discount of Receivables	5.6	13.5	2.5	3.1	3.5	3.7	5.4	-59.0%
Other	41.7	48.0	20.3	21.3	21.7	22.1	22.3	-13.2%
Total	**2,265.1**	**2,542.3**	**1,139.8**	**1,125.3**	**1,130.7**	**1,182.6**	**1,263.0**	**-10.9%**

(1) Refers to credit card revolving revenues.

Revenues from non-earmarked credit to individuals amounted to 85.0% of total non-earmarked credit revenues in 1H2021 and decreased 8.5% (R$179.8 million) from 1H2020. In 2Q2021 revenues from non-earmarked credit to individuals amounted R$963.3 million, decreasing 8.7% (R$91.9 million) from 2Q2021, stable, increasing R$0,2 million from 1Q2021.

From 1H2020 to 1H2021 and from 2Q2020 to 2Q2021, the decrease in revenues from non-earmarked credit to individuals were mainly driven by the decrease of R$73.0 and R$42.6 million in revenues from payroll loans and of R$70.0 and R$36.3million in revenues from personal loans. In comparison to 1Q2021, the trend of revenues from non-earmarked credit to individuals came, mostly, from the increase of overdraft accounts of R$3.1 million, credit card revenues of R$2.3 million, partially offset by the decrease of R$5.2 million in revenues from personal.

Revenues from non-earmarked credit to companies reached R$338.8 million in 1H2021, decreasing 22.3% (R$97.4 million) from 1H2020, especially due to the decrease of R$37.8 million in revenues from working capital lines and of R$41.4 million in revenues from debtor accounts. From 2Q2020, revenues from non-earmarked credit to companies decreased 15.0% (R$31.3 million), mostly due the decrease of R$15.5 million in debtor accounts, R$8.8 million in working capital lines. From 1Q2021, revenues from non-earmarked credit to companies increased 8.8% (R$14.3 million), partially offset by the increase of R$17.2 million in working capital line income, minimized byy the decrease of R$1.3 million in renegotiation revenues and R$1.2 million in debtor accounts.

Table 17: Monthly Average Non-Earmarked Credit Rates - Individuals and Companies

	1H2021	1H2020	2Q2021	1Q2021	4Q2020	3Q2020	2Q2020
Individuals	**1.65%**	**1.85%**	**1.66%**	**1.65%**	**1.69%**	**1.76%**	**1.84%**
Credit Card (1)	7.41%	7.59%	7.53%	7.29%	6.62%	6.77%	7.54%
Overdraft	7.86%	7.88%	7.87%	7.86%	7.86%	7.88%	7.89%
Payroll-Loan	1.36%	1.51%	1.36%	1.37%	1.40%	1.46%	1.50%
Payroll Loans - Own	1.37%	1.52%	1.36%	1.37%	1.41%	1.47%	1.51%
Payroll Loans - Acquired	0.86%	0.94%	0.84%	0.88%	0.92%	0.93%	0.94%
Non Payroll Loan - Personal Credit	2.21%	2.31%	2.30%	2.11%	3.03%	2.69%	2.39%
Other	1.28%	1.43%	1.28%	1.28%	1.33%	1.40%	1.42%
Companies	**0.93%**	**1.24%**	**0.94%**	**0.92%**	**0.88%**	**1.01%**	**1.19%**
Credit Card (1)	12.17%	11.86%	12.06%	12.28%	11.96%	11.63%	11.67%
Working Capital	0.74%	0.96%	0.76%	0.73%	0.71%	0.79%	0.93%
Debtor Accounts	4.66%	4.25%	4.65%	4.68%	4.51%	4.35%	4.37%
Compror/Vendor	0.71%	1.21%	0.78%	0.65%	0.69%	0.87%	1.19%
Discount of Receivables	1.35%	1.60%	1.40%	1.31%	1.28%	1.47%	1.58%
Other	0.53%	0.63%	0.52%	0.53%	0.54%	0.61%	0.62%
Total	**1.48%**	**1.71%**	**1.49%**	**1.47%**	**1.49%**	**1.59%**	**1.69%**

(1) Refers to credit card monthly average revolving rates.

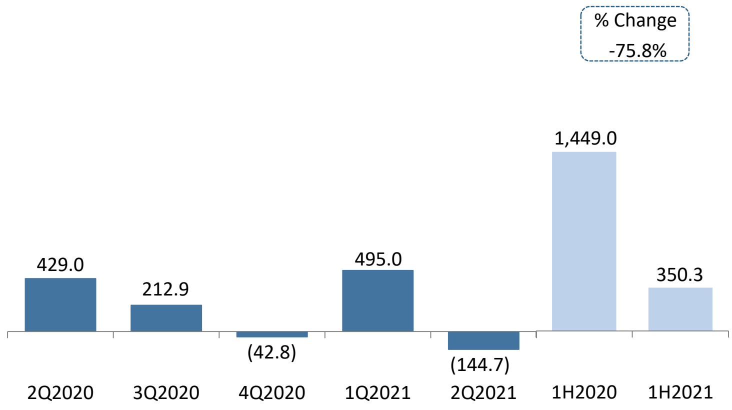
The monthly average interest rates charged on non-earmarked credit transactions decreased 0.23 pp. from 1H2020 to 1H2021. The monthly average interest rates charged in non-earmarked credit to individuals decreased 0.20 pp. from 1H2020 to 1H2021, and the monthly average interest rates charged in non-earmarked credit to companies decreased 0.36 pp. in the same period. From 2Q2020 to 1Q2021, the average monthly rates of non-earmarked credit decreased 0.20 pp. The monthly average rates of individual commercial credit products in 2Q2021 decreased by 0.18 pp. in relation to 2Q2020, and the average monthly rates of commercial credit products for companies decreased by 0.25 pp. in the same period. The monthly average rates of individual commercial credit products in 2Q2021 increased by 0.02 pp., similar trend of the average monthly rates of non-earmarked credit to individuals and companies, which increased respectively 0.01 pp. and 0.02 pp. in the period.

The main non-earmarked credit product to individuals (payroll loans) reduced average interest rates during the periods in comparison, and the main non-earmarked credit product to companies (working capital) reduced average interest rates from the comparatives periods, except from 1Q2021. The average monthly rates of non-earmarked credit to companies are influenced by competition in the credit market. Monthly average interest rates on credit to individuals bore the carry-over effect upon the stock of operations with fixed interest rates and the impacts from competition.

REVENUES FROM SECURITIES AND DERIVATIVES

Revenues from securities and derivatives totaled R$350.3 million in 1H2021, 75.8% (R$1,098.7 million) below 1H2020 above 4Q2020. In 2Q2021, revenues from securities and derivatives decreased R$573.7 million from 2Q2010 and R$639.7 million from 1Q2021.

Graph 16: Revenues from Securities and Derivatives - R$ Million



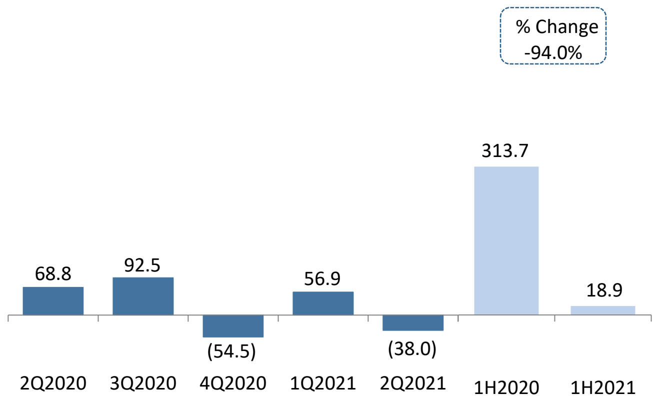
The trend of treasury revenues from the analysis periods resulted from the decrease of the income from financial derivative instruments, influenced by the exchange rate variation and the mark-to-market of the contracts in the period, due to the increase in income from securities in a context of increasing treasury balance.

REVENUES FROM FOREIGN EXCHANGE

Revenues from foreign exchange transactions totaled R$18.9 million in 1H2021, 94.0% (R$294.8 million) below 1H2020. In 2Q2021 revenues from foreign exchange transactions decreased R$106.8 million form 2Q2020 and R$94.9 million from 1Q2021 Foreign exchange operations in Banrisul are matched to their funding in foreign currencies; hence, any variation in revenues is proportionally offset by the variation of costs with foreign currency loans and onlendings.

The trend of revenues from foreign exchange transactions reflects the currency appreciation of 3.74% in 1H2021 vis-à-vis the 35.86% currency depreciation in 1H2020. Comparating the analysis periods the foreign exchange transactions reflects the currency appreciation of 12.20% in 2Q2021 vis-à-vis the 5.33% in 2Q2021 and 9.63% currency appreciation in Q2021.

Graph 17: Revenues from Foreign Exchange - R$ Million



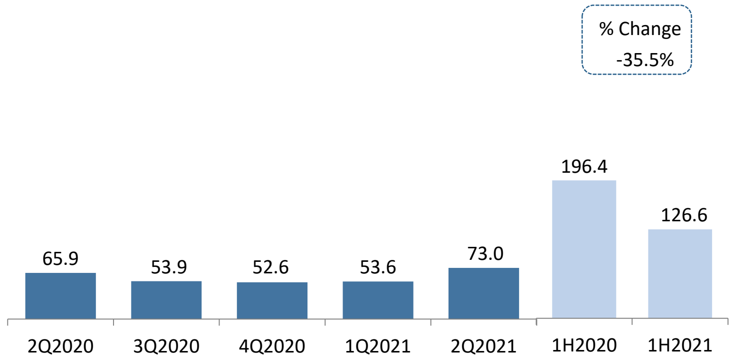
REVENUES FROM COMPULSORY DEPOSITS

Revenues from compulsory deposits reached R$126.6 million in 1H2021, decreasing 35.5% (R$69.7 million) from 1H2021. Revenues from compulsory deposits reached R$73.0 million increasing 10.8% (R$7.1 million) from 2Q2020 and 36.3% (R$19.5 million) from 1Q2021.

The trend in revenues from compulsory deposits from 1H2020 to 1H2021 reflects the decrease of the income from credits linked to time deposits mainly due to the decrease of the Selic Rate, which remunerates these deposits.

From 2Q2020 and 1Q2021, the increase in revenues from compulsory deposits in 1Q2021 is mainly driven by the increase of the income from credits linked to time deposits, mainly due to the increase of respectively 0.06 pp. and 0.31 pp. in the Selic Rate, in a context of increase of the balance of these deposits.

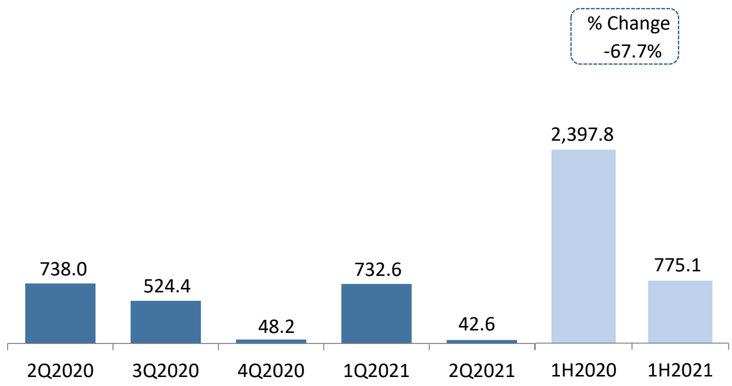
Graph 18: Revenues from Compulsory Deposits - R$ Million



Financial Expenses

Financial expenses totaled R$775.1 million in 1H2021, decreasing 67.7% (R$1,622.7 million) from 1H2020. In 2Q2021, the financial expenses totaled R$42.6 million decreasing 94.2% (R$695.5 million) from 2Q2021 and 94.2% (R$690.0 million) from 1Q2021. The trend of financial expenses was mostly affected by the trend of Selic rate and by the exchange variation rate.

Graph 19: Financial Expenses - R$ Million



The decrease in financial expenses from 1H2020 to 1H2021 was influenced by the decrease of R$1,301.2 million in market funding expenses, and of R$321.4 million in expenses with loans, assignments and onlendings.

From 1Q2021 to 2Q2021, the decrease in financial expenses was driven by the decrease of R$589.5 million in market funding expenses and of R$105.9 million in expenses with loans, assignments and onlendings.

Compared to 1Q2021, the decrease in financial intermediation expenses in 2Q2021 was influenced by the reduction in funding expenses in the market, by R$578.4 million, and by R$111.6 million in expenses with loans, assignments and transfers.

Expenses with Market Funding Operations

Expenses with market funding reached R$681.8 million in 1H2021, 65.6% (R$1,301.2 million) below 1H2020. In 2Q2021, expenses with market funding reached R$51.7 million, decreasing 91.9% (R$589.5 million) from 2Q2020 and 91.8% (R$578.4 million) from 1Q2021.

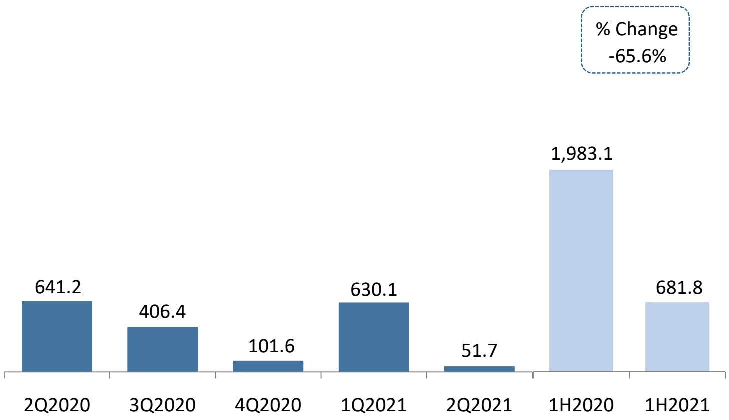
The decrease in funding expenses from 1H2021 to 1H2020 was mostly due to the decrease of R$1,054.0 million in expenses with subordinated debt, due to foreign exchange variation and the mark-to-market of the liability, and of R$133.7 million in expenses with time deposits. The reduction of the Selic Rate - benchmark for the majority of the funding base - also produced impacts on the expenses.

From 2Q2020 to 2Q2021, the decrease in expenses with market funding was mainly driven by the decrease of R$530.5 million in expenses related to the subordinated debt, due to foreign exchange variation and mark-to-market.

Compared to 1Q2021, the decrease in funding expenses in the market in 2Q2021 was mainly due to the reduction in expenses with subordinated debt, by R$590.9 million, due to the exchange rate variation and mark-to-market of the obligation, offsetting movement, partially due to the increase in expenses with time deposits of R$123.4 million.

On January 28, 2021, Banrisul issued new subordinated debt (Tier II) in the amount of US$300 million (three hundred million dollars) with annual interest of 5.375%, for a 10-year term, with a repurchase option in 5 years, according to conditions previously agreed in the Offering Memorandum. This debt is not yet authorized for Tier II Capital Subordination.

Graph 20: Expenses with Market Funding Operations - R$ Million



FUNDING COST

Funding cost was calculated based on the average balance of funding sources, linked to the corresponding funding expenses and the cost of borrowings, thus producing the average funding interest rates. Among the funding products, it is included deposits and resources from acceptance and issuance of securities.

The average funding cost of 0.68% in 2Q2021 stable due to the average funding costs from 2Q2020 and higher than the average funding costs of 0.45% in 1Q2021, in line with the Selic Rate. The most relevant items in the composition of the costs were time deposits and savings deposits. The average funding cost reached 85.91% of the Selic Rate in 2Q2021, decreasing 7.09 pp. since 2Q2020 and 6.27 pp. since 1Q2021.

Accounting for 72.1% of the average balance of all funding items shown in the following table, the average cost of time deposits reached 0.69% in 2Q2021, increasing 0.02 pp. from 2Q2020 and 0.27 pp. from 1Q2021. The average cost with time deposits reached 88.12% of the Selic rate in 2Q2021, decreasing 2.90 pp. from 2Q2020 and increasing 0.60 pp. from 1Q2021.

Table 18: Funding Cost - R$ Million and %

	2Q2021			1Q2021			2Q2020		
	Average Balance	Accum. Expense	Average Cost	Average Balance [1]	Accum. Expense	Average Cost	Average Balance [1]	Accum. Expense	Average Cost
Time Deposits	45,417.6	(315.3)	0.69%	45,417.1	(192.0)	0.42%	41,377.4	(276.7)	0.67%
Saving Deposits	11,245.9	(77.3)	0.69%	11,084.8	(61.3)	0.55%	9,963.6	(76.3)	0.77%
Demand Deposits	3,656.2	-	0.00%	3,851.6	-	0.00%	2,922.7	-	0.00%
Interbank Deposits	842.8	(1.7)	0.21%	1,346.5	(2.8)	0.21%	1,187.2	(7.4)	0.62%
Other Deposits	15.9	-	0.00%	14.2	-	0.00%	11.4	(0.0)	0.01%
Bank Notes	1,003.1	(8.2)	0.82%	1,341.0	(6.8)	0.50%	2,252.2	(17.6)	0.78%
Real Estate Notes	818.0	(5.7)	0.70%	878.7	(3.8)	0.43%	941.5	(6.3)	0.67%
Credit Guarantee Fund Expenses	-	(18.1)	-	-	(18.0)	-	-	(16.5)	-
Total Average Balance / Total Expenses	**62,999.5**	**(426.5)**	**0.68%**	**63,933.9**	**(284.6)**	**0.45%**	**58,656.0**	**(400.9)**	**0.68%**
Selic			**0.79%**			**0.48%**			**0.73%**
Average Cost / Selic			**85.91%**			**92.18%**			**93.00%**
Cost of Time Deposits / Selic			**88.12%**			**87.52%**			**91.02%**

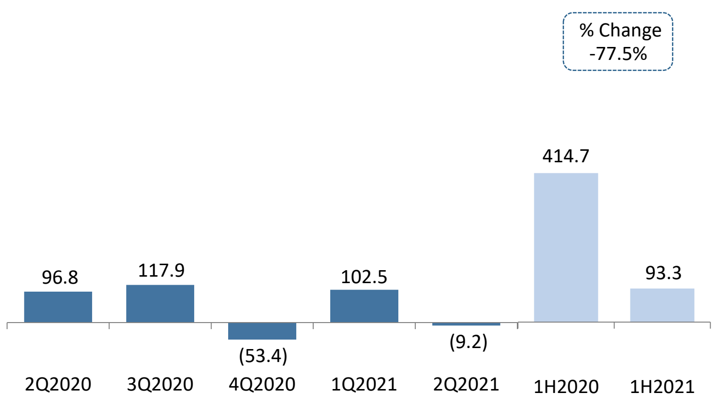
(1) Average balance obtained from final balances of months that composed the analyzed periods.

EXPENSES WITH BORROWINGS AND ONLENDINGS

Expenses with borrowings and onlendings totaled R$93.3 million in 1H2021, 77.5% (R$321.4 million) below 1H2020. In 2Q2021, expenses with borrowings and onlendings decreased R$105.9 million from 2Q2020 and R$111.6 million from 1Q2021.

The lower flow of expenses with borrowings and onlendings from the analysed of the analysis periods was mainly driven by the decrease in foreign currency expenses due to exchange variation of the period.

Graph 21: Expenses with Borrowings and Onlendings - R$ Million



FINANCIAL MARGIN

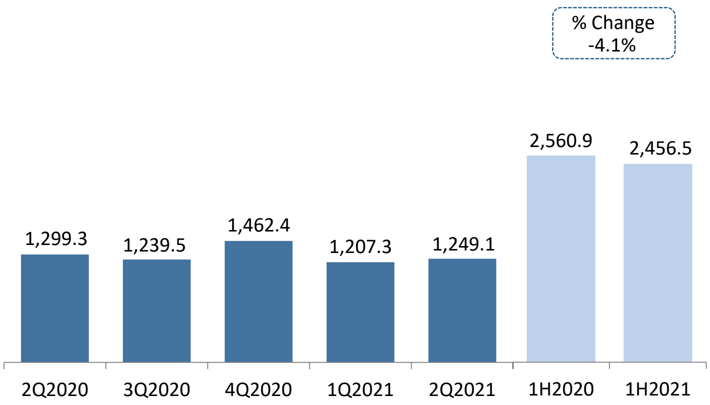
Net interest income totaled R$2,456.5 million in 1H2021, decreasing 4.1% (R$104.4 million) from 1H2020. In 2Q2021 net interest income totaled R$1,249.1 million decreasing 3.9% (R$50.2 million) from 2Q2020 and increasing 3.5% (R$41.8 million) from 1Q2021.

The decrease in financial margin from 1H2020 to 1H2021 reflects the decrease of interest income in greater proportion than the decrease of interest expenses, in a context of exchange rate, reduction in the interest rate on credit operations and decrease of the Selic Rate

The decrease in financial margin from 2Q2020 to 2Q2021 reflects the decrease in interest income in a greater proportion than the decrease in interest expenses, in an environment of exchange rate variation, and increase of 0.06 pp. in the effective Selic Rate.

From 1Q2021, the growth of the net income was influenced by the decrease in interest in a greater proportion than the decrease in interest, due to the exchange rate increasing 0.31 pp. in the effective Selic Rate and stable credit portfolio.

Graph 22: Financial Margin - R$ Million



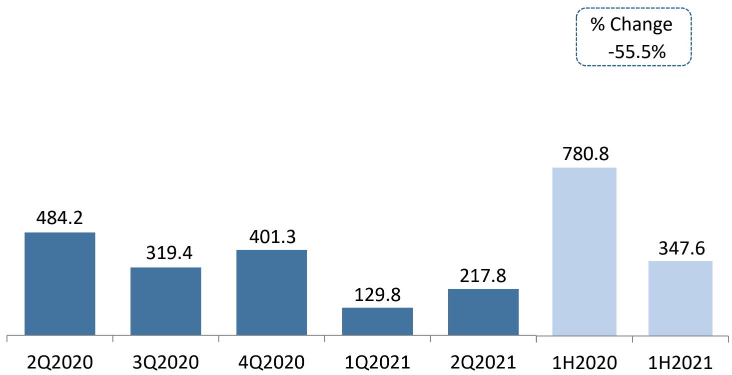
ALLOWANCE FOR LOAN LOSSES

Expenses with allowance for loan losses totaled R$347.6 million in 1H2021, decreasing 55.5% (R$433.3 million) from 1H2020. In 2Q2021, xpenses with allowance for loan losses totaled R$217.8 million, decreasing 55.0% (R$266.4 million) from 2Q2020, increasing 67.9% (R$588.1 million) from 1Q2021.

The trend in provision expenses for loan operations from 1H2020 to 1H2021 and from 2Q2020 and 2Q2021, reflects mostly the loan book rollover by risk rating, impacted by the current economic scenario, of decreasing balance of overdue credit and allowance for loan losses balance, in a context of lower credit portfolio growth

In comparison with 1Q2021, the increase of allowance for loan losses mostly reflects the loan book rollover by risk rating and the greater volume of recovery of write-off credit fully provisionedin a context of decreasing volume of overdue credit operations.

Graph 23: Allowance for Loan Losses - R$ Million



REVENUES FROM SERVICES AND BANKING FEES

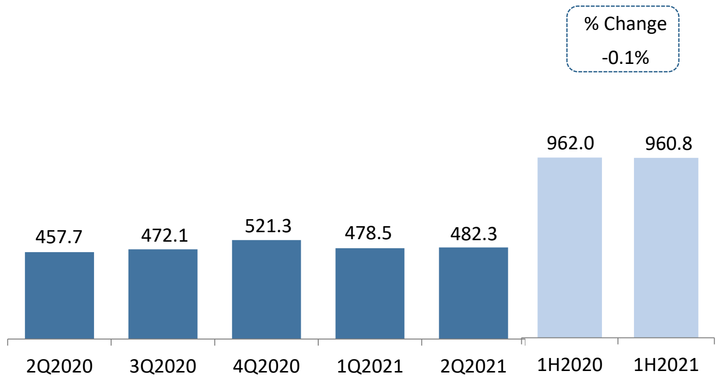
Revenues from services and banking fees reached R$960.8 million in 1H2021, and relative stability, decreasing R$1.1 million from 1H2020. In 2Q2021, revenues from services and banking fees reached R$482.3 million, increasing 5.4% (R$24.6 million) from 2Q2020 and relative stability, increasing R$3.8 million form 1Q2021.

The trend from 1H2020 to 1H2021 was especially influenced by the decrease of R$9.3 million in banking fees income, due to the increase of R$9.4 million in MDR fees due to the increase in total portfolio volume .

From 2Q2020 to 2Q2021, revenues from services and banking fees were influenced by the increase of R$23.0 million in MDR fees.

Compared to 1Q2021, revenues from services rendered and banking fees in 2Q2021 were especially affected by the R$6.5 million increase in revenue from the acquiring network, a movement minimized by the decrease in income from current account fees in R$3.7 million.

Graph 24: Revenues from Services and Banking Fees - R$ Million



ADJUSTED ADMINISTRATIVE EXPENSES

Administrative expenses totaled R$1,758.2 million in 1H2021, decreasing 1.7% (R$29.8 million) from 1H2020. In 2Q2021, administrative expenses totaled R$888.5 million, increasing 2.4% (R$20.8 million) from 2Q2020 and 2.2% (R$18.8 million) from 1Q2021.

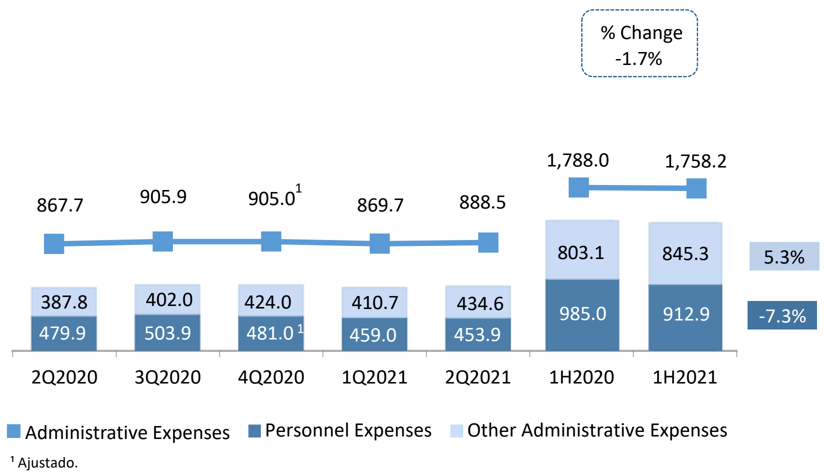
In 2020, it was approved the Voluntary Termination Plan for employees already retired or who may request retirement within the next 24 months, by fullfiling contribution time retirement requisistes and other conditions according to the National Pension Plan Office (INSS), with its enrollment and dismissal periods in the last quarter of 2020, with the exception of IT employees, whose job terminations may stagger until 2022. The PDV Plan was set through a Collective Labor Agreement entered with Banking Union entities, incorporating clauses for the full termination of labor contracts. The costs accounted in the scope of PDV Plan totaled R$177.0 million in 4Q2020, and refers to 901 employees, of this total, in the end of December 2020, 865 employees and in the end of June 2021, 28% (872 employees) had already been dismissed from the Bank, in the scope of the PDV Plan. The adjusted personel expenses do not include the PDV related costs, event treated as non-recurring.

Personnel expenses totaled R$912.9 million in 1H2021, decreasing 7.3% (R$72.1 million) from 1H2020, impacted by the collective wage agreement and expenses related to the PDV Plan. Other administrative expenses reached R$845.3 million increasing 5.3% (R$42.3 million), mostly influenced by the increase in expenses with specialized technical services (R$23.1 million), and expenses with outsourced services (R$12.5 million).

From 2Q2020 to 2Q2021, personnel expenses decreased 5.4% (R$26.0 million). Other administrative expenses increased 12.1% (R$46.8 million) from 2Q2020 to 2Q2021, mainly driven by the increase with outsourced services (R$17.5 million), and with expenses with outsourced services (R$16.2 million).

Compared to 1Q2021, personnel expenses in 2Q2021 decreased by 1.1% or R$5.1 million, mainly due to the vacation effect. Other administrative expenses increased by 5.8% or R$23.9 million compared to 1Q2021, mainly influenced by the increase in expenses with third-party services, by R$10.7 million, and expenses with technical and specialized services at R$8.0 million.

Graph 25: Administrative Expenses - R$ Million



[1] Ajustado.

OTHER INCOME

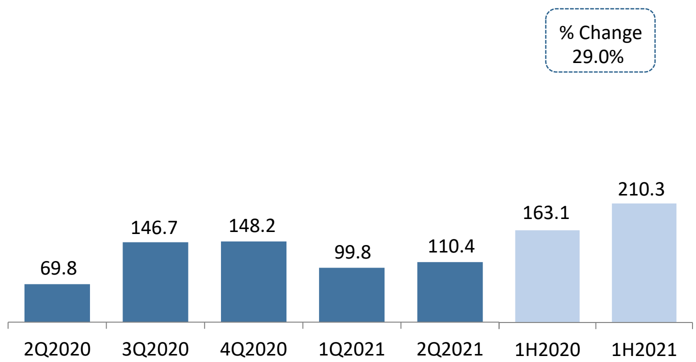
In 1H2021 other income reached R$210.3 million, increasing 29.0% (R$47.2 million) from 1H2020. In 2Q2021 other income reached R$110.4 million, increasing 58.3% (R$40.7 million) from 2Q2020 and 10.6% (R$10.6 million) from 1Q2021.

The increase in other adjusted income from 1H2020 to 1H2021 was especially due to the increase in revenues from rental of POS machines (R$17.1 million), income from the reversal of provisions for non-use assets (R$12.2 million), and revenue from the restatement of guarantee deposits (R$6.3 million).

The increase in other adjusted income from 2Q2020 to 2Q2021 was especially due to the increase in revenues from rental of POS machines (R$9.1 million), income from the reversal of provisions for non-use assets (R$7.8 million), miscellaneous recipes with cards (R$5.5 million), portability income from credit operations (R$5.3 million) and revenue from the restatement of guarantee deposits (R$5.0 million).

In comparison with 1Q2021, the increase in other income in 2Q2021 mostly reflects the increase in portability income from credit operations of R$5.6 million, and revenue from the restatement of guarantee depositsof R$3.8 million.

Graph 26: Other Adjusted Income - R$ Million



OTHER ADJUSTED EXPENSES

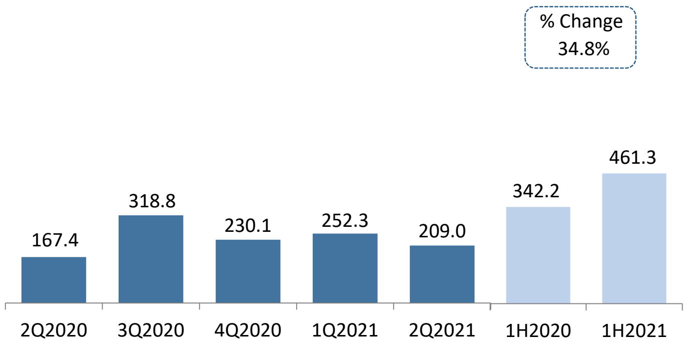
Other adjusted expenses reached R$461.3 million in 1Q2021, increasing 34.8% (R$119.15 million) from 1H2020. In 2Q2021 other adjusted expnses reached R$209.0 million, increasing 24.9% (R$41.6 million) from 2Q2021 and decreasing 17.2% (R$43.4 million) from 1Q2021.

The increase of other adjusted expenses from 1H2020 to 1H2021 was particularly driven by the increase in labor lawsuits provision expenses (R$74.2 million), in expenses with INSS payroll agreements (R$27.2 million) and in civil lawsuits provision expenses (R$26.4 million), partially offset by the decrease in provisions for guarantees provided by Banrisul (R$11.8 million).

From 2Q2020 to 2Q2021, the increase in other adjusted expenses was mainly driven by the increase in civil provisions expenses (R$16.3 million), expenses with labor provisions (R$12.8 million), and expenses with INSS payroll agreements (R$9.8 million).

Compared to 1Q2021, the reduction in other expenses adjusted in 2Q2021 was mainly impacted by the decrease in expenses with labor provisions, by R$56.0 million, partially offset by the increase in expenses with portability of credit operations in R$8.6 million.

Graph 27: Other Adjusted Expenses - R$ Million



SUMMARY CONSOLIDATED PRO FORMA BALANCE SHEET

Table 19: Summary Consolidated Pro Forma Balance Sheet - R$ Thousand

Assets	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Jun 2021/ Jun 2020	Jun 2021/ Mar 2021
Cash	1,583,843	1,457,599	1,263,648	1,374,878	1,132,130	39.9%	8.7%
Financial Assets	93,465,517	91,171,064	88,011,432	85,987,882	83,204,573	12.3%	2.5%
Interbank Financial Investments	8,063,373	8,337,526	6,041,572	5,946,357	8,683,377	-7.1%	-3.3%
Compulsory Deposits at Central Bank of Brazil	7,744,492	7,469,218	7,750,609	7,545,727	7,257,069	6.7%	3.7%
Securities and Derivatives	36,016,688	33,353,737	31,645,202	31,032,558	26,273,150	37.1%	8.0%
Financial Derivative Instruments	661,669	1,012,350	844,599	1,065,543	1,057,456	-37.4%	-34.6%
Credit Operations	34,074,673	34,397,499	34,860,941	33,567,407	33,203,826	2.6%	-0.9%
Other Financial Assets	6,888,776	6,583,149	6,848,904	6,808,784	6,703,568	2.8%	4.6%
Leasing Operations	15,846	17,585	19,605	21,506	26,127	-39.4%	-9.9%
Allowance for Loan Losses - associated to credit risk	(2,725,494)	(2,750,876)	(2,813,138)	(2,862,492)	(3,033,420)	-10.2%	-0.9%
Tax Assets	3,490,854	3,236,138	3,119,592	3,260,195	3,059,672	14.1%	7.9%
Other Assets	865,235	914,398	817,994	987,685	799,486	8.2%	-5.4%
Investments	162,060	156,275	177,951	160,481	154,563	4.9%	3.7%
Property in Use	464,865	454,892	439,693	411,020	371,507	25.1%	2.2%
Intangible	756,135	792,563	805,729	847,574	894,285	-15.4%	-4.6%
Total Assets	**98,063,015**	**95,432,053**	**91,822,901**	**90,167,223**	**86,582,796**	**13.3%**	**2.8%**
Liabilities	**Jun 2021**	**Mar 2021**	**Dec 2020**	**Sep 2020**	**Jun 2020**	**Jun 2021/ Jun 2020**	**Jun 2021/ Mar 2021**
Deposits and Other Financial Liabilities	83,837,370	81,733,912	78,730,375	76,608,209	73,576,355	13.9%	2.6%
Deposits	61,179,999	60,966,517	62,446,503	59,892,651	56,718,962	7.9%	0.4%
Repurchase Agreements	8,679,331	7,019,799	4,362,437	4,205,420	4,219,772	105.7%	23.6%
Funds from Acceptance and Issue of Securities	1,742,545	1,919,839	2,440,535	2,663,941	3,083,448	-43.5%	-9.2%
Borrowings and Onlendings	3,318,305	3,541,009	1,898,981	2,121,732	2,342,137	41.7%	-6.3%
Derivatives	174,239	36,083	-	-	-	-	382.9%
Other Financial Liabilities	8,742,951	8,250,665	7,581,919	7,724,465	7,212,036	21.2%	6.0%
Provisions	2,218,988	2,101,742	2,012,954	1,983,440	1,895,523	17.1%	5.6%
Tax Liabilities	813,260	643,674	561,565	916,601	803,205	1.3%	26.3%
Other Liabilities	2,538,980	2,371,483	2,171,792	2,034,065	2,088,592	21.6%	7.1%
Shareholders' Equity	**8,654,417**	**8,581,242**	**8,346,215**	**8,354,908**	**8,219,121**	**5.3%**	**0.9%**
Total Liabilities and Shareholders' Equity	**98,063,015**	**95,432,053**	**91,822,901**	**90,167,223**	**86,582,796**	**13.3%**	**2.8%**

ADJUSTED PRO FORMA CONSOLIDATED INCOME STATEMENT

Table 20: Pro Forma Consolidated Income Statement - R$ Thousand

	1H2021	1H2020	2Q2021	1Q2021	4Q2020	3Q2020	2Q2020	1H2021/ 1H2020	2Q2021/ 1Q2021
Financial Income	**3,231,630**	**4,958,711**	**1,291,712**	**1,939,918**	**1,510,605**	**1,763,854**	**2,037,345**	**-34.8%**	**-33.4%**
Lending and Leasing Operations and Other Credits	2,735,776	2,999,626	1,401,349	1,334,427	1,555,280	1,404,559	1,473,619	-8.8%	5.0%
Securities	548,157	510,945	344,136	204,021	178,174	147,179	249,121	7.3%	68.7%
Derivatives	(197,854)	938,044	(488,837)	290,983	(220,943)	65,675	179,894	-121.1%	-268.0%
Foreign Exchange	18,910	313,740	(37,982)	56,892	(54,464)	92,511	68,793	-94.0%	-166.8%
Compulsory Investments	126,641	196,356	73,046	53,595	52,558	53,930	65,918	-35.5%	36.3%
Financial Expenses	**(775,141)**	**(2,397,820)**	**(42,564)**	**(732,577)**	**(48,229)**	**(524,368)**	**(738,018)**	**-67.7%**	**-94.2%**
Funding Operations	(681,839)	(1,983,080)	(51,725)	(630,114)	(101,601)	(406,449)	(641,242)	-65.6%	-91.8%
Borrowings Assignments and Onlendings	(93,302)	(414,740)	9,161	(102,463)	53,372	(117,919)	(96,776)	-77.5%	-108.9%
Profit from Financial Income	**2,456,489**	**2,560,891**	**1,249,148**	**1,207,341**	**1,462,376**	**1,239,486**	**1,299,327**	**-4.1%**	**3.5%**
Allowance for Loan Losses	**(347,564)**	**(780,828)**	**(217,807)**	**(129,757)**	**(401,261)**	**(319,407)**	**(484,220)**	**-55.5%**	**67.9%**
Other Adjusted Operational Income	**1,190,335**	**1,150,633**	**601,699**	**588,636**	**686,729**	**631,673**	**542,262**	**3.5%**	**2.2%**
Fees and Services	960,848	961,982	482,304	478,544	521,271	472,146	457,746	-0.1%	0.8%
Equity in Subsidiaries	19,202	25,599	8,951	10,251	17,281	12,811	14,750	-25.0%	-12.7%
Other Adjusted Income	210,285	163,052	110,444	99,841	148,177	146,716	69,766	29.0%	10.6%
Other Adjusted Operating Expenses	**(2,452,141)**	**(2,361,849)**	**(1,212,156)**	**(1,239,985)**	**(1,256,150)**	**(1,339,916)**	**(1,147,488)**	**3.8%**	**-2.2%**
Adjusted Personnel Expenses	(912,915)	(984,978)	(453,906)	(459,009)	(480,999)	(503,883)	(479,878)	-7.3%	-1.1%
Other Administrative Expenses	(845,304)	(803,052)	(434,603)	(410,701)	(424,050)	(401,994)	(387,803)	5.3%	5.8%
Tax Expenses	(232,621)	(231,593)	(114,680)	(117,941)	(121,045)	(115,288)	(112,433)	0.4%	-2.8%
Other Adjusted Expenses	(461,301)	(342,226)	(208,967)	(252,334)	(230,056)	(318,751)	(167,374)	34.8%	-17.2%
Income from Adjusted Operations	**847,119**	**568,847**	**420,884**	**426,235**	**491,694**	**211,836**	**209,881**	**48.9%**	**-1.3%**
Income Before Income Taxes	**847,119**	**568,847**	**420,884**	**426,235**	**491,694**	**211,836**	**209,881**	**48.9%**	**-1.3%**
Adjusted Income Tax and Social Contribution	**(220,983)**	**(132,406)**	**(106,673)**	**(114,310)**	**(129,243)**	**(69,948)**	**(63,138)**	**66.9%**	**-6.7%**
Employee Profit Sharing	**(65,174)**	**(59,054)**	**(32,256)**	**(32,918)**	**(32,711)**	**(24,013)**	**(26,924)**	**10.4%**	**-2.0%**
Non-Controlling Minority Interest	**(144)**	**(88)**	**(72)**	**(72)**	**(67)**	**(47)**	**(42)**	**63.6%**	**0.0%**
Adjusted Net Income	**560,818**	**377,299**	**281,883**	**278,935**	**329,673**	**117,828**	**119,777**	**48.6%**	**1.1%**
Voluntary Termination Plan - PDV	-	-	-	-	(176,952)	-	-	-	-
Tax contingency Provision	(76,036)	-	(76,036)	-	-	-	-	-	-
Tax Effects	34,216	-	34,216	-	79,628	-	-	-	-
Tax Credits - CSLL Law 14,183/21	25,163	-	25,163	-	-	-	-	-	-
Net Income	**544,161**	**377,299**	**265,226**	**278,935**	**232,349**	**117,828**	**119,777**	**44.2%**	**-4.9%**

MANAGEMENT REPORT

We present the Management Report and consolidated Financial Statements of Banco do Estado do Rio Grande do Sul S.A. for the first half of 2021, prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

1 ECONOMIC SCENARIO

The first half of 2021 in Brazil was characterized by the expansion of economic activity, along with the acceleration in inflation indicators - despite the fact that the first quarter of the year was marked by a significant increase in the number of new cases and deaths resulting from the advance of the pandemic and difficulties in expanding the immunization program.

Economic activity, measured by GDP expansion, was a positive surprise and led to favorable revisions for the year. Higher-than-expected GDP combined with rising commodity prices on the international market and a dilution of risk perception led to a partial revaluation of the domestic currency against the US dollar. As a result, the US dollar registered a drop of around 5% in terms of Brazilian Reais at the end of the first half.

On the other hand, the main price index in the country, the IPCA, grew 8.35% in the 12 months up to June, and just over 3.77% in the first six months of the year. In light of this scenario, the monetary authority, after nearly six years, once again raised the basic interest rate of the Brazilian economy, the Selic Rate, which at the end of the half-year had reached 4.25% per year, reflecting the concerns with inflation. However, the high level of uncertainty keeps the recovery unstable, sustaining the unemployment rate at historically high levels.

In Rio Grande do Sul, in line with what was observed in Brazil, there was steady growth in the first quarter of the year, despite the new peak in cases and deaths caused by Coronavirus. According to official data, there was expansion both in comparison with the immediately previous quarter, of 4.0%, and in relation to the same quarter of the previous year, of 5.5%. The result mainly reflects the performance of agriculture and industry, while the service sector, in general, is still having trouble in recovering.

In the agricultural sector, after a severe drought in 2020, agricultural production recovered in 2021. In addition to the increase in quantities, the sector also benefited from the increase in commodity prices, resulting in a significant increase in revenues and investments in the sector. In the manufacturing industry, after a strong expansion throughout the second half of 2020, the months of February and March of 2021 showed a decline, with subsequent stability in April.

Commerce, on the other hand, declined in March and sales recovered strongly in the following month, despite remaining at a level below the period prior to the pandemic. Finally, the services sector in Rio Grande do Sul showed relative stability over the months already computed for the first half of 2021, facing challenges for a more consistent recovery. In the external sector, exports from the state of Rio Grande do Sul grew 30.5% in the first six months of this year, with the three main destinations for the State's exports being, as usual, China, the United States of America and Argentina.

2 BUSINESS STRATEGIES AND GUIDELINES

Banrisul is a retail bank whose mission is to be the State's financial agent, while promoting economic and social development in Rio Grande do Sul. Considering its mission, along with the aim of being a profitable, solid and competitive public bank, integrated into the communities and providing services with excellence, the Institution's strategy is based on five pillars guiding its efforts. Below, we present the pillars and the main initiatives taken to meet them.

Essence

Banrisul reinforces its commitment to its essence: to be a retail bank, with a focus on operations in Rio Grande do Sul, based on sustainable development goals.

Banrisul continues to invest in products such as working capital to promote the activities of micro, small and medium-sized companies.

To this end, in 2021, the Bank continues to invest in products such as working capital to encourage the activities of micro, small and medium-sized companies, expanding, in the second quarter, the offer for the Giro Banrisul FGI line, as well as payroll-deductible loans to public servants and INSS beneficiaries and real estate credit for individuals.

In relation to agribusiness, which is the basis of economic development in Rio Grande do Sul, the Institution continues to invest in improvements in agricultural credit granting systems, in addition to maintaining its focus on expanding financing for the entire agricultural production chain. In this sense, a new online tool has been created and published, called **AgroConecta**, in order to stimulate growth in the sector.

In the area of sustainability, the balance in credit portfolios aimed at financing sustainable equipment, products and projects increased, with an incentive for customers to seek more sustainable alternatives for energy generation. In this sense, the Bank provides financing for renewable energy generation projects, for individuals and companies. Banrisul adhered to the Brazilian GHG Protocol Program – used to measure the emission of greenhouse gases — with the objective of neutralizing its corporate emissions. In addition, a consulting firm was hired to study the installation of solar power generation in part of its branches.

In the first half of 2021, the Bank made it possible to contract an emergency help grant provided by the State Government.

People

Banrisul develops an agile and transformative culture, that promotes employee engagement.

It is only with the strength of people that organizational success is achieved. To this end, Banrisul continues to develop an agile and transformative culture that promotes employee engagement.

In this first half-year, the guidelines and initiatives with the objective of reducing the impacts of the Covid-19 pandemic were reinforced. In this sense, the partnership with the Hospital Moinhos de Vento consultancy was renewed.

Special attention was kept for employees belonging to the risk group, with the possibility of refraining from any in-person activities. The remote work regime was made available to this group, which was also extended to other employees, without jeopardizing their activities.

Progress was also made in working with the specialized consultancy hired to improve human resources management processes.

Efficiency

Optimization process of on-site service points keeps up with technological advances in the financial market.

The institution maintains its focus on efficient management, focusing its objectives on more agile and simplified processes, on improving the IT infrastructure and architecture, on improving risk management and also on aligning with the best management practices.

In this sense, the process of optimizing on-site service points was continued, keeping up with changes and technological advances in the financial market. During the first half of 2021, six branches and seven service stations were merged/closed, all installed in municipalities that have other on-site service points, maintaining servicing reach.

Digital transformation, new business models and technological improvement contribute to competitiveness.

Following the path of transformation, based on new business models and technologies, will keep Banrisul competitive in the market. In the first half of 2021, a series of initiatives strengthened this pillar:

- Improvements in the customer service
- New **Banrisul Digital** app features
- Making the PIX available to Office Banking customers
- Advances related to Open Banking

The continuity of the **Banritech** project is noteworthy, through the startup acceleration program — Hub.Startup, in which the evaluations of the fintechs registered through public notice took place. Banrisul also participates in the **NAVI** Innovation Hub, together with Tecnopuc, integrating **BanriHub** into the market and encouraging a culture of innovation. In addition, efforts continue to implement new structures and work models, such as the formalization of remote work.

Customer

Considering the similarity of the products offered in the market, the entry of new competitors and the customers' search for added value and innovation, Banrisul intensifies its focus on the customer, seeking to provide the best experience in financial solutions and raise their level of satisfaction.

Banrisul intensified its focus on the customer, seeking to provide the best experience in financial solutions and raise their level of satisfaction

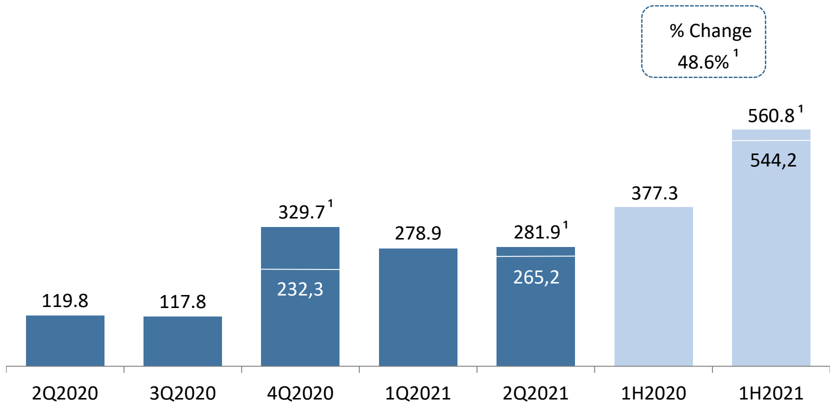
Among the recent measures, we highlight the improvements in **Banrisul Digital**, such as the availability of a new home screen for the app, push notification communications, the investment statement, the possibility of renewal of time deposits and evolution in the area of contracting payroll loans. When opening a Undergraduate Account in the app, it is now possible to upload the registration documents in PDF. In agribusiness funding, it is possible to contract the "matrix retention" line, the pre-funding credit contracting and the technical area at **AgroFácil**. The evolution of the customer experience journey at Banrisul Digital also occurred with innovation in layout and speed.

In the **Vero Wallet** app, the onboarding was updated with the inclusion of the newest functionalities, the QR Code Vero Wallet is now generated in the BR Code model, and the "find Vero merchants" feature was included, allowing the user to find establishments where it is possible use the digital wallet. The Vero app also received an exclusive and simplified seller's area for consultation of virtual sales made by the establishment.

Without neglecting on-site service, a new Affinity Space was inaugurated at the Bagé branch, in line with the commercial direction for the expansion of service to the Bank's high-net-worth customers.

CONSOLIDATED PERFORMANCE

Net Income



	2Q2020	3Q2020	4Q2020	1Q2021	2Q2021	1H2020	1H2021
ROAE *	5.9%	5.7%	15.8%	13.2%	13.1%	9.4%	13.2%

[1] Adjusted Net Income .

* Annualized and calculated based on Adjusted Net Income.

The net income for the first half of 2021 reached **R$544.2 million**, 44.2% (R$166.9 million) higher than the net income for the first half of 2020. The net income for the first half-year of 2021 was impacted by the adjustment of the provision for tax contingencies, by the associated tax effects and by the updating of the installments of unrealized deferred tax credits and debts, due to the enactment of Law 14,183/21, which increases from 20% to 25% the rate of the Social Contribution on the Net Income of the financial sector, in the period from July 1, 2021 to December 31, 2021; the increase in the rate impacted the tax credits and debts constituted on temporary differences existing in deferred taxes, as of June/2021, to be realized until December 2021. The events mentioned were treated, for the purposes of income analysis, as non-recurring.

Banrisul recorded, in the first half of 2021, **adjusted net income of R$560.8 million**, 48.6% (R$183.5 million) above the income for the same period in 2020, and adjusted annualized return on average equity of 13.2%. The growth in the period reflects, in particular: (i) a lower flow of expenses of provision for loan losses, (ii) a reduction in the financial margin, (iii) a reduction in administrative expenses, (iv) an increase in other adjusted revenues and expenses and, and (v) consequent higher volume of income taxes.

The wealth generated by Banrisul in the first half of 2021, measured by the concept of added value, reached a total of R$1,980.4 million, of which R$852.3 million or 43.0% were allocated to personnel expenses; R$520 million or 26.3% for payment of taxes, fees and contributions; R$63.7 million or 3.2% for remuneration of third-party capital and R$544.3 million or 27.5% for remuneration of equity.

Equity

Shareholders' equity reached R$8,654.4 million in June 2021. The increase of R$435.3 million or 5.3% in twelve months was due to the incorporation of the results generated, payments of interest on equity and dividends paid and/or provisioned, the reassessment of the actuarial liability, referring to post-employment benefits (CPC 33 - R1), and the exchange variation adjustments on the equity of foreign branches.

Total Assets

Total assets had a balance of R$98,063.0 million in June 2021, a 13.3% growth compared to the R$86,582.8 million recorded in June 2020, an increase mainly due to the growth in deposits, in the funding on the open market and external funding carried out in January 2021. As to the composition of assets, securities, interbank investments and cash represent 47.2% of the total, credit operations 37.4%, compulsory deposits at the Central Bank 7.9% and other assets 7.5%.

Investments in securities, including derivative financial instruments, interbank investments and cash, had a balance of R$46,325.6 million in June 2021, an increase of R$9,179.5 million or 24.7% compared to June 2020, mainly reflecting the increase in the balance of deposits, funding on the open market and external funding carried out in January 2021, in a context of lower growth in the credit portfolio and increase in compulsory deposits at the Central Bank.

Banrisul has financial capacity, proven through technical studies developed internally, and intends to hold until maturity the securities classified in the “held to maturity” category, as provided for in article 8 of Circular No. 3,068/01 of the Central Bank.

4 PRODUCTS AND SERVICES HIGHLIGHTS

Loan portfolio

The credit portfolio, in the expanded concept, reached R$36,865.8 million in June 2021, an amount that includes co-obligation and risks in guarantees provided. Excluding the guarantees provided, the balance of credit operations totaled **R$36,640.1 million** in June 2021, with growth of R$674.2 million or 1.9% in the last twelve months, especially due to the expansion of commercial credit, by R$753.4 million, and rural credit, by R$458.6 million, a movement partially offset, mainly, by the retraction of the foreign exchange portfolio, by R$307.5 million, of long-term financing, by R$147.7 million and of real estate credit in R$71.2 million.

The classification of the credit portfolio by risk levels follows procedures established by CMN Resolution No. 2682/99. At the end of June 2021, Normal Risk operations, covering levels AA to C, totaled R$32,970.5 million, representing 90.0% of the total portfolio. Operations classified as Risk 1, which include levels D to G, totaled R$1,914.9 million, corresponding to 5.2% of the portfolio. Risk 2, made up exclusively of level H operations, reached R$1,754.8 million or 4.8% of the total.

In the first half of 2021, Banrisul worked to promote sustainable development, enabling the maintenance and growth of companies and generating employment and income. In view of the pandemic, the Banrisul Giro FGI credit line was launched, which allows more companies to access the service, thanks to the FGI Guarantor Fund, aimed at working capital. New credit lines for individual micro-entrepreneurs and micro and small companies were also incorporated, in addition to FINEP onlending lines aimed at technological innovation.

Banrisul also acts as an onlending agent for the following lines: BNDES Finame, for the acquisition of machinery, equipment, buses and trucks; BNDES Automatic, for installation and expansion projects for companies and industries, in addition to the construction of storage silos; and Inovacred 4.0, for innovation, among others. The Bank also operates with two lines of its own resources: Banrisul Fomento, for investment projects and acquisition of machinery, equipment, buses and trucks; and Banrisul Special Financing - FEB, aimed at the public sector.

Encouraging the use of clean energy by companies and individual consumers, the Institution has credit lines aimed at renewable energy solutions, CDC Sustentabilidade, with its own resources, offers financing for the acquisition of solar (plates, batteries, inverters) and wind (small energy stations) of national or imported manufacture, allowing the financing of up to 100% of the goods. The Bank also operates Finame Low Carbon and the Climate Fund Program credit lines, which are BNDES onlending lines. For the second half-year, the reopening of the Pronampe credit line, which has the FGO Guarantor Fund, is awaited, in order to make the product available again.

The long-term financing portfolio presented a balance of R$506.9 million in June 2021, with a reduction of R$147.7 million or 22.6% compared to the same period in 2020. The balance of advances on exchange contracts (ACC) and advances on exchange contracts delivered (ACE) reached R$518.7 million in June 2021, a reduction of R$307.5 million or 37.2% compared to June 2020..

Non-earmarked Credit to Companies and Individuals

Non-earmarked credit to individuals, reflecting the Institution's business strategy, grew by R$543.1 million or 2.5% in the last twelve months, reaching **R$21,861.8 million** in June 2021, including asset transfers, accounted for as per Bacen Circular Letter No. 3,543/12 on credits linked to operations acquired through assignment.

The evolution was mainly influenced by the growth in the balance of **payroll loan operations**, which reached the amount of **R$17,148.4 million** in June 2021, of which R$10,979.8 million refer to operations generated at Banrisul branches, R$6,094.2 million are operations originated through correspondents and R$74.4 million are related to operations acquired from other institutions.

Banrisul, with the objective of providing security, agility and convenience to its customers, especially in light of the social distancing scenario, maintained its strategy of expanding access to payroll-deductible loans through the Banrisul Digital and Home Banking application, making the functionality available to INSS pensioners and trough 80 municipal and state payroll-deductible credit agreements.

Non-earmarked credit operations for companies had a balance of **R$6,197.6 million** in June 2021, an increase of R$210.3 million or 3.5% compared to June 2020, mainly due to working capital lines, given, in particular, the increase in the volumes granted in emergency lines Pronampe and PEAC.

Real Estate Loans

The real estate loan portfolio presented a balance of R$4,077.6 million in June 2021, with a reduction of R$71.2 million or 1.7% compared to the same period in 2020. Of this amount, R$3,707.0 million refers to the individuals portfolio. In the first half of 2021, 1,458 real estate loans were granted in the total amount of R$415.2 million.

We also highlight the campaign carried out with the branches to leverage financing in the portability modality. Due to the reduction of the Selic rate to historical low levels, there was an increase in extraordinary amortizations, showing the withdrawal of resources that were in some investments, mainly in fixed income, and amortizing real estate financing.

Agribusiness

Banrisul has shown consistent growth in its participation in the agribusiness segment in Rio Grande do Sul, with growth in the order of 104% and 165% in the cost and investment lines, respectively. This increase corresponds to the volume of grants in the first half of 2021, compared to the same period in 2020.

In constant evolution, Banrisul's participation in agribusiness segment increased

The contracting of long-term credit operations with the Bank's own resources, through the equalization of interest rates with the National Treasury; the increase in the grant base in the winter/2021 harvest funding operations; the anticipation of pre-funding operations for the 2021/2022 summer harvest; and the availability of resources and various lines of credit were key factors in consolidating the growth of the portfolio and Banrisul's more prominent presence in the agribusiness segment in Rio Grande do Sul. The balance of **rural credit** reached **R$3,361.0 million** in June 2021, an **increase** of R$458.6 million or **15.8%** compared to June 2020.

The first half of 2021 was marked by initiatives to bring the commercial teams closer to entities representing the agricultural sector, such as technical assistance companies, agricultural machinery dealers, production cooperatives and regional coordinators. Banrisul was also close to important agents, such as Association of Technical Assistance and Rural Extension Enterprises – Emater/RS and Federation of Agricultural Workers of the State of Rio Grande do Sul - Fetag, and was present at agricultural events which, previously held in person, took place virtually due to the pandemic.

Funds raised and under management

Funds raised and under management reached a balance of **R$79,121.1 million** in June 2021, an increase of R$3,792.1 million or 5.0% compared to the same month in 2020. These funds are mainly composed of 58.0 % of time deposits, 16.9% of managed third-party funds and 14.4% of savings deposits.

Total deposits reached R$61,180.0 million in June 2021, an increase of R$4,461.0 million or 7.9% in twelve months. **Time deposits** had a balance of **R$45,855.5 million** in June 2021, with expansion of R$3,455.0 million or 8.1% in twelve months; savings deposits increased R$1,134.5 million or 11.0% compared to June 2020, reaching R$11,416.6 million in June 2021; and demand deposits grew by R$797.8 million or 26.9% compared to the same month in 2020, totaling R$3,768.2 million at the end of June 2021.

Subordinated debt recorded a balance of R$2,805.7 million in June 2021, with a decrease of R$402.6 million or 12.5% compared to the same month of the previous year, impacted by exchange variation and mark-to-market. Funds in bank notes, originating from the issuance of financial notes and real estate notes, reached R$1,742.5 million in June 2021, with a reduction of R$1,340.9 million or 43.5% in twelve months. The balance of third-party funds under management increased by R$1,074.6 million or 8.7% compared to June 2020, reaching a balance of R$13,392.8 million in June 2021.

On January 28, 2021, Banrisul issued new subordinated debt, for US$300 million, with interest of 5.375% p.a. The Notes have a 10-year maturity, with a 5-year repurchase option. Banrisul is awaiting the approval of the Central Bank of Brazil for the Notes to be part of Tier II Capital of the Reference Equity. The balance of this issue is accounted for in Foreign Borrowing Obligations.

Credit Cards

Aware of the ever-increasing speed and agility of payment methods, Banrisul makes available several tools to facilitate the daily lives of credit card users, improving technologies and constantly seeking innovations. With a sustainable focus, the Bank continues with the effort to discontinue sending paper invoices. For this, it encourages migration to e-mail and/or access to digital platforms, with cashback offer or points in the Banriclube benefits program for selected customers who made the change.

Banrisul provides tools to facilitate the use of credit cards, improving technologies and seeking innovations

As of June 2021, the conditions for contracting and expanding credit card limits for account holders in the **Banrisul Digital** app were relaxed. More than 114 thousand customers have already used the service and adjusted their limit. In addition, in the first half of 2021, Banrisul offered its payment bracelet, **BanriFast**, also to additional card users. The order can be carried out by the application.

Banrisul's Credit Card Call Center started to receive calls originating from metropolitan areas through the number 3003.6188 and to other locations, the number remains 0800.701.6888. During this period, the service hours via chat, now available to customers 24 hours a day, seven days a week, were also extended. Through the Call Center, it is possible to unblock credit cards, report loss or theft and consult information about the balance, limit and expiration of the invoice. These services are also available through the app.

The Banrisul Digital app was featured in the 2021 edition of the National Credit Card Survey, carried out by the Medida Certa Research Institute, in partnership with CardMonitor, which specializes in research and assessment of trends in this market. Considering the research sample, the Credit Cards functionality in the application had an increase in use from 61.7% to 74.1%; the score for card services through the app increased from 90.8% to 93.5%, a result above the market average of 88.1%.

The Mastercard Platinum and Mastercard Black modalities requested in the first half-year offered 12 months of exemption from the annual fee. All other categories of the brand maintain a six-month exemption for new cards. For those who already have a credit card, Banrisul offers an exclusive program of progressive annual discount according to use, valid for selected Mastercard and Visa cards.

Banrisul ended the first half of 2021 with a base of 1.2 million issued cards, for Mastercard and Visa brands. In the same period, 38.5 million transactions were carried out, amounting to R$3.4 billion. Income from credit and fees from credit cards and from BNDES cards totaled R$198.7 million in the first half of 2021.

Banricompras

Banricompras is an exclusive and free product for the Banrisul customer. Through the checking account card, it is possible to pay for purchases at accredited establishments, up front or in installments, without fees and interest charges. In the first half of 2021, 77.2 million transactions were carried out, totaling R$7.3 billion, a growth of 2.8% and 12.3% respectively, compared to the same period of the previous year.

Banricard Benefit and Business Cards

Benefit and Business Cards with the BanriCard brand, which covers the issuance of Pre and Post-paid cards, managed through agreements. BanriCard ended June 2021 with 6,100 active affiliated customers. Revenues in the first half of 2021 reached R$667.9 million, remaining stable compared to the same period in 2020. Faced with the Covid-19 pandemic scenario, the Company maintained its position of support and maintenance of customers, with concession of payment extensions and special conditions for negotiating amounts due for postpaid agreements.

Insurance

Banrisul provides customers with a broad portfolio of insurance products, with personal insurance, property insurance, capitalization bonds and supplementary pension plans, seeking solutions that meet the needs of customers. The first half of 2021 was marked by the improvement of systems and processes, campaigns and sales initiatives for customers and by the expansion of products made available digitally, facing the social distance observed in the period.

This first half was also marked by the start of operations of Banrisul Corretora de Seguros S.A., which has been gradually absorbing Banrisul's insurance operations. In this context, the collection of insurance premiums, pension contributions and capitalization bonds reached R$1.1 billion in the first half of 2021, and total revenues reached R$141.7 million in the period.

5

CUSTOMER RELATIONS

Service

Since the beginning of the pandemic, Banrisul has been adapting its service model to our customers at the branches. In the first phase, we adopted the scheduling of appointments as a preferential way, but in the second moment, due to the worsening of the pandemic situation, scheduling became mandatory for us to continue our service. Afterwards, we evolved to the hybrid format, which aimed to improve the perception of service quality, expand business generation and align our service format with that of other financial institutions.

Now we will start a new phase, in which the service will once again be solely by incoming flow, a format that both our customers and we understand. This resumption is intended to further streamline our service, expand the generation of business and keep us in line with the practices of other large banks. It is important to highlight that the Affinidade segment will be able to continue to be serviced by direct appointment with their Account Manager, according to the flow already adopted before the pandemic.

Service Network

With a focus on operating in the southern region of Brazil, mainly in the State of Rio Grande do Sul, Banrisul is present in most municipalities in the state of Rio Grande do Sul and had, at the end of June 2021, a network consisting of 1,074 service points, of which 500 Branches (477 in Rio Grande do Sul, 17 in Santa Catarina, 4 in other states in Brazil and 2 abroad), 156 service points and 418 electronic service points.

Phone and WhatsApp

Banrifone is the telephone service channel that provides consultations, information and financial services, such as payments, credit operations, transfers between accounts and cell phone recharges. The Personalized Service is open from 8:00 am to 8:00 pm, Monday to Friday. The Electronic Service is available 24 hours, every day of the week.

With the aim of expanding service channels and providing increasingly agile communication to its customers and users, Banrisul started to offer service through an Official WhatsApp Account. Through the tool, the customer has access to the support for Vero machines and digital channels, and the service provided by Banrisul Consórcio and BanriCard benefit cards.

Banripontos

Banrisul also has Banriponto correspondents, which are associated commercial establishments able to receive bill payments, deposits, transfers, withdrawals, among other banking services, which provide customers with benefits such as flexibility in service hours, convenience, freedom and practicality to choose the nearest establishment.

With regard to its affiliates, Banrisul acts mainly in training, support and management of Banripontos. At the end of the first half of 2021, the Bank had 1,087 active Banriponto correspondents, who carried out 24.2 million transactions. There are 207 smart safes installed, which aim to increase security in the establishments, increase control over accountability, mitigate risks and reduce the branch's back office.

In June 2021, we started registering and training the branches of a network of stores that will have Banripontos installed throughout its network – approximately 170 stores, in a pilot project phase. After this step, activities and expansion of registrations will begin.

Digital Channels

Banrisul is constantly working to improve its digital channels, with a focus on expanding the range of services available and optimizing the journey and experience of its customers and users. Accesses through digital channels represent 62.7% of the operations carried out by the Institution in 2021 — digital, POS, ATM, correspondents, cashiers and Banrifone.

In the first six months of 2021, Internet Banking channels had 20.6% more accesses than in the same period of 2020

In the first six months of 2021, the Internet Banking channels — Home and Office Banking — and Mobile Banking (My Account, Affinidade and Office app, accessed through Banrisul Digital) had 205.8 million accesses, equivalent to an average of 1.1 million daily accesses. The total of financial and non-financial transactions carried out in these channels decreased by 10.6% compared to the first half of 2020. However, the number of financial transactions was 10.3% higher and the volume transacted 13.9% higher, compared to the same period in 2020.

The PIX service had improvements in the period, such as making and receiving PIX payments available in Office Banking, scheduling and consultation of scheduled operations, generation of QRCode, increased and customizable PIX limits for operations and inclusion of a PIX communication channel in the Banrisul Digital.

With regard to investment services through the Banrisul Digital application, a new initial screen was implemented, with a push for time deposits renewal and a statement made available to monitor investments. In order to provide greater protection to customers against scams and fraud, an additional step for activating a virtual card was implemented. In addition, valuing transparency and communication, it was implemented in the app the sending of notices directed to the customer's profile and with message reading marking. In the evaluation of app stores, Banrisul Digital achieved a score of 3.4 in the Play Store and 4.1 in the Apple Store (scales 1 to 5).

6 BANRISUL GROUP

Banrisul Cartões

Banrisul Cartões S.A. manages the Vero acquiring network and the issuance of BanriCard benefit and business cards, with 140.1 thousand active affiliated merchants and 6.1 thousand active agreements, respectively, in June 2021. Gross operating revenue amounted to R$277.8 million in the first half of 2021, an increase of 12.2% or R$30.1 million compared to the first half of the previous year. Of this total, R$275.0 million comes from the acquiring network's revenue.

In this first half-year, 167.7 million transactions were processed at Vero, 118.4 million with debit cards, a 16.1% growth compared to the same period of the previous year, and 49.3 million transactions with credit cards, an increase of 8.0%. In terms of financial volume, the amount transacted totaled R$16.5 billion, a growth of 20.2% compared to the first half of 2020. Of this amount, R$9.4 billion with debit cards and R$7.1 billion with credit cards.

In the first half of 2021, Vero implemented the following innovations: (i) change in the QR Codes model generated for sellers, adopting the 'BR Code' standard; (ii) implementation of the “find Vero merchants” functionality, allowing Vero Wallet users to find Merchants to use the digital wallet; and (iii) implementation of the centralized and interoperable receivables registration system in compliance with the provisions of CMN Resolution No. 4,734/19 and Bacen Circular 3,952/19.

The cost of services provided by Banrisul Cartões reached R$74.9 million, while operating expenses, which comprise mainly expenses with services, administrative, personnel, provisions and losses, totaled R$37.1 million. Financial income totaled R$58.4 million, 88.4% of which came from advances on receivables. Advances on receivables from sales reached R$2.2 billion in the first half of 2021, representing 29.6% of the possible amount, a volume 24.2% higher than that computed in the same period of the previous year. Banrisul Cartões's net income accumulated in the first half of 2021 was R$122.6 million, an increase of 9.9% compared to the first half of the previous year.

Banrisul Administradora de Consórcios

Banrisul S/A Administradora de Consórcios operates in the movable property, real estate and services segments, offering alternatives for the acquisition of goods and services suited to market demands.

Real Estate: the granted letters of credit can be used, in addition to acquisition, for construction, renovation and expansion of properties with terms of up to 200 months. Also for the settlement of real estate loans.

Movable Property: the granted letters of credit allow the purchase of automobiles, trucks, motorcycles, agricultural machinery and implements with terms of up to 80 months and settlement of vehicle financing.

Services: the granted letters of credit can be used for services of any nature, such as renovations, travel, courses, parties and cosmetic surgeries, among others, with a term of up to 36 months.

At the end of June 2021, the company managed 155 groups, with an active customer base of 71,600 members, totaling R$4.9 billion in volume of letters of credit. In the period, there were 5.8 thousand grants, making available to the market a credit volume of R$326.0 million for the purchase of consumer goods. Net income as of June 2021 reached R$24.9 million.

Banrisul Seguridade Participações

In January 2021, continuing the restructuring of the insurance business, Banrisul Corretora de Seguros S.A. entered into operational phase. The company is a wholly owned subsidiary of the Banrisul Seguridade Participações S.A. holding, a company wholly owned by Banrisul. Because of this restructuring, the income received by Banrisul referring to commissions for the sale of insurance, private pension plans and capitalization bonds will be paid by the partner insurance companies directly to Banrisul Corretora de Seguros. This measure is in line with our strategy of revenue diversification and optimization of businesses related to the sale of insurance products.

In the first half of the year, new mass-insurance products by Allianz Seguros were made available to customers and a new AP Perfil Personal Accident insurance was launched, offering 24-hour emergency dental care and monthly prize draws. During the period, commercial campaigns were carried out with customers, aiming at better disclosure for the contracting of products. Brokerage revenues reached R$82.8 million and Banrisul Seguridade's Net Income totaled R$46.9 million in the first half of 2021.

Banrisul Corretora de Valores Mobiliários e Câmbio

The company operates in the capital markets as an intermediary in the purchase and sale of shares, options, futures, private fixed income bonds and public fixed income bonds through Tesouro Direto, being Banrisul's third-party funds administrator and manager, offering products and assets with quality and safety, through technical support to investors, helping them to identify the best opportunities in the capital markets.

It should be noted that, as of January 4, 2021, the management of investment funds was transferred to Banrisul S.A. Corretora de Valores e Câmbio. In the second half of 2021, eight new funds called mirrors, by selected managers, will be launched, four being multi asset and four equity funds.

7 GOVERNANCE

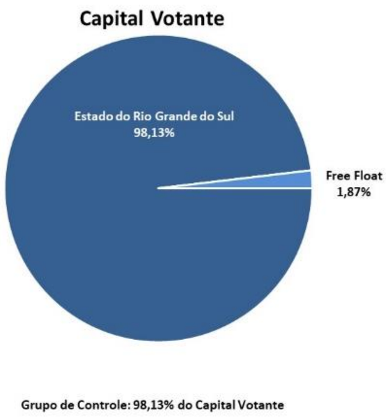
Listed under Level 1 of Corporate Governance at B3 S.A. since 2007, and in line with the best market practices, Banrisul fully meets the requirements of this level of listing and additional aspects that are required by other levels of Corporate Governance at B3, giving it greater transparency, equity and adequate accountability, seeking to generate value for its shareholders and reinforce its credibility with investors and customers.

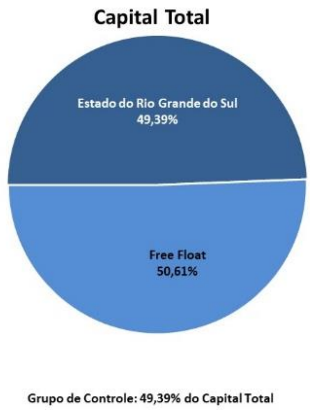
Pursuant to CMN Instruction No. 381/03, Banrisul informs that the company Deloitte Touche Tohmatsu, hired in 2021 through the bidding process No. 449/20, established by Law No. 8,666/93 and Law 13,303/2016, provided services exclusively related to independent audit in the first half of 2021.

Information on Corporate Governance is available on the **Investor Relations** website (ri.banrisul.com.br – Corporate Governance Section).

Ownership Structure

Banrisul has a higher-than-required ownership dispersion for the Level 1 of Corporate Governance: free float represents 50.6% of the total shares issued by the Bank, while the minimum required is 25%. As of June 2021, Banrisul’s ownership structure is presented as follows:





Banrisul's shares are traded under tickers BRSR3, BRSR5 and BRSR6, the latter being our most liquid share. Present in seven indices of B3 S.A., the average daily financial volume traded during the first half of 2021 was R$29.2 million, a 12.2% reduction compared to the daily average for the year 2020 .

In the first half of 2021, the average number of shares traded daily and the average daily trades amounted to 2.2 million and 6.8 thousand, respectively.

In June 2021, Banrisul's market value reached R$5,423.0 million.

Analysts' recommendations: 53.8% neutral and 46.2% overweight, according to a sample of 13 analysts who cover Banrisul.

The following table shows Banrisul's ratings, according to the main global risk rating agencies:

Fitch Ratings	
Foreign Currency - Long-Term IDR	BB-
Foreign Currency - Short-Term IDR	B
Local Currency - Long-Term IDR	BB-
Local Currency - short-Term IDR	B
National Rating - Long-Term Rating	A+(bra)
National Rating - Short-Term Rating	F1(bra)
Support Rating	4
Viability Rating	bb-
Tier II Capital Subordinated Notes	B
Outlook National Rating	Negative
Outlook Foreign-Currency. Long-Term IDR	Negative
Moody’s	
Outlook	Negative
Bank Deposits	Ba3/NP
NSR Bank Deposits -Domestic Currency	A3.br/BR-2
Individual Credit Risk	ba3
Counterparty Risk Assessment	Ba2(cr)/NP(cr)
Subordinate	B1
Standard & Poor’s	
Issuer Credit Rating Global scale	BB-
Issuer Credit Rating - National scale	brAA+
Outlook	Stable
Individual Credit Profile (SACP)	bb-

Interest on Equity and Dividends Payout Policy

Since early 2008, Banrisul has been paying interest on equity every quarter, and historically has remunerated its shareholders with a payout policy higher than the minimum legally required level. From January to June 2021, R$206.8 million were paid or provisioned as interests on equity or dividends, net of taxes.

Capital and Risk Management

Capital management and credit, market, *Interest Risk Rate in the Banking Book* - IRRBB, liquidity, operational and socio-environmental risks integrated management is a strategic tool essential for a financial institution

Integrated Management Structure

The capital and risk integrated management structure of Banrisul Group is coordinated by the Corporate Risks Management Department, responsible for capital management and for managing credit, market, IRRBB, liquidity, operational and socio-environmental risks with the support of the Chief Control and Risk Officer. The information produced by the department subsidizes the Risk Committee (advisory body to the Board of Directors), and other Management Committees, the Executive Board and the Board of Directors in the decision-making process. The Control and Risk Executive Officer supervises that department, and the Board of Directors is responsible for the released information related to risk management.

The process of capital and risk management involves the participation of all hierarchical layers of the Institution and the companies comprising the Prudential Conglomerate (Banrisul S.A. Administradora de Consórcios, Banrisul S.A. Corretora de Valores Mobiliários e Câmbio, Banrisul Cartões S.A.), as well as its subsidiary Banrisul Armazéns Gerais S.A. The processes are mapped, sorted and consolidated according to the exposures features of the transactions, in accordance with the recommendations of regulatory agencies.

The institutional structures of capital management and corporative risks management are reviewed at least annually and are available on the Banrisul Investors Relations website at Corporate Governance/Risk Management, as well as other public reports relating to Risk Management and the calculation of the amount of Risk-Weighted Assets - RWA, Reference Equity - RE and Leverage Ratio.

Capital Management

The capital management is a continuous process of monitoring, controlling, evaluation and planning of goals and capital needs considering risks that the Institution is subject to, as well as with its strategic objectives. In order to improve this process, the National Monetary Council - CMN, through Resolution No. 4,557 / 17, determined 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 exposure to risks. For institutions in the S2 segment, as an improvement in capital management, the Simplified Internal Capital Adequacy Assessment Process, the $ICAAP_{SIMP.}$ was introduced.

Credit Risk

The challenging scenario caused by the pandemic affects individuals and business' financial capacity. Thus, governments and regulatory bodies have developed measures seeking to compensate its economic effects, including the use of regulatory demands in order to encourage the continuity of credit offer by financial institutions. Banrisul, committed to contributing with the economic and social development of the State of Rio Grande do Sul, has made promptly available, by suiting its credit policies, products and services to help mitigate the impacts of Covid-19.

Market Risk

In 2Q21, Banrisul continued internal discussions about the need to develop an Internal Model for the risk of interest rates in the bank portfolio - IRRBB. The Bank is preparing a Term of Reference aimed at opening a bidding process for contracting a specialized technological solution for measuring the internal model for Interest Rate Risk in the Banking Portfolio. The first discussions on the new market risk model - FRTB were also concluded in partnership with Febraban, which took place through public consultation notice nº 81/20. The Fundamental Review of the Trading Portfolio is a set of proposals from the Basel Committee on Banking Supervision for a new capital requirement related to market risks for banks.

Liquidity Risk

In 2Q21, the liquidity risk monitoring processes did not report the occurrence of liquidity crisis events. The new monitoring procedures and new scenarios used for the projected cash flow result of operations, in force as a result of the pandemic, did not indicate relevant liquidity risk, as well as there was no materialization of any projected stress scenario in the positions. Risk indicators remained at adequate levels, in accordance with the risk policy and the limits set forth in the Risk Appetite Statement.

Operational Risk

In 1H21, projects and activities were carried out to adapt the operational risk database to comply with Central Bank of Brazil Circular No. 3979/20. Highlighting the associations between loss events and risks, allowing the assessment of operational risks and the consequent adoption of mitigation measures to be based on more consistent data, helping in the decision-making process.

Aiming the continuity of operations and the management of impacts caused by the Covid-19 pandemic, the Company is implementing measures to minimize the exposure of customers and employees to contagion, without jeopardizing activities. The initiatives adopted are detailed in note 30 (d).

Socio-environmental Risk

Socio-environmental risk management in operations covers financing, projects and operations, whose characteristics make it possible to previously identify the allocation of resources, observing the proportionality and relevance criteria, not preventing those that do not fit the definition above from being analyzed. Regarding activities, it encompasses the waste management process, observing the requirements required when contracting suppliers, and monitoring contracts with third parties during their term, aiming at mitigating the associated socio-environmental risks. The results of the analyzes and the records of events 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.

In compliance with Central Bank of Brazil Circular No. 3979/20 and update of Febraban's SARB self-regulation standard No. 14, projects and activities are being carried out aiming the improvements in socio-environmental risk management and integration of the risk arising from climate change with other relevant risks.

Basel Ratio

As put forth by National Monetary Council Resolutions No. 4,192/13 and No. 4,193/13, regulatory capital and risk-weighted assets are calculated for the Prudential Conglomerate. In June 2021, reference equity reached R$6,697.1 million, decreasing R$40.1 million in relation to June 2020, mainly due to the total exclusion of subordinated debt recorded in Tier II due to the Basel III schedule on operations carried out prior to Resolution No. 4,192/13.

The total exposure of risk-weighted assets (RWA_{TOTAL}) reached R$45,351.4 million in June 2021, increasing R$3,213.7 million in comparison to June 2020, mainly due to the growth of R$2,803.5 million in market risk (RWA_{MPAD}), mainly impacted by foreign exchange risk (RWA_{CAM}), the increase of R$547.6 million in credit risk (RWA_{CPAD}) and the decrease of R$137.5 million in operational risk (RWA_{OPAD}).

Taking into account the values of reference equity and of risk-weighted assets, Basel ratio reached 14.8% in June 2021, decreasing 1.2 pp. from June 2020. The minimum requirement for the Basel ratio is 9.625%, effective between April 1, 2021 and September 30, 2021. The Tier I and Core Capital Ratio were the same as the Basel ratio, due to the exclusion of subordinated debt from the Tier II of the reference equity. Leverage ratio calculated for the same month was 6.7%, with a minimum defined in 3.0% in force since January of 2018 according to National Monetary Council Resolution No. 4,615/17.

8 INVESTMENTS IN INNOVATION

Technological modernization is embedded in Banrisul's DNA, the result of a wide and constant investment in the sector. In 1H21, R$168.8 million were invested in digital transformation, expansion of the IT infrastructure and the increasing commitment to information security.

Thus, Banrisul progresses consistently, committed to providing an increasingly complete, effective and secure digital experience to its customers.

Measures and Initiatives

Investments in digital transformation and expansion of IT infrastructure totaled R$168.8 million in the half-year

In the first half of 2021, the initiatives for the continuous improvement of security mechanisms were continued. There was a renewal of the PCI - PIN Security Certification, which ensures Banrisul's permanence in the market for capturing payment transactions on the Vero network. In the week of February 9, Safe Internet Day, there was also a large awareness campaign aimed at internal and external audiences, including social networks, to reinforce tips for safe behavior against scams during the pandemic.

In January, phase 1 of **Open Banking** was implemented, referring to the sharing of data on service channels and products and services available to customers (checking account, credit cards, microcredit, general and real estate credit and respective guarantees). For phase 2, the process of compliance with information security requirements was started. The Bank is working on the development of this stage, in accordance with the phases established by Bacen, with implementations starting in July, referring to the customer's consent for access to transactional and operations data in Banrisul.

Another highlight is the active participation of different teams in the process of monitoring, discussing and defining Open Banking Brasil, through the Open Banking User Experience Technical Groups of the Central Bank Convention and Febraban. In these forums, various digital solutions are developed in an evolutionary way for operating in this new technological and business scenario, including the definitions for the first phase implemented in the first quarter and integrating the working group for the next phases.

There was also the implementation of the Receivables Register project, in compliance with Circular No. 3,952/19 and Resolution No. 4,734/21 of Bacen, referring to the registration, on a centralized database, of receivables included in the acquirers' schedules. From this database, the schedules will be made available as guarantees to the credit granting market, enabling the use of the same guarantee in a distributed manner in different credit operations.

Regarding the PIX, we can highlight the following initiatives:

- Fraud reduction: Transaction monitoring was implemented through the Anti-Fraud System;
- PIX Limit Management: Easy customer-driven limit management service through the app;
- Transaction scheduling (requirement by Bacen); and
- Product availability monitoring.

In the IT Logistics and Operations area, the process of implementing the IP Telephony solution, acquired in December 2020 for the headquarters, continued. Such initiative will provide availability, cost reduction, security and scalability in departmental communication, compatible with mobile devices and prepared for remote work. A preventive and corrective maintenance contract for nobreaks was also signed, progressively serving the entire installed park and providing storage and transport of equipment, previously done internally. Finally, the outsourcing of checkbook making activities was completed.

Banrisul's digital solutions journey received a series of improvements

Regarding the **digital transformation** of Banrisul's business models, the application of the principles that guide activities based on the customer's vision was guaranteed, seeking to leverage results by integrating business and technology with the use of agile methods — a process still ongoing through remote work.

In a model in which each work team concentrates efforts on one customer journey at a time, incremental improvements during the period were carried out. During Banrisul Digital's investment journey, a new home page was made available, along with push notification communications, an investment statement, the possibility of renewing time deposits and creating financial goals to be achieved by the user. For the opening of **Undergraduate Accounts** in the app, it is now possible to upload the registration documents in PDF, in addition to several improvements in the flow and usability of the product. In Banrisul Digital's experience, the evolutions were targeted notices by customer profile, a new presentation of Authorized Direct Debit (DDA) functionalities, automated publication of banners and consultation of check images.

In the **Vero Wallet** app, onboarding has been updated with the addition of new features. The QR Code Vero Wallet started to be generated in the BR Code model and the resource "Find Vero Merchants" was added, allowing the user to find establishments where it is possible to use the digital wallet. The Seller's area was also launched in the Vero app, providing an exclusive and simplified space to consult virtual sales made by the merchant. The agribusiness funding journey includes the opening of the "matrix retention" modality, the hiring of pre-funding with MCR6.3 resources and the technical area in AgroFácil.

BanriHub

BanriHub is a broad initiative for projects that boost the innovation ecosystem in Rio Grande do Sul. Its objective is to strengthen and expand innovation in Banrisul and Rio Grande do Sul, fostering environments and initiatives aimed at promoting research, training, new ideas and experimentation to identify opportunities for innovative solutions that can improve processes, products and services. Therefore, the Bank supports and is closely monitoring initiatives such as Instituto Caldeira, NAVI, INOVARS, among others.

BanriTech selected 30 startups for the acceleration cycle in several areas, such as financial services and operational efficiency

Among BanriHub's initiatives, **BanriTech**, the Institution's startup acceleration program, had a selection notice launched in March 2021, selecting 30 startups for its first cycle, carried out with the technical support of Tecnopuc. The selected startups present innovative solutions in the areas of financial services, relationship with companies and customers, operational efficiency, agribusiness, information security and governments. The closing will take place in November, with the BanriTech Pitch Day event, where the ten best performing startups will have the opportunity to demonstrate their business to evaluators, as well as potential investors, fund managers, community and Banrisul customers. At the end, the three outstanding startups will receive a subsidy to participate in national and international events.

Opened on June 24, 2021, NAVI – an Artificial Intelligence and Data Science Hub, led by Tecnopuc and the Wisidea Ventures, has Banrisul as master sponsor. The initiative is part BanriHub and will provide an environment with different experiences, catalyzing connections, uniting business, startups developing, promoting research and encouraging entrepreneurship focusing on solutions based on artificial intelligence.

9 SUSTAINABILITY

In 2021, Banrisul joined the Brazilian GHG Protocol Program to boost a low-carbon economy

Aware of current challenges, Banrisul has several initiatives for sustainability and works to continuously improve the integration of sustainable principles in its business strategy, organizational culture and daily activities. The sustainability guidelines of Banrisul's companies are established by Banrisul's Social and Environmental Responsibility Policy (PRSA), available on the Institution's website. As a signatory of the United Nations Global Compact since 2013, the Bank adheres to most of the Sustainable Development Goals - SDGs, acting in several ways to continuously improve the integration of these principles in its business practices. The Institution's participation in inter-institutional commissions, state programs and committees that promote environmental preservation and sustainable agriculture, in addition to its commitment to fighting corruption, stand out.

Banrisul works on social and environmental issues with the integration of risk management, business and services areas to ensure improvements in processes, as well as in social and environmental risk management. The review of the sustainability strategic plan, based on the ESG pillars (environmental, social and governance), defines the path for the journey that the Bank is taking, in order to strengthen and promote initiatives in line with the Institution's guidelines and business strategies.

Among the advances in promoting sustainability, during the first half of 2021, some measures related to climate change stand out, to boost the transition to a low-carbon economy, such as adherence to the Brazilian GHG Protocol Program. Another initiative focusing on the reduction of greenhouse gases, the project for the migration of the energy consumption to energy from renewable sources was initiated. This project includes studies to map the characteristics of Banrisul's consumer units, to establish a plan and deadlines to carry out this switch to energy from renewable sources. It is worth mentioning the adhesion of Banrisul to the CDP - Carbon Disclosure Project, increasing transparency in the evolution of projects, products and measures related to climate change.

As a financial institution, Banrisul recognizes its essential role in the global context of Covid-19's pandemic and directs its efforts to ensure access to banking services to customers and non-customers, investing in technological improvements and adaptations, in compliance with health protocols and safety established by the authorities. The effort undertaken aims to maintain good health of as many people as possible, for we are in a vital moment of pandemic, in which solidarity and collective action make the difference to face this great challenge.

Given its commitment to sustainable development, Banrisul is alert to the growing demands of the financial market in social and environmental aspects. In its product portfolio, it has specific credit lines designed to meet the demand for renewable energy solutions, with the aim of encouraging the use of clean energy by individual and corporate consumers, such as CDC Sustainability and credit lines with transfers from the BNDES Finame Low Carbon and BNDES Climate Fund Program. Likewise, it provides credit lines with the objective of promoting the reduction of greenhouse gas emissions from agricultural activities, and the adoption of sustainable production technologies, through the ABC Program, using Banrisul's own resources, directly matched by the National Treasury.

People

Banrisul ended the first half of 2021 with **9,156 employees** and 1,795 interns. In June, the Institution had **4,112 female employees**, representing 44.9% of the workforce. This is also observed in leadership roles, in which women occupy 39.2% of the company's management positions.

In view of the Covid-19 pandemic and the social distancing measures determined by governments since March 2020, work and service processes were adapted for the safety of employees and customers. Banrisul started to adopt work shift schedules, home office and on-site service, dismissing employees and interns in the risk group for Covid-19 from on-site service. In order to avoid crowds and ensure the social distance and the necessary care for everyone, approximately 90% of employees in the administrative areas work in home office and on-site service at the branches is carried out in compliance with the limits defined by law.

Banrisul renewed the Health Consultancy contract from Hospital Moinhos de Vento - HMV, in Porto Alegre, to help define and monitor protocols for preventing Coronavirus, as well as to assist, via telemedicine, employees in suspicion or confirmation of Coronavirus contagion. The protocols adopted by Banrisul were widely publicized through administrative instructions and in a specific area on the company intranet. Personal Protection Equipment was distributed to employees in on-site service and, for employees who directly serve the public, the Bank provides acrylic masks and face protectors, in addition to acrylic shields in all tables. The number of employees at the branches is determined in compliance with the limitations imposed by the legislation issued by the State Government and Municipalities.

In the first half of 2021, Banrisul made available to employees, through its Corporate University, 1,564 improvement and **training courses**, raching 29,700 participations, totaling 167.9 thousand hours of training. The Bank also encourages the qualification of employees through a partial subsidy for undergraduate, graduate, master's and doctoral courses; in the first half of 2021, the amount invested was R$86.5 thousand. During the period, the total investment in corporate education was R$1.6 million, focused on employee development and qualification, in line with the Bank's strategy.

Distance learning, remote classes, webinars and thematic seminars continue to be tools used for training and qualification of employees at Banrisul, having become essential during the pandemic period, as qualifications in the on-site model were suspended. During the first half of 2021, 25.5 thousand enrollments were registered, with a total of 71.4 thousand hours of training.

The other trainings, courses and online seminars are being carried out on the Webex platform, meeting the need for professional training for entry into commissioned positions; training in products and services, with the development of different skills aimed at quality in on-site and digital service. In addition, we emphasize that the Corporate University directs its courses to the Bank's interests and strategies, such as campaigns, new products and/or compliance with specific legislation.

Social, Environmental, Cultural and Community Support Programs

Banrisul works on several initiatives that help in the recovery of ecosystems and that promote awareness about sustainability. Among them, there is the Sementes Program, created in 2008, which encourages sustainable rural development, distributing agro-ecological seeds to communities. In the first half of 2021, 117.3 million seeds were distributed to 6.5 thousand families in various regions of the state. During the period, seeds were delivered to projects from two schools, within a partnership signed by the bank with the State Education Department and Emater/RS. The initiative aims to serve communities with students in situations of social vulnerability. However, there was a decrease in requests from school networks due to the closing of most schools in the state. With the passing of the stronger period of the pandemic and the start of vaccinations, there is an expectation of a greater number of projects with school communities in the second half of 2021.

Seeds Program benefited 6.5 thousand families in the state

In the second quarter, there was an increase in the demand for projects with groups of family farmers in a more vulnerable situation. This situation is due to the drought at the beginning of the year and, intensified by the Covid-19 pandemic, had an increase in the demand for vegetable seeds for feeding purposes. With the growth in the number of people vaccinated in the state, including in the indigenous communities, there were more requests for the Sementes Program, coming from all regions of the state, thus enabling the empowerment of these communities.

With a focus on reducing negative environmental impacts and helping to reduce the effects of climate change, Banrisul has a Solid Waste Management Plan - PRGS, which ensures the proper destination of solid waste. Among the initiatives of the first half of 2021, the donation of furniture to public entities, such as public schools and public security agencies stands out, allowing better use and longer life of the donated goods. Likewise, the Bank participates in the Management Committee of the Sustentare Program, of the State Government, which aims to promote the proper disposal of electronic waste and assist in social inclusion, through the promotion of inmate labor. In addition, it also participates in the Environmental Education Committee, contributing to environmental sustainability in the State. Also through the Plastic Caps Collector project, in the first half-year, 170kg of plastic caps were collected, which resulted in the acquisition of three guide canes by the Association of the Blind of RS - ACERGS.

In the corporate environment, Banrisul provides its employees with distance learning courses in Waste Management, and through the Conexões Program, created the Espaço Conexões ESG, where employees can share sustainability initiatives and monitor how the Bank is working in the search for a sustainable path. In June, to promote the Environment Week, discussions were promoted through social media and intranet, encouraging sustainable practices with the collaboration of employees who shared tips and personal practices present in their daily routines.

In May 2021, with the objective of improving service to people with disabilities, Banrisul provided basic training in Brazilian Sign Language (Libras) to 70 employees from the branch network. The course is comprised of 140 hours of training through of classes and chats in distance learning, providing the necessary training to serve deaf people.

The Projeto Pescar Banrisul started its 18th class in March 2021. The initiative offers, annually, the Professional Initiation course in Administrative Services to 20 young people between 16 and 19 years old, taught by volunteer instructors from the Bank. In addition, the Young Apprentice Program provides the opportunity to experience, in practice, the learning offered at Banrisul's partner training institutions. The Bank developed an online training program for young people who, due to the pandemic, were unable to carry out practical activities in person at the Institution, working on financial education, among other matters pertaining to professional practice and greater ties with the Bank. In this second quarter, the young people had a psychosocial care, where they could report their experiences during the pandemic.

During this period, Banrisul was part of the global financial education campaign for young people Global Money Week - GMW, conducted by CVM, a project to raise awareness about the importance of ensuring that young people acquire the knowledge, skills, attitudes and behaviors necessary to make sound financial decisions and achieve financial well-being. In addition to three virtual meetings, especially for Banrisul interns, addressing the themes “Economic Scenario: planning the future”, “Financial Organization” and “How to employ the value of your internship pay in the most intelligent way?”.

In the first half of 2021, the Museum hosted academic research related to the institutional history of Banrisul Armazéns Gerais, developed content for an installation that will be mounted at the headquarters of the BanriTech Innovation Hub. During the pandemic period, the Banrisul Memory Space remains closed.

Banrisul recognizes its role as a fostering agent in the social development of the communities where it operates and promotes, through support and sponsorship, several projects in the capital and in the countryside of the state as a sponsor. We are present at fairs, expositions, cultural, sporting, social, sustainability and health and education events - and part of these projects were sponsored using tax benefits granted by federal laws to encourage culture and sport.

10 AWARDS

February/2021
Banrisul elected the best fixed-income investment fund manager

Banrisul won first place among investment fund managers in the Fixed Income Specialist category, in a survey carried out by Fundação Getúlio Vargas - FGV. The result was disclosed during the launch of the FGV Investment Funds Guide. The Bank was also highlighted in the investment fund categories in General Specialist, in 8th place; and Equity Specialist, in 9th place.

The study, considered the best in the investment fund industry in Brazil, has been prepared by the Center for Studies in Finance of FGV/SP since 2000. The survey aims to help investors choose the best products and the best managers in the market.

April/2021
Featured as the Greatest Brand from Rio Grande do Sul

Banrisul is the highlighted brand in the minds of business managers and executives in the Rio Grande do Sul market in the Greatest Brand from Rio Grande do Sul category and the preferred brand in the Publicly-Owned Company category. The awards were presented by the 23rd edition of the Marcas de Quem Decide survey, promoted by Jornal do Comércio in partnership with Qualidata. In the Bank category, Banrisul is among the five most remembered and preferred brands. The Institution was also featured in the Digital Certification and Consortium categories.

April/2021
Featured in the Top 20 stocks with the best dividend yield in the last 10 years

Banrisul is present in the survey carried out by the Economatica platform, which ranked the Top 20 shares with the best dividend yield in the decade, between April 2011 and April 2021. Among the 20 best, there are six tickers linked to the banking sector, which remains in the leadership, as the maximum volume of distribution of dividends and interest on equity by these institutions was R$60.3 billion in 2019.

April/2021
Banrisul is featured in Forbes ranking

Banrisul was featured in the World's Best Banks 2021 report, by Forbes, where it appears in the list of the 15 best banks in Brazil. The magazine prepared this ranking based on the opinion of more than 43 thousand customers. The evaluation included several ranking points for banks, among which the following: rates, trust, security, services offered, facilities and financial advice.

April/2021
Featured among the 100 best banks in the world

The list is compiled by the international publication CEOWorld. The survey is made up of the banks that stand out the most, according to the evaluations of their own customers. For this analysis, the response to new digital challenges and the ability to adapt the business is considered, as well as the quality of financial services, fees charged and level of trust, among others.

May/2021
Innovation Champions Ranking

The Bank was featured in the 17th edition of the Innovation Champions Ranking, promoted by Grupo Amanhã and IXL-Center — a global technical partner headquartered in the United States. Banrisul is among the five companies that received recognition in the special State-Owned & Philanthropic category, reaching second place.

In total, more than 150 organizations and companies, with branches in Rio Grande do Sul, Santa Catarina and Paraná, applied for the award. Resources and strategies aimed at innovation were evaluated through questionnaires processed by the IXL-Center.

Pioneering in Brazilian economic journalism, the ranking comprises a variety of service companies and industries, which has made the study increasingly competitive, as innovation extends throughout the entire production chain, from production to distribution to customers.

11 ACKNOWLEDGEMENTS

Even in a scenario that demands care and attention, we can already see the light at the end of the tunnel, given the expansion of vaccination against Covid-19, raising the spirits of society - which also translates into new projects and businesses, both in business as well as personal scopes. Confident that the economic recovery is taking its first steps in the country, Banrisul remains adamant of its mission as a development agent and in order to continue on this path acknowledges the partnership of its customers, investors and employees.

The Executive Board

FINANCIAL STATEMENTS

BALANCE SHEET

(IN THOUSANDS OF REAIS)

		Parent Company		Consolidated	
ASSETS	**Note**	**06/30/2021**	**12/31/2020**	**06/30/2021**	**12/31/2020**
Cash	4	1,583,749	1,263,595	1,583,843	1,263,648
Financial Instruments		91,477,845	86,163,895	93,465,517	88,011,432
Interbank Lending Market Investments	5	8,061,771	6,040,268	8,063,373	6,041,572
Compulsory Deposits of Central Bank of Brazil	6	7,744,492	7,750,609	7,744,492	7,750,609
Securities	7	35,857,243	31,550,155	36,016,688	31,645,202
Derivative Financial Instruments	8	661,669	844,599	661,669	844,599
Loans	9	34,074,673	34,860,941	34,074,673	34,860,941
Other Financial Instruments	10	5,062,151	5,097,718	6,888,776	6,848,904
Leases	9	15,846	19,605	15,846	19,605
(Provisions for Expected Losses Associated with Credit Risk)	9e	(2,721,920)	(2,811,892)	(2,725,494)	(2,813,138)
(Loans)		(2,518,339)	(2,590,995)	(2,518,339)	(2,590,995)
(Leases)		(5,641)	(6,587)	(5,641)	(6,587)
(Other Credits)		(197,940)	(214,310)	(201,514)	(215,556)
Tax Assets		3,423,991	3,113,232	3,490,854	3,119,592
Current		214,854	47,304	276,466	49,021
Deferred	11	3,209,137	3,065,928	3,214,388	3,070,571
Other Assets	12	868,288	888,145	865,235	817,994
Investments		2,107,266	1,919,646	162,060	177,951
Investments in Associates and Subsidiaries	13	2,099,547	1,912,302	154,341	170,607
Other Investments		7,719	7,344	7,719	7,344
Property and Equipment	14	355,387	333,015	464,865	439,693
Property and Equipment		956,478	924,030	1,110,423	1,068,140
(Accumulated Depreciation)		(601,091)	(591,015)	(645,558)	(628,447)
Intangible Assets	15	756,030	805,606	756,135	805,729
Intangible Assets		1,684,892	1,639,318	1,687,330	1,641,756
(Accumulated Amortization)		(928,862)	(833,712)	(931,195)	(836,027)
TOTAL ASSETS		**97,850,636**	**91,675,242**	**98,063,015**	**91,822,901**

		Parent Company		Consolidated	
LIABILITIES	**Note**	**06/30/2021**	**12/31/2020**	**06/30/2021**	**12/31/2020**
Deposits and Other Financial Instruments		83,840,126	78,756,045	83,837,370	78,730,375
Deposits	16	61,697,485	62,820,455	61,179,999	62,446,503
Repurchase Agreements	16	8,870,394	4,573,384	8,679,331	4,362,437
Funds from Acceptance and Issuance of Securities	16	2,033,009	2,727,755	1,742,545	2,440,535
Borrowings	17	1,963,134	425,868	1,963,134	425,868
Onlendings	17	1,355,171	1,473,113	1,355,171	1,473,113
Derivative Financial Instruments	8	174,239	-	174,239	-
Other Financial Liabilities	18	7,746,694	6,735,470	8,742,951	7,581,919
Provisions	19	2,212,932	2,007,316	2,218,988	2,012,954
Tax Liabilities		689,037	494,784	813,260	561,565
Current		249,790	88,122	373,128	154,135
Deferred	11b	439,247	406,662	440,132	407,430
Other Liabilities	20	2,456,390	2,073,035	2,538,980	2,171,792
TOTAL LIABILITIES		**89,198,485**	**83,331,180**	**89,408,598**	**83,476,686**
EQUITY	**21**	**8,652,151**	**8,344,062**	**8,654,417**	**8,346,215**
Capital		5,200,000	5,200,000	5,200,000	5,200,000
Capital Reserves		4,511	4,511	4,511	4,511
Profit Reserves		3,742,995	3,411,250	3,742,995	3,411,250
Income		(295,355)	(271,699)	(295,355)	(271,699)
Non-controlling Interest		-	-	2,266	2,153
TOTAL LIABILITIES AND EQUITY		**97,850,636**	**91,675,242**	**98,063,015**	**91,822,901**

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

INCOME STATEMENT

(IN THOUSANDS OF REAIS, EXCEPT EARNINGS PER SHARE)

	Note	Parent Company 01/01 a 06/30/2021	Parent Company 01/01 a 06/30/2020	Consolidated 01/01 a 06/30/2021	Consolidated 01/01 a 06/30/2020
Income from Financial Intermediation		**3,228,701**	**4,952,729**	**3,231,630**	**4,958,711**
Loans, Leases and Other Credits		2,735,682	2,999,558	2,735,776	2,999,626
Securities		545,322	505,031	548,157	510,945
Derivative Financial Instruments		(197,854)	938,044	(197,854)	938,044
Foreign Exchange		18,910	313,740	18,910	313,740
Compulsory Investments		126,641	196,356	126,641	196,356
Expenses from Financial Intermediation		**(785,166)**	**(2,406,834)**	**(775,141)**	**(2,397,820)**
Deposits and Securities Sold Under Repurchase Agreements		(691,864)	(1,992,095)	(681,839)	(1,983,080)
Borrowings, Assignments and Onlendings		(93,302)	(414,739)	(93,302)	(414,740)
Net Income from Financial Intermediation		**2,443,535**	**2,545,895**	**2,456,489**	**2,560,891**
Provisions for Expected Losses Associated with Credit Risk		**(345,736)**	**(780,049)**	**(347,564)**	**(780,828)**
Other Operating Income		**945,106**	**969,273**	**1,190,335**	**1,150,633**
Income from Services Rendered and Bank Fees	22a	508,166	621,733	960,848	961,982
Result of Participation in Associates and Subsidiaries	13	222,523	161,585	19,202	25,599
Other Income	22b	214,417	185,955	210,285	163,052
Other Operating Expenses		**(2,377,207)**	**(2,236,929)**	**(2,528,177)**	**(2,361,849)**
Personnel Expenses	23a	(902,954)	(976,325)	(912,915)	(984,978)
Other Administrative Expenses	23b	(796,539)	(753,510)	(845,304)	(803,052)
Tax Expenses		(171,756)	(185,712)	(232,621)	(231,593)
Other Expenses	23c	(505,958)	(321,382)	(537,337)	(342,226)
Net Operating Income		**665,698**	**498,190**	**771,083**	**568,847**
Income Before Income Tax and Profit Sharing		**665,698**	**498,190**	**771,083**	**568,847**
Income Tax and Social Contribution	**24**	**(56,364)**	**(61,828)**	**(161,604)**	**(132,406)**
Current		(169,355)	(178,248)	(275,104)	(250,158)
Deferred		112,991	116,420	113,500	117,752
Employee Profit Sharing		**(65,173)**	**(59,063)**	**(65,174)**	**(59,054)**
Non-controlling Interest		**-**	**-**	**(144)**	**(88)**
Half Year Net Income		**544,161**	**377,299**	**544,161**	**377,299**
Net Income Atributable to Shareholderes					
Controlling		544,161	377,299	544,161	377,299
Non-Controlling		-	-	144	88
Earnings per Share	**25**				
Basic and Diluted Earnings per Share (in Reais - R$)					
Common Shares		1.33	0.92	1.33	0.92
Preferred Shares A		1.39	0.94	1.39	0.94
Preferred Shares B		1.33	0.92	1.33	0.92

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

STATEMENT OF COMPREHENSIVE INCOME

(IN THOUSANDS OF REAIS)

	Parent Company		Consolidated	
	01/01 a 06/30/2021	01/01 a 06/30/2020	01/01 a 06/30/2021	01/01 a 06/30/2020
Net Income Attributable to Shareholders	**544,161**	**377,299**	**544,161**	**377,299**
Non-controlling Interest	-	-	144	88
Half Year Net Income Attributable to Shareholders	**544,161**	**377,299**	**544,305**	**377,387**
Items That May Be Reclassified Into the Income Statement	**(23,656)**	**145,373**	**(23,656)**	**145,373**
Securities available for sale	(3,726)	(264)	(3,726)	(264)
Change in Fair Value	(6,215)	(428)	(6,215)	(428)
Tax Effect	2,489	164	2,489	164
Foreign Exchange Variations on Investments Abroad	(19,930)	145,637	(19,930)	145,637
Total Adjustments Not Included in Half Year Net Income	**(23,656)**	**145,373**	**(23,656)**	**145,373**
Total Comprehensive Income for the Period, Net of Tax Income and Social Contribution	**520,505**	**522,672**	**520,649**	**522,760**
Comprehensive Income Attributable to Controlling interests	520,505	522,672	520,505	522,672
Comprehensive Income Attributable to Non-controlling interests	-	-	144	88

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

STATEMENT OF CHANGES IN EQUITY

(In Thousands of Reais)

		Attibutable 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, 2020		**5,200,000**	**4,511**	**596,276**	**2,069,074**	**207,501**	**-**	**(284,995)**	**-**	**7,792,367**	**1,995**	**7,794,362**
Other Valuation Adjustments												
Mark-to-Market of Available-for-Sale Securities		-	-	-	-	-	-	(264)	-	(264)	-	(264)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	-	145,637	-	145,637	-	145,637
Change in Non-controlling Interest		-	-	-	-	-	-	-	-	-	65	65
Reclassification of Results for Future Years		-	-	-	-	-	-	-	2,989	2,989	-	2,989
Half Year Net Income		-	-	-	-	-	-	-	377,299	377,299	-	377,299
Allocation of Net Income	21c										-	
Constituition of Reserves		-	-	18,865	94,325	166,131		-	(279,321)	-	-	-
Interest on Equity		-	-	-	-	-	-	-	(100,967)	(100,967)	-	(100,967)
Balance as of June 30, 2020		**5,200,000**	**4,511**	**615,141**	**2,163,399**	**373,632**	**-**	**(139,622)**	**-**	**8,217,061**	**2,060**	**8,219,121**
Balance as of January 1st, 2021		**5,200,000**	**4,511**	**632,650**	**2,250,943**	**504,458**	**23,199**	**(271,699)**	**-**	**8,344,062**	**2,153**	**8,346,215**
Other Valuation Adjustments												
Mark-to-Market of Available-for-Sale Securities		-	-	-	-	-	-	(3,726)	-	(3,726)	-	(3,726)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	-	(19,930)	-	(19,930)	-	(19,930)
Change in Non-controlling Interest		-	-	-	-	-	-	-	-	-	113	113
Approval of Dividends from Previous Period		-	-	-	-	-	(23,199)	-	-	(23,199)	-	(23,199)
Reclassification of Results for Future Years		-	-	-	-	-	-	-	2,914	2,914	-	2,914
Half Year Net Income		-	-	-	-	-	-	-	544,161	544,161	-	544,161
Allocation of Net Income	21c											
Constitution of Reserves				27,208	136,040	165,417	-	-	(328,665)	-	-	-
Interest on Equity		-	-	-	-	-	-	-	(192,131)	(192,131)	-	(192,131)
Additional Dividend Proposed		-	-	-	-	-	26,279	-	(26,279)	-	-	-
Balance as of June 30, 2021		**5,200,000**	**4,511**	**659,858**	**2,386,983**	**669,875**	**26,279**	**(295,355)**	**-**	**8,652,151**	**2,266**	**8,654,417**

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

CASH FLOW STATEMENT

(IN THOUSANDS OF REAIS)

	Parent Company		Consolidated	
	01/01 a 06/30/2021	01/01 a 06/30/2020	01/01 a 06/30/2021	01/01 a 06/30/2020
Cash Flow from Operating Activities				
Income Before Taxes Income and Employee Profit Sharing	**665,698**	**498,190**	**771,083**	**568,847**
Adjustments to Income Before Income Tax and Employee Profit Sharing				
Depreciation and Amortization	111,510	104,841	119,522	109,406
Share of Profit of Equity Accounted Investees	(222,523)	(161,585)	(19,202)	(25,599)
Deferred Taxes	-	(116,420)	-	(117,752)
Income from Subordinated Debt	(53,466)	1,000,512	(53,466)	1,000,512
Provisions for Expected Losses Associated with Credit Risk	345,736	780,049	347,564	780,828
Provision for Legal and Administrative Proceedings	330,701	153,868	331,202	154,057
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	5,545	-	5,545	-
Adjusted Income Before Taxes on Income and Employee Profit Sharing	**1,183,201**	**2,259,455**	**1,502,248**	**2,470,299**
Changes in Assets and Liabilities	**4,537,363**	**6,496,622**	**4,280,365**	**6,299,779**
(Increase) Decrease in Interbank Deposits	119,508	(20,001)	119,508	(20,001)
Decrease in Central Bank Compulsory Deposits	6,117	4,929,022	6,117	4,929,022
(Increase) in Trading Securities	(1,455,331)	(722,558)	(1,519,514)	(507,694)
(Increase) Decrease in Derivative Financial Instruments	357,169	(926,147)	357,169	(926,147)
(Increase) Decrease in Loans	346,368	(715,349)	346,368	(715,349)
Decrease in Leases	3,757	5,349	3,757	5,349
Decrease in Other Financial Assets	27,867	115,324	(47,072)	396,567
(Increase) in Current and Deferred Tax Assets	(310,759)	(180,090)	(371,262)	(180,403)
(Increase) Decrease in Other Assets	(31,148)	1,403	(47,242)	(48,985)
Increase (Decrease) in Deposits	(1,118,799)	3,562,802	(1,262,333)	3,078,878
Increase in Repurchase Agreements (Repos)	4,297,010	761,105	4,316,894	828,329
Decrease in Funds from Acceptance and Issuance of Securities	(694,746)	(479,571)	(697,990)	(476,718)
Increase in Borrowings	1,419,324	82,076	1,419,324	81,985
Increase (Decrease) in Other Financial Liabilities	1,185,126	(88,657)	1,334,934	(275,511)
(Decrease) in Provisions	(125,085)	(194,512)	(125,168)	(194,574)
Increase in Deferred Tax Liabilities	357,883	65,958	431,154	64,893
Increase in Other Liabilities	316,732	409,849	195,180	382,437
Income Tax and Social Contribution Paid	(163,630)	(109,381)	(179,459)	(122,299)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**5,720,564**	**8,756,077**	**5,782,613**	**8,770,078**
CASH FLOW FROM INVESTING ACTIVITIES				
Dividends Received from Associates and Subsidiaries	85,385	31,500	27,400	31,500
(Increase) in Securities Available for Sale	(5,143)	(270)	(5,199)	(222)
(Increase) in Securities Held to Maturity	(2,850,340)	(965,281)	(2,850,499)	(965,452)
Disposal of Investments	4,392	1,115	6,528	1,115
Disposal of Property and Equipment	337	49	2,182	998
Acquisition of Investments	(5,741)	(6,121)	(706)	(3,221)
Acquisition of Property and Equipment	(37,195)	(50,773)	(49,834)	(68,555)
Acquisition of Intangible Assets	(45,576)	(22,635)	(45,576)	(22,635)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(2,853,881)**	**(1,012,416)**	**(2,915,704)**	**(1,026,472)**
CASH FLOW FROM FINANCING ACTIVITIES				
Payment of Interest on Subordinated Debt	(120,436)	(93,277)	(120,436)	(93,277)
Dividends	(23,199)	(73,706)	(23,199)	(73,706)
Interest on Equity Paid	(244,131)	(100,967)	(244,131)	(100,967)
Change in Non-controlling Interest	-	-	113	65
NET CASH (USED IN) FINANCING ACTIVITIES	**(387,766)**	**(267,950)**	**(387,653)**	**(267,885)**
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	-	145,637	-	145,637
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,478,917**	**7,621,348**	**2,479,256**	**7,621,358**
Cash and Cash Equivalents at the Beginning of the Period	6,978,798	2,172,860	6,980,155	2,174,148
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	(17,752)	-	(17,752)	-
Cash and Cash Equivalents at the End of the Period	9,439,963	9,794,208	9,441,659	9,795,506

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

STATEMENT OF ADDED VALUE

(IN THOUSANDS OF REAIS)

	Parent Company		Consolidated	
	01/01 a 06/30/2021	01/01 a 06/30/2020	01/01 a 06/30/2021	01/01 a 06/30/2020
INCOME (a)	**3,605,548**	**4,980,368**	**4,055,199**	**5,302,917**
Financial Income	3,228,701	4,952,729	3,231,630	4,958,711
Services Rendered and Bank Fees Income	508,166	621,733	960,848	961,982
Provisions for Expected Losses Associated with Credit Risk	(345,736)	(780,049)	(347,564)	(780,828)
Other	214,417	185,955	210,285	163,052
FINANCIAL INTERMEDIATION EXPENSES (b)	**(785,166)**	**(2,406,834)**	**(775,141)**	**(2,397,820)**
INPUTS ACQUIRED FROM THIRD PARTIES (c)	**(1,127,518)**	**(909,976)**	**(1,199,377)**	**(976,419)**
Supplies, Energy and Other	(803,515)	(630,318)	(862,319)	(674,925)
Third-party Services	(324,003)	(279,658)	(337,058)	(301,494)
GROSS ADDED VALUE (d=a-b-c)	**1,692,864**	**1,663,558**	**2,080,681**	**1,928,678**
DEPRECIATION AND AMORTIZATION (e)	**(111,510)**	**(104,841)**	**(119,522)**	**(109,407)**
NET ADDED VALUE PRODUCED BY THE COMPANY (f=d-e)	**1,581,354**	**1,558,717**	**1,961,159**	**1,819,271**
ADDED VALUE RECEIVED IN TRANSFER (g)	**222,523**	**161,585**	**19,202**	**25,599**
Equity in earnings (losses) in investees	222,523	161,585	19,202	25,599
ADDED VALUE FOR DISTRIBUTION (h=f+g)	**1,803,877**	**1,720,302**	**1,980,361**	**1,844,870**
DISTRIBUTION OF ADDED VALUE	**1,803,877**	**1,720,302**	**1,980,361**	**1,844,870**
Personnel	**843,149**	**899,323**	**852,281**	**907,210**
Salaries	639,449	683,406	646,666	689,692
Benefits	164,590	173,900	165,644	174,849
FGTS	39,110	42,017	39,971	42,669
Taxes, Fees and Contributions	**353,098**	**383,605**	**520,033**	**500,821**
Federal	324,843	350,420	473,210	452,866
State	10	5	48	17
Local	28,245	33,180	46,775	47,938
Remuneration on Third Party Capital	**63,469**	**60,075**	**63,742**	**59,452**
Rentals	63,469	60,075	63,742	59,452
Equity Remuneration	**544,161**	**377,299**	**544,305**	**377,387**
Interest on Equity	192,131	100,967	192,131	100,967
Dividends	26,279	-	26,279	-
Retained Earnings	325,751	276,332	325,751	276,332
Non-controlling Interests	-	-	144	88

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 individual and consolidated 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 individual and consolidated 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. The main objective of these standards is to bring similarity with the guidelines for the presentation of financial statements in accordance with international accounting standards as defined by International Financial Reporting Standards - IFRS. The main implemented changes were: balance sheet accounts 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; and the inclusion of the Statement of Comprehensive Income.

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 branches (Miami and Grand Cayman). On June 9, 2021, the Board of Directors approved the voluntary closure of the activities of the Miami branch, with work expected to begin on June 30, 2021. The sum of assets and liabilities, income and expenses reported by foreign branches, before eliminations, are summarized as follows:

Assets	06/30/2021	12/31/2020
Loans	**266,786**	**376,736**
Loans in Brazil	218,204	278,167
Other Lending activities	48,582	98,569
Other Assets	**354,608**	**305,705**
Property and Equipment	**16**	**28**
Total Assets	**621,410**	**682,469**

Liabilities and Equity	06/30/2021	12/31/2020
Deposits	**93,559**	**124,039**
Deposits in Brazil	53,675	79,040
Other Deposits	39,884	44,999
Other Obligations	**105**	**381**
Other Liabilities	**16,013**	**26,949**
Equity	**511,733**	**531,100**
Total Liabilities and Equity	**621,410**	**682,469**

Income Statement	01/01 to 06/30/2021	01/01 to 03/31/2020
Financial Intermediation Income	4,189	10,255
Financial Intermediation Expenses	(630)	(1,154)
Other Income (Expenses)	(2,996)	(2,886)
Net Income	**563**	**6,215**

The effects of foreign exchange variation on the operations of foreign branches are recognized in the Income Statement according to the nature of the corresponding assets and liabilities, and the exchange variation adjustments arising from the conversion process are recorded as a component of Equity, amounting to R$19,930 (06/30/2020 - R$145,637).

(c) The consolidated financial statements include the accounts of Banrisul, its foreign branches, subsidiaries and investment fund 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. Non-controlling interests are measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. 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 included in the consolidated financial statements:

		Ownership Interest	
	Activity	06/30/2021	12/31/2020
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	Consortia Management	99.68%	99.68%
Banrisul Cartões S. A.	Payment Options	99.78%	99.78%
Banrisul Seguridade Participações S. A.	Insurance	100.00%	100%
Banrisul Giro Fundo de Investimento Renda Fixa Curto Prazo	Investment Funds	100.00%	100.00%

(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 financial statements prepared for the reported period were approved by the Board of Directors on August 04, 2021.

NOTE 03 - SIGNIFICANT ACCOUNTING POLICIES

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

(a) Income and Expenses

Income and expenses are recorded on an accrual basis.

(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, in accordance with BACEN Circular No. 3082/02.

Derivative financial instruments are recorded at market value, with gains and losses recognized directly in the income statement, provided they are not used for hedging, but acquired at the request of customers or on their own account.

The method for recognizing subsequent changes in the fair value of derivatives depends on whether the derivative is designated or not as a hedging instrument, as well as on the nature of the item being hedged.

The Bank uses hedge accounting and assigns the derivative contracts to hedge its subordinated debts (Note 17 and 18) and as a Fair Value hedge of recognized assets or liabilities or a firm commitment (market risk hedge).

Banrisul makes the documented designation, at the beginning of the operation, which describes the relationship between the objects and the hedge instruments, as well as the objectives of risk management and the strategy for carrying out the hedges. In this risk management, Banrisul periodically tests and documents the tests carried out to determine the level of effectiveness of hedge accounting operations in offsetting changes in the fair value of the protected items during the term of this protection.

Market Risk Hedge - derivative financial instruments intended to offset risks from exposure to changes in market value of hedged items are recorded in this category.

Banrisul included in this category the financial instruments derivative contracts used for hedging its US dollar denominated subordinate debt against foreign exchange variation, with a USD 523.185 million due on February 2, 2022, USD 300 million, due on January 28, 2031, with repurchase option in five years, according to conditions previously agreed in the Offering Memorandum of this issue, described in Note 17 and 18.

The fair value variations of derivatives designated and qualified as market risk hedges are recorded in the income statement, together with any changes in fair value of the hedged asset or liability attributable to the hedged risk (Note 08). The gains or losses related to this operation are recognized in the income statement as “Income from Financial Intermediation”.

(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. 2682/99, 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. 2682/99, 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. 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 and Goodwill

In the Parent Company, investments in subsidiaries and associates are accounted for by the equity method, based on their equity value. Goodwill corresponds to the excess amount paid on the acquisition of investments due to expected generation of future economic gains. Goodwill is tested annually for impairment.

(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 and 10
Software	7

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, to the Judiciary Branch of 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, of seven years.

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 if it is greater than that recoverable value, which 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. 4524/16.

Banrisul has two branches overseas - Miami and Grand Cayman, whose financial statements are translated into USD. 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) Deposits, Repurchase Agreements, Funds from Acceptances and Issuance of Securities, 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 management, 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 on temporary differences, and 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 temporary differences and the respective recorded provisions.

Provision for income tax is recorded at the base rate of 15% of taxable income, plus an additional 10%. For financial and similar companies, the social contribution on profit calculated up to August 2015 considered the rate of 15%. For the period between September 2015 and December 2018, the rate was changed to 20%, according to Law No. 13169/15, returning to the rate of 15% as of January 2019. As per the Article 32 of Constitutional Amendment No. 103, released in November 2019, the social contribution rate calculated on the net profit of financial companies increased to 20% from 15%, effective as of March 2020. For all other companies, the social contribution is calculated considering the rate of 9%.

Law No. 14,183/21 was enacted, increasing the rate of Social Contribution on Profit (CSLL) of financial institutions. For banks, the rate rises from the current 20% to 25%, from July to December 31, 2021, and as of January 2022, it will return to 20%.

For Banrisul S/A Corretora de Valores e Cambio, the rate increased from 15% to 20%, from July to December 2021, and from January 2022 onwards, the rate will be 15% again.

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 - The Bank sponsors pension plans of the “defined benefit” and “variable 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 annually 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.

- 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 offer 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 annually.

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 annually assessed and reviewed by independent qualified actuaries.

(r) Earnings per Share

The institution calculates earnings per share by dividing the weighted average number of total common and preferred shares outstanding during the period by the net income for the period. Earnings per share is disclosed in accordance with CVM Rule No. 636/10.

NOTE 04 - CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash	**1,583,749**	**1,263,595**	**1,583,843**	**1,263,648**
In Local Currency	1,105,974	811,354	1,106,068	811,407
In Foreign Currency	477,775	452,241	477,775	452,241
Interbank Investments(1)	**7,856,214**	**5,715,203**	**7,857,816**	**5,716,507**
Reverse Repurchase Agreements	7,349,998	5,704,808	7,351,600	5,706,112
Investments in Interbank Deposits	506,216	10,395	506,216	10,395
Total	**9,439,963**	**6,978,798**	**9,441,659**	**6,980,155**

(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
	Up to 3 months	3 to 12 months	Over 1 Year	06/30/2021	12/31/2020
Reverse Purchase Agreements	**7,349,998**	**-**	**-**	**7,349,998**	**5,704,808**
Reverse Repurchase Agreements - Own Portfolio					
Financial Treasury Letter – LFT	1,799,998	-	-	1,799,998	4,404,770
National Treasury Letter – LTN	2,000,001	-	-	2,000,001	1,300,038
National Treasury Notes - NTN	3,549,999	-	-	3,549,999	-
Interbank Deposits	**506,216**	**64,017**	**141,540**	**711,773**	**335,460**
Interbank Deposits	506,216	64,017	141,540	711,773	335,460
Total as of 06/30/2021	**7,856,214**	**64,017**	**141,540**	**8,061,771**	
Total as of 12/31/2020	**5,715,203**	**325,065**	**-**		**6,040,268**

					Consolidated
	Up to 3 months	3 to 12 months	Over 1 Year	06/30/2021	12/31/2020
Reverse Purchase Agreements	**7,351,600**	**-**	**-**	**7,351,600**	**5,706,112**
Reverse Repurchase Agreements - Own Portfolio					
Financial Treasury Letter – LFT	1,799,998	-	-	1,799,998	4,404,770
National Treasury Letter – LTN	2,000,001	-	-	2,000,001	1,300,038
National Treasury Notes - NTN	3,549,999	-	-	3,549,999	-
Bank Deposit Certificates	1,602	-	-	1,602	1,304
Interbank Deposits	**506,216**	**64,017**	**141,540**	**711,773**	**335,460**
Interbank Deposits	506,216	64,017	141,540	711,773	335,460
Total as of 06/30/2021	**7,857,816**	**64,017**	**141,540**	**8,063,373**	
Total as of 12/31/2020	**5,716,507**	**325,065**	**-**		**6,041,572**

NOTE 06 - COMPULSORY DEPOSITS OF CENTRAL BANK OF BRAZIL

		Parent Company and Consolidated	
Compulsory Deposits - BACEN	**Form of Remuneration**	**06/30/2021**	**12/31/2020**
Demand deposits and other resources	No Remuneration	566,013	743,129
Savings Deposits	Savings rate	1,980,339	1,912,085
Other Deposits	No Remuneration	60,417	55,135
Time Deposits (1)	SELIC	5,137,723	5,040,260
Total		**7,744,492**	**7,750,609**

NOTE 07 - PORTFOLIO OF SECURITIES

Breakdown of the portfolio of securities:

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Trading Securities	8.027.859	6.572.528	8.174.813	6.655.299
Available-for-sale Securities	1.593	176	3.931	2.459
Held-to-Maturity Securities	27.827.791	24.977.451	27.837.944	24.987.444
Total	**35.857.243**	**31.550.155**	**36.016.688**	**31.645.202**

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 (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						06/30/2021		12/31/2020	
	Without Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Financial Treasury Letter – LFT	-	-	1,850,953	1,842,358	4,095,577	214,787	8,003,675	8,046,480	6,562,124	6,594,036
Shares of Publicly-Held Companies	19,417	-	-	-	-	-	19,417	17	6,978	2,063
Investment Fund Shares	4,767	-	-	-	-	-	4,767	4,767	3,426	3,426
Total as of 06/30/2021	**24,184**	**-**	**1,850,953**	**1,842,358**	**4,095,577**	**214,787**	**8,027,859**	**8,051,264**		
Total as of 12/31/2020	**10,404**	**906,229**	**-**	**961,038**	**3,846,492**	**848,365**			**6,572,528**	**6,599,525**

										Consolidated
	Fair Value						06/30/2021		12/31/2020	
	Without Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Financial Treasury Letter – LFT	-	-	1,850,953	1,850,438	4,095,577	214,787	8,011,755	8,054,609	6,570,116	6,602,063
Shares of Publicly-Held Companies	19,417	-	-	-	-	-	19,417	17	6,978	2,063
Investment Fund Shares	143,641	-	-	-	-	-	143,641	143,641	78,205	78,205
Total as of 06/30/2021	**163,058**	**-**	**1,850,953**	**1,850,438**	**4,095,577**	**214,787**	**8,174,813**	**8,198,267**		
Total as of 12/31/2020	**85,183**	**906,229**	**-**	**961,038**	**3,854,484**	**848,365**			**6,655,299**	**6,682,331**

(b) Available-for-Sale Securities

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

	Parent Company									Consolidated
		06/30/2021		12/31/2020			06/30/2021		12/31/2020	
	Without Maturity	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Without Maturity	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Investment Fund Shares	1.593	1.593	1.593	176	176	3,917	3,917	3,496	2,447	2,074
Privatization Certificates	-	-	-	-	-	14	14	14	12	12
Total as of 03/31/2021	**1.593**	**1.593**	**1.593**			**3,931**	**3,931**	**3,510**		
Total as of 12/31/2020	**176**			**176**	**176**	**2,459**			**2,459**	**2,086**

(c) Held-to-Maturity Securities

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

									Parent Company
	Updated Amortized Cost					06/30/2021		12/31/2020	
	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	1,307,357	1,489,280	9,460,173	10,363,311	3,643,656	26,263,777	26,140,898	21,419,481	21,318,989
National Treasury Notes - NTN	-	-	-	-	-	-	-	471,927	471,922
National Treasury Letter – LTN	-	1,265,342	-	-	-	1,265,342	1,263,895	2,785,396	2,676,846
Federal Bonds - CVS	-	-	-	-	66,631	66,631	62,313	72,235	72,910
Time Deposits with Special Collaterals - DPGE	-	-	228,901	-	-	228,901	231,047	224,941	228,243
Certificate of Real Estate Receivables - CRI	-	-	-	-	3,140	3,140	3,141	3,471	3,492
Total as of 06/30/2021	**1,307,357**	**2,754,622**	**9,689,074**	**10,363,311**	**3,713,427**	**27,827,791**	**27,701,294**		
Total as of 12/31/2020	**2,049,316**	**2,785,396**	**5,449,214**	**10,748,908**	**3,944,617**			**24,977,451**	**24,772,402**

									Consolidated
	Updated Amortized Cost					06/30/2021		12/31/2020	
	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	1,307,357	1,489,280	9,460,173	10,368,016	3,649,104	26,273,930	26,150,959	21,429,474	21,328,981
National Treasury Notes - NTN	-	-	-	-	-	-	-	471,927	471,922
National Treasury Letter – LTN	-	1,265,342	-	-	-	1,265,342	1,263,895	2,785,396	2,676,846
Federal Bonds - CVS	-	-	-	-	66,631	66,631	62,313	72,235	72,910
Time Deposits with Special Collaterals - DPGE	-	-	228,901	-	-	228,901	231,047	224,941	228,243
Certificate of Real Estate Receivables - CRI	-	-	-	-	3,140	3,140	3,141	3,471	3,492
Total as of 06/30/2021	**1,307,357**	**2,754,622**	**9,689,074**	**10,368,016**	**3,718,875**	**27,837,944**	**27,711,355**		
Total as of 12/31/2020	**2,054,664**	**2,785,396**	**5,449,214**	**10,753,553**	**3,944,617**			**24,987,444**	**24,782,394**

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

NOTE 08 - DERIVATIVE FINANCIAL INSTRUMENTS

Banrisul conducts transactions involving derivatives in the form of swaps, These swaps are designed to meet Banrisul's needs and to manage its global exposure in foreign currency.

The use of derivatives is mainly to mitigate the risks from currency fluctuations arising from the international funding operation carried out by Banrisul, as mentioned in Note 17 and 18, in the form of a rate swap to CDI.

With this objective, swap transactions are short and long-term, aligned with the flow and maturity of the emissions (objects hedge) that they protect.

For this purpose, operations with derivative instruments in the swap modality are short and long term, following the flow and maturity of the issues (hedge objects) they protect.

The swaps are OTC contracts registered with B3 S. A. - Brasil, Bolsa, Balcão and have as counterparties top-tier financial institutions.

The table below demonstrates the effectiveness of the structure of hedge accounting developed by Banrisul, demonstrating the amortized cost value, fair value and fair value adjustments of objecct (subordinated debt) and the hedging instrument (swaps):

				Parent Company and Consolidated	
				06/30/2021	12/31/2020
Derivatives Used as Fair Value Hedge	**Notional Value**	**Amortized cost**	**Fair value adjustment**	**Fair Value**	**Fair Value**
Hedging Instrument					
Swaps	3,813,908	293,167	194,263	487,430	844,599
Foreign Currency (USD)	3,813,908	293,167	194,263	487,430	844,599
Hedged Item					
Subordinated Debt (Note 18)	2,546,665	4,182,444	194,872	4,377,316	2,968,537
Foreign Currency (USD)	2,546,665	4,182,444	194,872	4,377,316	2,968,537

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

			Parent Company and Consolidated	
Swaps	**Notional Value**	**Receivable (Payable) Amortized Cost (1)**	**Fair Value Adjustments to Results (1)**	**Fair Value (1)**
Assets				
Foreign Currency (USD) + 7,375% p,a,	3,813,908	355,339	194,604	549,943
Liabilities				
% of Interbank Deposit Rate (CDI)	(3,813,908)	(62,172)	(341)	(62,513)
Net Adjustment as of 06/30/2021		**293,167**	**194,263**	**487,430**
Net Adjustment as of 12/31/2020		**677,304**	**167,295**	**844,599**

(1) Values presented net of the notional value,

The table below shows the information of derivatives segregated by contractual cash flow:

					Parent Company and Consolidated	
Swaps	**Notional Value**	**Fair Value (1)**	**Up to 3 months**	**3 to 12 months**	**1 to 3 years**	**3 to 5 years**
Assets						
Foreign Currency (USD) + Fixed Rate	3,813,908	549,943	21,447	664,442	(13,823)	(122,123)
Liabilities						
% of Interbank Deposit Rate (CDI)	(3,813,908)	(62,513)	(1,375)	(31,131)	(5,880)	(24,127)
Net Adjustment as of 06/30/2021		**487,430**	**20,072**	**633,311**	**(19,703)**	**(146,250)**
Net Adjustment as of 12/31/2020		**844,599**	**28,914**	**28,687**		**786,998**

(1) Values presented net of the notional value,

Banrisul and counterparties are mutually subject to providing a reciprocal basis if the derivatives exceed the fair value limits stipulated by contract.

The margin deposited by Banrisul as guarantee in operations involving derivatives consists of Interbank deposits in the amount of R$177,214 and the margin received consists of Interbank Deposits in the amount of R$116,873 and by National Treasury Notes series F, in the amount of R$395,995.

Banrisul uses hedge accounting practices established by the Central Bank of Brazil and the effectiveness expected from the designation of hedging instruments and in the course of the operation is in accordance with the provisions of the Central Bank of Brazil,

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	06/30/2021	12/31/2020
Loans and Discounted Receivables	393,009	14,517,839	6,999,459	767,109	591,182	229,583	334,763	261,718	1,639,527	25,734,189	26,427,501
Financing	93,631	344,764	182,818	117,231	24,359	7,583	2,446	9,688	18,780	801,300	814,254
Rural and Agro-Industrial Financing	546,350	2,098,685	367,112	191,334	58,787	14,431	21,229	11,364	51,616	3,360,908	3,392,123
Real Estate Loans	2,933,519	627,726	212,578	166,685	4,656	3,519	6,768	106,988	3,925	4,066,364	4,112,283
Loans Assigned with Recourse (1)	6,705	4,245	111	151	-	-	-	-	-	11,212	13,280
Infrastructure and Development Financing	1,395	44,664	5,052	49,589	-	-	-	-	-	100,700	101,500
Subtotal Loans	**3,974,609**	**17,637,923**	**7,767,130**	**1,292,099**	**678,984**	**255,116**	**365,206**	**389,758**	**1,713,848**	**34,074,673**	**34,860,941**
Lease Operations	1,986	1,845	1,993	1,263	661	620	-	7,186	292	15,846	19,605
Advances on Foreign Exchange Contracts (2)	3,068	91,000	157,236	63,245	44,147	32,865	10,823	92,465	18,568	513,417	503,739
Other Receivables (3)	61,217	1,330,719	425,111	85,638	26,962	5,803	2,673	1,621	22,050	1,961,794	2,083,453
Acquired Portfolio with Recourse (Note 10)	74,405	-	-	-	-	-	-	-	-	74,405	138,066
Total Credit Portfolio	**4,115,285**	**19,061,487**	**8,351,470**	**1,442,245**	**750,754**	**294,404**	**378,702**	**491,030**	**1,754,758**	**36,640,135**	**37,605,804**
Recourse and Guarantees Granted (4)	172,180	8,289	10,383	375	-	24,758	-	-	9,716	225,701	195,892
Total as of 06/30/2021	**4,287,465**	**19,069,776**	**8,361,853**	**1,442,620**	**750,754**	**319,162**	**378,702**	**491,030**	**1,764,474**	**36,865,836**	**37,801,696**
Total Credit Portfolio as of 12/31/202020	**5,141,278**	**18,948,465**	**7,903,932**	**1,795,573**	**870,913**	**334,987**	**237,528**	**480,090**	**1,893,038**		**37,605,804**

(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 including accrued interest, presented net with related liabilities in Other Liabilities.
(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**	**06/30/2021**	**12/31/2020**
Falling Due	**4,114,722**	**19,038,314**	**8,159,409**	**1,304,670**	**611,580**	**184,909**	**238,492**	**308,136**	**1,108,088**	**35,068,320**	**36,166,058**
01 to 30 days	103,615	1,471,661	600,844	161,429	70,767	16,313	13,083	33,074	32,606	2,503,392	2,306,022
31 to 60 days	69,064	921,128	359,909	96,566	40,923	8,253	20,507	15,643	43,364	1,575,357	1,772,031
61 to 90 days	71,455	808,211	310,125	78,991	28,174	11,807	9,935	14,468	16,978	1,350,144	1,291,451
91 to 180 days	158,616	1,828,151	618,499	154,826	65,032	25,286	24,911	38,749	59,300	2,973,370	3,473,013
181 to 360 days	309,029	2,744,322	985,469	199,988	72,779	40,014	64,147	70,785	80,759	4,567,292	4,984,440
Over 360 days	3,402,943	11,264,841	5,284,563	612,870	333,905	83,236	105,909	135,417	875,081	22,098,765	22,339,101
Past Due	**563**	**23,173**	**11,057**	**5,829**	**4,661**	**2,595**	**3,415**	**3,072**	**8,791**	**63,156**	**48,626**
Up to 14 days	563	23,173	11,057	5,829	4,661	2,595	3,415	3,072	8,791	63,156	48,626
Subtotal	**4,115,285**	**19,061,487**	**8,170,466**	**1,310,499**	**616,241**	**187,504**	**241,907**	**311,208**	**1,116,879**	**35,131,476**	**36,214,684**
						Non-Performing Contracts (1)					
Falling Due	**-**	**-**	**169,031**	**111,652**	**105,240**	**77,773**	**79,561**	**137,862**	**408,174**	**1,089,293**	**1,001,600**
01 to 30 days	-	-	3,643	3,608	4,281	2,855	2,593	5,440	12,607	35,027	34,402
31 to 60 days	-	-	3,035	2,834	2,981	1,966	2,394	5,254	10,170	28,634	31,978
61 to 90 days	-	-	2,981	2,696	2,801	1,876	2,346	5,203	11,319	29,222	29,380
91 to 180 days	-	-	8,011	7,389	7,730	5,296	6,611	15,169	46,424	96,630	83,461
181 to 360 days	-	-	14,448	13,934	14,387	9,708	11,996	27,702	54,379	146,554	156,210
Over 360 days	-	-	136,913	81,191	73,060	56,072	53,621	79,094	273,275	753,226	666,169
Past Due	**-**	**-**	**11,973**	**20,094**	**29,273**	**29,127**	**57,234**	**41,960**	**229,705**	**419,366**	**389,520**
01 to 14 days	-	-	598	317	314	293	398	2,323	3,878	8,121	5,685
15 to 30 days	-	-	9,886	5,455	6,986	3,666	12,652	4,792	20,220	63,657	50,011
31 to 60 days	-	-	1,489	13,389	7,536	4,883	8,525	5,818	15,267	56,907	46,296
61 to 90 days	-	-	-	704	13,349	4,907	10,093	5,036	15,668	49,757	41,812
91 to 180 days	-	-	-	229	1,088	14,650	24,210	22,023	66,210	128,410	145,887
181 to 360 days	-	-	-	-	-	728	1,356	1,968	93,220	97,272	87,230
Over 360 days	-	-	-	-	-	-	-	-	15,242	15,242	12,599
Subtotal	**-**	**-**	**181,004**	**131,746**	**134,513**	**106,900**	**136,795**	**179,822**	**637,879**	**1,508,659**	**1,391,120**
Total as of 06/30/2021	**4,115,285**	**19,061,487**	**8,351,470**	**1,442,245**	**750,754**	**294,404**	**378,702**	**491,030**	**1,754,758**	**36,640,135**	
Total as of 12/31/2020	**5,141,278**	**18,948,465**	**7,903,932**	**1,795,573**	**870,913**	**334,987**	**237,528**	**480,090**	**1,893,038**		**37,605,804**

(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	
	06/30/2021	**12/31/2020**
Public Sector	**102,491**	**103,555**
Government - Direct and Indirect Administration	102,491	103,555
Private Sector	**36,537,644**	**37,502,249**
Companies	8,342,528	8,952,228
Rural	249,365	272,623
Food, Beverages and Tobacco	1,100,478	1,146,432
Automotive	358,586	383,325
Cellulose, Wood and Furniture	156,044	184,977
Food Wholesale Trade	547,083	535,013
Wholesale Trade (except food)	535,740	559,942
Retail Trade - Other	774,085	784,292
Construction and Real Estate	760,112	837,525
Education, Health and other Social Services	1,039,284	1,233,619
Electrical and Electronics	287,873	313,780
Financial and Insurance	316,218	338,687
Machines and equipment	261,242	239,159
Metallurgy	213,272	230,281
Infrastructure Works	33,620	31,411
Oil and Natural Gas	317,009	355,341
Chemical and Petrochemical	398,615	434,053
Private Services	221,104	219,573
Textile, Clothing and Leather	198,530	234,007
Transportation	296,682	314,693
Others	277,586	303,495
Individuals	28,195,116	28,550,021
Total Loans	**36,640,135**	**37,605,804**

(d) Loan Concentration

	Parent Company and Consolidated			
	06/30/2021		12/31/2020	
	Value	**% of Portfolio**	**Value**	**% of Portfolio**
Largest Debtor	154,348	0.42	163,451	0.43
Next 10 Largest Debtors	880,609	2.40	995,815	2.65
Next 20 Largest Debtors	1,145,655	3.13	1,185,353	3.15
Next 50 Largest Debtors	1,369,655	3.74	1,472,171	3.91
Next 100 Largest Debtors	1,200,759	3.28	1,304,015	3.47

(e) Changes in Allowances

The Allowance for Expected Losses in the amount of R$2,721,920 (Consolidated R$2,725,494) is shown below:

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

	Parent Company and Consolidated	
	01/01 to 06/30/2021	**01/01 to 06/30/2020**
Opening Balance	**2,763,101**	**2,764,335**
Allowance Recorded in the Period	345,843	780,138
Write-Offs	(435,628)	(562,188)
Ending Balance	**2,673,316**	**2,982,285**
Allowance for Loan Losses	2,518,339	2,751,017
Allowance for Doubtful Lease Receivables	5,641	5,943
Allowance for Losses on Other Receivables with Lending Characteristics (1)	149,336	225,325

(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.

ii) Allowance for Other Contracts with Credit Risk:

	Parent Company		Consolidated	
	01/01 to 06/30/2021	**01/01 to 06/30/2020**	**01/01 to 06/30/2021**	**01/01 to 06/30/2020**
Opening Balance	**48,791**	**47,719**	**50,037**	**50,515**
Allowance/(Reversal) Recorded in the Period	(107)	(89)	2,227	690
Write-Offs	(80)	-	(86)	(70)
Final Balance	**48,604**	**47,630**	**52,178**	**51,135**

(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. 2682/99	Recorded Allowance
AA	4,115,285	0.00%	-
A	19,061,487	0.50%	95,308
B	8,351,470	1.00%	83,515
C	1,442,245	3.00%	43,267
D	750,754	1.,00%	75,075
E	294,404	30.00%	88,321
F	378,702	50.00%	189,351
G	491,030	70.00%	343,721
H	1,754,758	100.00%	1,754,758
Total as of 06/30/2021	**36,640,135**		**2,673,316**
Total as of 12/31/2020	**37,605,804**		**2,763,101**

(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
		06/30/2021		12/31/2020
Rating	Asset	Provision	sset	Provision
AA	29	-	59	-
A	50,246	37	61,544	46
B	432	1	52	-
C	233	1	6	-
D	366	5	-	-
E	386	17	-	-
F	167	13	43	3
G	546	57	-	-
H	170	26	-	-
Total	**52,575**	**157**	**61,704**	**49**

For ratings B and C, the provisioning for 12/31/2020 was R$77.80 and R$26,40 BRL, respectively.

(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$176,226 (1H2020- R$103,174), net of losses generated in these recoveries.

The balance of renegotiated loans during the period amounted to R$341,568 (1H2020 - R$242,041). Pursuant to CMN Resolution No, 2682/99, these transactions remain classified in the same rating they were before the renegotiation; written off credit operations are classified in risk level H following renegotiation.

NOTE 10 - OTHER FINANCIAL INSTRUMENTS

						Parent Company
	Up to 12 Months	Over 12 Months	Total as of 06/30/2021	Up to 12 Months	Over 12 Months	Total as of 12/31/2020
Interbank Accounts	164,680	1,165,150	1,329,830	10,881	1,134,635	1,145,516
Credits with the National Housing System (1)	-	1,165,150	1,165,150	-	1,134,635	1,134,635
Outstanding Payments and Receipts	156,839	-	156,839	2,594	-	2,594
Others	7,841	-	7,841	8,287	-	8,287
Interbranch Accounts	2,268	-	2,268	73,101	-	73,101
Foreign Exchange Portfolio	575,221	13,838	589,059	551,923	20,680	572,603
Income Receivable	82,045	-	82,045	99,839	-	99,839
Guarantee Deposit	-	658,700	658,700	-	629,179	629,179
Payments to Reimburse	71,063	-	71,063	61,667	-	61,667
Securities and Receivables (2)	1,989,549	239,356	2,228,905	2,117,962	235,155	2,353,117
Credits Linked to Acquired Operations with Recorurse (Note 09 (a))	48,363	26,042	74,405	85,424	52,642	138,066

Others	25,876	-	25,876	24,630	-	24,630
Total	**2,959,065**	**2,103,086**	**5,062,151**	**3,025,427**	**2,072,291**	**5,097,718**

						Consolidated
	Up to 12 Months	**Over 12 Months**	**Total on 06/30/2021**	**Up to 12 Months**	**Over 12 Months**	**Total on 12/31/2020**
Interbank Accounts	1,897,968	1,165,150	3,063,118	1,672,441	1,134,635	2,807,076
Credits with the National Housing System [(1)]	-	1,165,150	1,165,150	-	1,134,635	1,134,635
Outstanding Payments and Receipts	1,890,127	-	1,890,127	1,664,154	-	1,664,154
Others	7,841	-	7,841	8,287	-	8,287
Interbranch Accounts	2,268	-	2,268	73,101	-	73,101
Foreign Exchange Portfolio	575,221	13,838	589,059	551,923	20,680	572,603
Income Receivable	112,347	-	112,347	108,086	-	108,086
Trading and Intermediation of Values	6,443	-	6,443	3,693	-	3,693
Guarantee Deposit	-	666,559	666,559	-	639,497	639,497
Reimbursable Payments	71,363	-	71,363	62,542	-	62,542
Securities and Receivables [(2)]	2,037,097	239,356	2,276,453	2,182,660	236,081	2,418,741
Credits Linked to Acquired Operations with Recourse (Note 09 (a))	48,363	26,042	74,405	85,424	52,642	138,066
Others	26,761	-	26,761	25,499	-	25,499
Total	**4,777,831**	**2,110,945**	**6,888,776**	**4,765,369**	**2,083,535**	**6,848,904**

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

(a) R$155,561 (12/31/2020 - R$166,982), 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$1,006,773 (12/31/2020 - R$964,884), 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$2,816 (12/31/2020 - R$2,769), 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 June 30, 2021, the receivables were stated at the acquisition cost including interest accrued at the rate used to determine the purchase price, amounting to R$1,162,334 (12/31/2020 - R$1,131,866). The face value is R$1,195,802 (12/31/2020 - R$1,170,841). 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 issued to cover court-ordered debts ("precatórios") involving the National Treasury, In the first quarter of 2005, as part of its receivables recovery policy, Banrisul received as payment in kind securities issued by the Federal Government to pay court-ordered debts from companies that belonged to the same Economic Group. The final transference of such securities 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 of the "precatórios". Management understands that there is no need to set up a provision, As of June 30, 2021, these judicial deposits amount to R$184,765 (12/31/2020 - R$179,456) 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$56,594 (12/31/2020 - R$58,140) 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. These receivables have yields from 0.50% to 12.01% p.a., plus TR or IGP-M variation with maturity through 2029;

(c) Debit and Credit Cards: receivables from cardholders when using Banricompras and cards from Visa and MasterCard issued by Banrisul. As of June 30, 2021, totaled R$1,948,395 (12/31/20120 - R$2,065,609) in the Parent Company and in the Consolidated; and

(d) Credits Receivable related to BanriCard business and benefit agreements and the acquiring network Vero in the amount of R$44,482 (12/31/2020 - R$39,223) in the Consolidated.

NOTE 11 – DEFERRED TAXES

Banrisul has deferred tax assets and deferred income tax and social contribution tax liabilities on temporary differences, 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 12/31/2020	**Constitution**	**Realization**	**Balance as of 06/30/2021**
Allowance for Loan Losses	1.521.577	160.388	(170.187)	1.511.778
Provision for Labor Risks	466.933	84.132	(33.078)	517.987
Provision for Tax Risks	157.658	38.644	(4.734)	191.568
Provision for Civil Risks	107.055	30.742	(18.665)	119.132
Fair Value Adjustments	87.286	61.920	(45.751)	103.455
Other Temporary Provisions	725.445	50.065	(10.267)	765.243
Total Deferred Tax Assets on Temporary Differences	**3.065.954**	**425.891**	**(282.682)**	**3.209.163**

Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3.065.928**	**425.891**	**(282.682)**	**3.209.137**
Deferred Tax Liabilities	(406.662)	(52.247)	19.662	(439.247)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2.659.266**	**373.644**	**(263.020)**	**2.769.890**

				Consolidated
	Balance as of 12/31/2020	Constitution	Realization	Balance as of 06/30/2021
Allowance for Loan Losses	1,522,072	161,364	(170,187)	1,513,249
Provision for Labor Risks	468,651	84,239	(33,822)	519,068
Provision for Tax Risks	157,857	38,653	(4,888)	191,622
Provision for Civil Risks	107,720	31,018	(18,683)	120,055
Fair Value Adjustments	87,286	61,920	(45,751)	103,455
Other Temporary Provisions	727,011	50,221	(10,267)	766,965
Total Deferred Tax Assets on Temporary Differences	**3,070,597**	**427,415**	**(283,598)**	**3,214,414**
Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3,070,571**	**427,415**	**(283,598)**	**3,214,388**
Deferred Tax Liabilities	(407,430)	(52,392)	19,690	(440,132)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2,663,141**	**375,023**	**(263,908)**	**2,774,256**

The expectation of realizing these assets is as follows:

				Parent Company	Consolidated
		Temporary Differences			
Year	**Income tax**	**Social contribution**	**Total**	**Registered Totals**	**Registered Totals**
2021	153,853	153,853	307,706	307,706	307,933
2022	250,932	201,945	452,877	452,877	453,782
2023	282,801	227,441	510,242	510,242	510,695
2024	316,692	254,554	571,246	571,246	571,700
2025	281,613	226,490	508,103	508,103	508,818
2026 to 2028	382,006	306,804	688,810	688,810	690,172
2029 to 2031	94,529	75,624	170,153	170,153	171,288
As of 2031	14	12	26	-	-
Total as of 06/30/2021	**1,762,440**	**1,446,723**	**3,209,163**	**3,209,137**	**3,214,388**
Total as of 12/31/2020	**1,703,307**	**1,362,647**	**3,065,954**	**3,065,928**	**3,070,571**

The total present value of deferred tax assets is R$2,580,580 and in Consolidated R$2,584,505 calculated according to the expected realization of temporary differences at 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	
	06/30/2021	**12/31/2020**	**06/30/2021**	**12/31/2020**
Excess Depreciation	7,823	8,661	7,823	8,661
Own Securities available for sale	9	-	9	-
Adjustment of MTM Subordinated Debt – Hedge Accouting	92,877	75,283	93,580	75,869
Renegotiated Operations Law No, 12,715/12	233,156	217,334	233,156	217,334
Actuarial Surplus	105,382	105,384	105,564	105,566
Total	**439,247**	**406,662**	**440,132**	**407,430**

NOTE 12 - OTHER ASSETS

	Parent Company		Consolidated	
	Total as of 06/30/2021	**Total as of 12/31/2020**	**Total as of 06/30/2021**	**Total as of 12/31/2020**
Advances to Employees	37,412	10,823	37,739	11,146
Post-employment Benefit Plans (Note 27)	228,387	228,387	228,917	228,917
Other Receivables - Domestic	149,143	166,848	149,918	166,473
Assets for Sale	190,386	228,712	193,082	230,131
Prepaid Expenses	239,625	178,983	242,057	179,897
Other	23,335	74,392	13,522	1,430
Total	**868,288**	**888,145**	**865,235**	**817,994**

NOTE 13 - INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES AND GOODWILL

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Investments in Domestic Subsidiaries and associates	**2,097,051**	**1,907,935**	**151,845**	**166,240**
ıvestments in Subsidiaries	1,945,206	1,744,734	-	-
ıvestments in Associates	151,845	163,201	151,845	166,240
Goodwill from Investment Acquisitions (1)	**2,496**	**4,367**	**2,496**	**4,367**
Total	**2,099,547**	**1,912,302**	**154,341**	**170,607**

(1) Goodwill represents the future economic benefit arising from the acquisition of Bem Promotora de Vendas e Serviços S,A,, whose value is being amortized over 10 years.

					Parent Company
	Equity 06/30/2021	Participation in Capital (%) 06/30/2021	Investment Value 06/30/2021	Net Income 1H2021	Equity Results 1H2021
Subsidiaries	**1,950,526**		**1,945,206**	**202,209**	**202,419**
Banrisul Armazéns Gerais S.A.	62,944	99.50	62,628	3,845	4,443
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	91,908	98.98	90,975	4,007	3,962
Banrisul S.A. Administradora de Consórcios	320,733	99.68	319,716	24,909	24,830
Banrisul Cartões S.A.	1,418,069	99.78	1,415,015	122,576	122,312
Banrisul Seguridade Participações S.A.	56,872	100.00	56,872	46,872	46,872
Associates	**303,859**		**151,845**	**40,495**	**20,104**
Bem Promotora de Vendas e Serviços S.A.	59,546	49.90	29,713	17,107	8,536
Banrisul Icatu Participações S.A.	244,313	49.99	122,132	23,388	11,691
VG8JV Tecnologia S.A. (1)	-	-	-	-	(123)

					Consolidated
	Equity 03/31/2021	Participation in Capital (%) 03/31/2021	Investment 03/31/2021	Net Income 1Q2021	Equity Results 1Q2021
Associates	**303,859**		**151,845**	**40,495**	**19,202**
Bem Promotora de Vendas e Serviços S.A.	59,546	49.90	29,713	17,107	8,536
Banrisul Icatu Participações S.A.	244,313	49.99	122,132	23,388	11,691
VG8JV Tecnologia S.A.(1)	-	-	-	-	(1,025)

(1) The Company ended its activities on April 22, 2021.

					Parent Company
	Equity 12/31/2020	Participation in Capital (%) 12/31/2020	Investment Value 12/31/2020	Net Income 1H2020	Equity Results 1H2020
Subsidiaries	**1,749,677**		**1,744,734**	**134,026**	**133,699**
Banrisul Armazéns Gerais S.A.	58,626	99.50	58,332	732	728
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	88,850	98.98	87,948	1,844	1,823
Banrisul S.A. Administradora de Consórcios	301,708	99.68	300,751	19,852	19,790
Banrisul Cartões S.A.	1,295,493	99.78	1,292,703	111,598	111,358
Banrisul Seguridade Participações S.A.	5,000	100.00	5,000	-	-
Associates	**332,829**		**163,201**	**50,750**	**27,886**
Bem Promotora de Vendas e Serviços S.A.	54,526	49.90	27,209	16,774	8,370
Banrisul Icatu Participações S.A.	271,211	49.99	135,578	39,664	19,828
VG8JV Tecnologia S.A. (1)	7,092	5.84	414	(5,688)	(312)

					Consolidated
	Equity 12/31/2020	Participation in Capital (%) 12/31/2020	Investment Value 12/31/2020	Net Income 12/31/2020	Equity Results 12/31/2020
Associates	**332,829**		**166,240**	**50,750**	**25,599**
Bem Promotora de Vendas e Serviços S.A.	54,526	49.90,	27,209	16,774	8,370
Banrisul Icatu Participações S.A.	271,211	49.99	135,578	39,664	19,828
VG8JV Tecnologia S.A	7,092	48.69	3,453	(5,688)	(2,599)

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, 2020							

Original Cost	174,990	1,307	239,251	142,149	342,542	23,791	924,030
Accumulated Depreciation	(96,562)	-	(133,591)	(84,452)	(257,883)	(18,527)	(591,015)
Net Balance as of December 31, 2020	**78,428**	**1,307**	**105,660**	**57,697**	**84,659**	**5,264**	**333,015**
Acquisitions	5,146	1,119	3,316	6,778	20,710	126	37,195
Disposals - Cost	(1,480)	-	(4)	(1,907)	(1,333)	(24)	(4,748)
Disposals - Accumulated Depreciation	1,384	-	3	1,672	1,333	19	4,411
Depreciation	(610)	-	(2,760)	(2,962)	(7,907)	(247)	(14,486)
Net Transfers - Cost	-	(374)	-	867	(148)	(344)	1
Net Transfers - Accumulated Depreciation	-	-	-	(356)	172	183	(1)
Net Change	**4,440**	**745**	**555**	**4,092**	**12,827**	**(287)**	**22,372**
As of June 30, 2021							
Original Cost	178,656	2,052	242,563	147,887	361,771	23,549	956,478
Accumulated Depreciation	(95,788)	-	(136,348)	(86,098)	(264,285)	(18,572)	(601,091)
Net Balance as of June 30, 2021	**82,868**	**2,052**	**106,215**	**61,789**	**97,486**	**4,977**	**355,387**

							Consolidated
	Property in Use	**Equipment in Inventory**	**Facilities**	**Equipment in Use**	**Data Processing System**	**Others**	**Total**
As of December 31, 2020							
Original Cost	191,733	38,746	248,843	148,636	413,761	26,421	1,068,140
Accumulated Depreciation	(101,653)	-	(139,134)	(88,991)	(278,006)	(20,663)	(628,447)
Net Balance as of December 31, 2020	**90,080**	**38,746**	**109,709**	**59,645**	**135,755**	**5,758**	**439,693**
Acquisitions	5,242	13,386	3,486	6,852	20,742	126	49,834
Disposals - Cost	(1,480)	(1,820)	(4)	(1,911)	(1,404)	(24)	(6,643)
Disposals - Accumulated Depreciation	1,384	-	3	1,670	1,382	22	4,461
Depreciation	(702)	-	(3,027)	(3,187)	(15,231)	(333)	(22,480)
Net Transfers - Cost	3	(12,724)	(965)	1,008	12,196	(426)	(908)
Net Transfers - Accumulated Depreciation	409	-	965	(913)	173	274	908
Net Change	**4,856**	**(1,158)**	**458**	**3,519**	**17,858**	**(361)**	**25,172**
As of June 30, 2021							
Original Cost	195,498	37,588	251,360	154,585	445,295	26,097	1,110,423
Accumulated Depreciation	(100,562)	-	(141,193)	(91,421)	(291,682)	(20,700)	(645,558)
Net Balance as of June 30, 2021	**94,936**	**37,588**	**110,167**	**63,164**	**153,613**	**5,397**	**464,865**

NOTE 15 - INTANGIBLE ASSETS

				Parent Company
	Software Use Rights	**Right from Acquisition of Payroll operations (1)**	**Others**	**Total**
As of December 31, 2020				
Original Cost	158,523	1,479,077	1,718	1,639,318
Accumulated Depreciation	(99,104)	(733,940)	(668)	(833,712)
Net Balance as of December 31, 2020	**59,419**	**745,137**	**1,050**	**805,606**
Acquisitions	39,027	6,549	-	45,576
Amortization	(10,409)	(84,743)	-	(95,152)
Cost Net Transfers	(2)	-	-	(2)
Amortization Net Transfers	2	-	-	2
Net Change	**28,618**	**(78,194)**	**-**	**(49,576)**
As of June 30, 2021				
Original Cost	197,548	1,485,626	1,718	1,684,892
Accumulated Depreciation	(109,511)	(818,683)	(668)	(928,862)
Net Balance as of June 30, 2021	**88,037**	**666,943**	**1,050**	**756,030**

				Consolidated
	Software Use Rights	**Right from Acquisition of Payroll operations (1)**	**Others**	**Total**
As of December 31, 2020				
Original Cost	160,725	1,479,077	1,954	1,641,756
Accumulated Depreciation	(101,202)	(733,940)	(885)	(836,027)
Net Balance as of December 31, 2020	**59,523**	**745,137**	**1,069**	**805,729**
Acquisitions	39,027	6,549	-	45,576
Amortization	(10,427)	(84,743)	-	(95,170)
Cost Net Transfers	(2)	-	-	(2)
Amortization Net Transfers	2	-	-	2
Net Change	**28,600**	**(78,194)**	**-**	**(49,594)**
As of June 30, 2021				
Original Cost	199,750	1,485,626	1,954	1,687,330
Accumulated Depreciation	(111,627)	(818,683)	(885)	(931,195)
Net Balance as of June 30, 2021	**88,123**	**666,943**	**1,069**	**756,135**

(1) The net balance of R$666,943 (12/31/2020 - R$745,137) is comprised of:
a) R$614,897 (12/31/2020- R$677,429) related 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, No indications that these assets are impaired were identified;
b) R$3,200 (12/31/2020 - R$9,600) related to the agreement signed with the Judiciary Power of the State of Rio Grande do Sul to provide payroll services to the Court of Justice's servants for a period of 5 years. The contract also establishes that the Judiciary Power must centralize at Banrisul all of its financial transactions and investments of cash and cash equivalents, with the exception of investments subject to agreements with the Federal Government, and that Banrisul will not receive any remuneration, payment or fees due by the provision of banking services to the Judiciary Power. Banrisul will also make available to the Judiciary Power digital certificates and similar services. No evidence of impairment related to this asset was identified;
c) R$40,519 (12/31/2020 - R$52,547) 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
d) R$8,327 (12/31/2020 - R$5,561) 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 - DEPOSITS, SECURITIES SOLD UNDER REPURCHASE AGREEMENTS AND FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES

						Parent Company
	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	06/30/2021	12/31/2020
Deposits						
Demand Deposits (1)	3,864,467	-	-	-	3,864,467	4,300,573
Savings Deposits (1)	11,416,564	-	-	-	11,416,564	11,065,557
Interbank Deposits	-	122,896	508	-	123,404	1,478,828
Time Deposits (2)	-	3,956,536	6,445,241	35,877,769	46,279,546	45,957,109
Other Deposits	13,504	-	-	-	13,504	18,388
Total	**15,294,535**	**4,079,432**	**6,445,749**	**35,877,769**	**61,697,485**	**62,820,455**
Repurchase Agreements (Repos)						
Own Portfolio (3)	-	8,870,394	-	-	8,870,394	4,573,384
Total	**-**	**8,870,394**	**-**	**-**	**8,870,394**	**4,573,384**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	370,313	549,144	1,113,552	2,033,009	2,727,755
Total	**-**	**370,313**	**549,144**	**1,113,552**	**2,033,009**	**2,727,755**

						Consolidated
	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	06/30/2021	12/31/2020
Deposits						
Demand Deposits (1)	3,768,224	-	-	-	3,768,224	4,289,107
Savings Deposits (1)	11,416,564	-	-	-	11,416,564	11,065,557
Interbank Deposits	-	122,896	508	-	123,404	1,478,828
Time Deposits (2)	-	3,956,536	6,021,196	35,877,769	45,855,501	45,599,623
Other Deposits	16,306	-	-	-	16,306	13,388
Total	**15,201,094**	**4,079,432**	**6,021,704**	**35,877,769**	**61,179,999**	**62,446,503**
Repurchase Agreements (Repos)						
Own Portfolio (3)	-	8,679,331	-	-	8,679,331	4,362,437
Total	**-**	**8,679,331**	**-**	**-**	**8,679,331**	**4,362,437**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	370,313	258,680	1,113,552	1,742,545	2,440,535
Total	**-**	**370,313**	**258,680**	**1,113,552**	**1,742,545**	**2,440,535**

(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 98,80% and 1.20% of the total portfolio, respectively. The average funding rate for floating-rate deposits corresponds to 80.82% (12/31/2020 – 80.29%) of CDI, and for fixed-rate deposits, to 1.70% (12/31/2020 – 1.96%) p.a. Of total time deposits, 63.98% (12/31/2020 – 64.16%) have some kind 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.

NOTE 17 – BORROWINGS AND ONLENDINGS

						Parent Company and Consolidated
	Up to 3 Months	3 to 12 Months	1 to 5 years	Over 5 years	06/30/2021	12/31/2020
Borrowings(1)						
Foreign Borrowings	194,927	271,305	1,496,902	-	1,963,134	425,868
Total	**194,927**	**271,305**	**1,496,902**	**-**	**1,963,134**	**425,868**
Onlendings(2)						
Domestic Onlendings – Official Institutions	429,283	216,281	645,563	64,044	1,355,171	1,473,113
Total	**429,283**	**216,281**	**645,563**	**64,044**	**1,355,171**	**1,473,113**

(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 ranging from 1.31% and 2.59% (12/31/2020 – 0.95% and 4.87%) p.a. Of the total of R$1,963,134, R$1,581,990 refers to the issue of subordinated debt.

Subordinated Debt Issuance - On January 28, 2021, Banrisul made a new issue of subordinated debt (Tier II) in the amount of US$ 300 million (three hundred million dollars) with annual interest of 5.375%, for a period of 10 years, with a 5-year repurchase option, according to conditions previously agreed by the Offering Memorandum of this issue. Debt not yet authorized for Tier III Capital Subordination.

(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). These onlendings mature on a monthly basis through May 2030, and are subject to from interest from 0.90% to 8.00% (12/31/2020 – 0.90% to 8,00%) p.a., plus variation of the indexes (TJLP - "Long-term interest rate", URTJ-01, US Dollar, currency basket, UPRD, TLP and SELIC) for floating-rate liabilities and up to 14.87% (12/31/2020 – 18.92%) p.a., for fixed-rate liabilities. 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 12 Months	Over 12 Months	Total 06/30/2021	Up 12 Months	Over 12 Months	Total 12/31/2020
Interfinancial Relations	340,597	-	340,597	63,073	-	63,073
Interdependence Relations	501,871	-	501,871	339,731	-	339,731
Foreign Exchange Portfolio	116,284	-	116,284	50,786	-	50,786
Financial and Development Funds	1,974,421	-	1,974,421	1,174,014	-	1,174,014
Subordinated Debts (1)	2,805,729	-	2,805,729	211,437	2,768,194	2,979,631
Creditors for Resources to be Released	102,386	-	102,386	108,257	-	108,257
Payable Card Transactions	1,192,844	-	1,192,844	1,237,745	-	1,237,745
Acquisition Payable Obligations	653,620	-	653,620	719,438	-	719,438
Provision for guarantees provided and Guarantees (Note 26 (b))	18,148	-	18,148	19,832	-	19,832
Others	33,016	7,778	40,794	33,694	9,269	42,963
Total	**7,738,916**	**7,778**	**7,746,694**	**3,958,007**	**2,777,463**	**6,735,470**

						Consolidated
	Up 12 Months	Over 12 Months	Total 06/30/2021	Up 12 Months	Over 12 Months	Total 12/31/2020
Interfinancial Relations	340,597	-	340,597	63,073	-	63,073
Interdependence Relations	501,574	-	501,574	338,919	-	338,919
Foreign Exchange Portfolio	116,284	-	116,284	50,786	-	50,786
Trading and Intermediation of Values	6,164	-	6,164	7,246	-	7,246
Financial and Development Funds	1,974,421	-	1,974,421	1,174,014	-	1,174,014
Subordinated Debts (1)	2,805,729	-	2,805,729	211,437	2,768,194	2,979,631
Creditors for Resources to be Released	102,773	-	102,773	108,615	-	108,615
Payable Card Transactions	1,084,122	-	1,084,122	1,118,976	-	1,118,976
Acquisition Payable Obligations	1,730,201	-	1,730,201	1,654,911	-	1,654,911
Provision for guarantees provided and Guarantees (Note 26 (b))	18,148	-	18,148	19,832	-	19,832
Others	55,160	7,778	62,938	56,647	9,269	65,916
Total	**8,735,173**	**7,778**	**8,742,951**	**4,804,456**	**2,777,463**	**7,581,919**

(1) In 2012 Banrisul concluded the issuance of subordinated bonds abroad in two tranches, at the total amounts of USD500 million (500 million U.S. Dollars), and USD275 million (275 million U.S. Dollars), for a10-year term, on February 02, 2022. In 2015, Banrisul partially repurchased its subordinated debt for USD251.81 million (251.81 million U.S. Dollars). After the repurchase, the notional USD denominated balance remains at 523.185 million.

NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND 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 12/31/2020	**575,226**	**1,037,629**	**237,899**	**156,562**	**2,007,316**
Recognition and Inflation Adjustment	82,990	181,625	65,982	523	331,120
Provision Reversal	(419)	-	-	-	(419)
Payment	(10,102)	(73,506)	(41,477)	-	(125,085)
Ending Balance at 06/30/2021	**647,695**	**1,145,748**	**262,404**	**157,085**	**2,212,932**
Guaranteed Deposits at 06/30/2021	81,608	490,560	86,532	-	658,700

					Parent Company
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2019	**565,406**	**1,038,834**	**169,843**	**155,196**	**1,929,279**
Recognition and Inflation Adjustment	5,651	107,696	39,689	886	153,922
Provision Reversal	(54)	-	-	-	(54)
Payment	(2,118)	(175,219)	(17,175)	-	(194,512)
Ending Balance at 06/30/2020	**568,885**	**971,311**	**192,357**	**156,082**	**1,888,635**
Guaranteed Deposits at 06/30/2020	61,446	363,956	99,743	-	525,145

					Consolidated
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2020	**575,355**	**1,040,779**	**240,258**	**156,562**	**2,012,954**
Recognition and Inflation Adjustment	83,018	181,942	66,373	523	331,856
Provision Reversal	(419)	(235)	-	-	(654)
Payment	(10,102)	(73,556)	(41,510)	-	(125,168)
Ending Balance at 06/30/2021	**647,852**	**1,148,930**	**265,121**	**157,085**	**2,218,988**
Guaranteed Deposits at 06/30/2021	81,738	497,119	87,702	-	666,559

					Consolidated
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2019	**565,500**	**1,043,608**	**171,736**	**155,196**	**1,936,040**
Recognition and Inflation Adjustment	5,661	107,713	39,938	886	154,198
Provision Reversal	(54)	(87)	-	-	(141)
Payment	(2,118)	(175,281)	(17,175)	-	(194,574)
Ending Balance at 06/30/2020	**568,989**	**975,953**	**194,499**	**156,082**	**1,895,523**
Guaranteed Deposits at 06/30/2020	63,772	369,083	100,988	-	533,843

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. For lawsuits collateralized by escrow deposits, the provisioned amounts and respective escrow deposits are not adjusted for inflation. When legal permits are issued as the result of a favorable outcome, the provisioned amounts and respective escrow deposits are adjusted for inflation and withdrawn.

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 the amount of R$632,050 (12/31/2020 - R$553,979), 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 semester in the amount of R$76,036; and **(ii)** other contingencies related to federal and municipal taxes classified by our legal counsel as probable loss in the amount of R$6,465 (12/31/2020 - R$12,114).

There are also some tax contingencies whose likelihood of loss, based on their nature, is considered as possible, in the amount of R$45,212 (12/31/2020 - R$ 41,051), and in the Consolidated - R$46,316 (12/31/2020 - R$53,325). 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$204,278 (12/31/2020 - R$203,230), 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$195,098 (12/31/2020 - R$ 194,097), and as of probable loss, the amount of R$9,180 (12/31/2020 - R$9,133), 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 first half of 2021, a provision of R$89,837 was made for collective labor lawsuits, covering lawsuits pending final assessment in settlement processes and lawsuits with unfavorable decisions being judged by the Supreme Labor Court, whose risk classification has been changed due to changes in the jurisprudential scenario. Management considers the set up provision to be sufficient and will continue to monitor the evolution of judicial decisions, evaluating their 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, upon assessment of lawsuits, the provisioning for claims whose likelihood of loss is considered probable. Of the aforementioned provision, R$394,066 (12/31/2020 - R$365,978) - consolidated R$398,405 (12/31/2020 - R$372,537) - have been deposited in an escrow account. Additionally, R$96,494 (12/31/2020 - R$91,664) - consolidated R$98,714 (12/31/2020 - R$91,808) - 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$1,044,922 (12/31/2020 - R$1,148,575) - consolidated R$1,054,041 (12/31/2020- R$1,159,172) -, 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

Lawsuits for damages refer to compensation for property damage and/or pain and suffering, referring to consumer relations, in particular, matters relating to credit cards, consumer credit, checking accounts, savings accounts, banking collection and loans,

To the civil lawsuits classified as probable loss being defined by the average historic cost of the court decisions and the respective legal costs, The Management will continue to monitor the evolution of judicial decisions over time,

From the previously mentioned allowance, the amount of R$86,532 (12/31/2020 - R$113,967) - consolidated R$87,702 (12/31/2020 - R$115,256) - has been deposited in court.

There is also the amount of R$1,068,372 (12/31/2020 - R$920,594) - consolidated R$1,070,769 (12/31/2020 - R$923,427) - 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, recorded a provision in the amount of R$157,085 (12/31/2020 - R$156,562) for this contingency.

NOTE 20 - OTHER LIABILITIES

	Parent Company		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Collection of taxes and mandatory contributions	323,010	20,775	323,010	20,775
Social and Statutory	66,379	112,607	66,574	112,791
Provision of Personnel	222,103	179,799	207,488	167,136
Obligations for Official Covenants and Payment Services	186,324	121,326	186,677	121,672
Various Creditors in the Country	101,312	103,930	168,083	181,779
Post-Employment Benefit Plans (1)	1,141,672	1,134,026	1,147,089	1,139,443
Provisions for Outgoing Payments	253,217	232,101	276,956	258,986
Anticipated Income	158,703	165,056	158,703	165,056
Others	3,670	3,415	4,400	4,154
Total	**2,456,390**	**2,073,035**	**2,538,980**	**2,171,792**

1) Refers 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).

NOTE 21 - EQUITY

(a) Capital

Fully subscribed paid-up capital as of June 30, 2021 is R$5,200,000, represented by 408,974,777 million shares with no par value as follows:

	Ordinary Shares		Class A Preferred Shares		Class B Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%
Rio Grande do Sul State								
Shareholding as of 12/31/2020	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Shares Conversion and Transfers	-		-		-		-	
Shareholding as of 06/30/2021	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Executive Officers, Board of Directors and Committee Members								
Shareholding as of 12/31/2020	56	-	26	-	5,705	-	5,787	-
Shares Conversion and Transfers	-		-		3,000		3,000	
Shareholding as of 06/30/2021	56	-	26	-	8,705	-	8,787	-
Free Float								
Shareholding as of 12/31/2020	3,839,426	1.87	621,586	45.27	202,530,840	100.00	206,991,852	50.61
Shares Conversion and Transfers	-		-		(3,000)		(3,000)	
Shareholding as of 06/30/2021	3,839,426	1.87	621,586	45.27	202,527,840	100.00	206,988,852	50.61
Outstanding Shares as of 12/31/2020	**205,064,841**	**100.00**	**1,373,091**	**100.00**	**202,536,545**	**100.00**	**408,974,477**	**100.00**
Shares Conversion and Transfers	-		-		-		-	
Outstanding Shares as of 06/30/2021	**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) 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.

(c) 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 Policy of Quarterly payment of interest on equity, Banrisul paid the amount of R$192,131 relating to interest on equity in 1H2021 (1H2020 - R$100,967), 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$86,459 (1H2020 - R$42,083).

Banrisul has maintained, since the beginning of 2008, a policy of quarterly payment of interest on equity and, historically, has paid its shareholders with payment of interest on equity and dividends higher than the minimum legally required. However, in compliance with CMN Resolution No. 4820/20, on June 4, 2020, a Material Fact was published informing the temporary suspension of quarterly payments of interest on equity. Additionally, the remuneration on equity for 2020 was limited to the amount equivalent to the minimum mandatory dividend provided for in the Bylaws (25% in the case of Banrisul). On December 23, CMN published Resolution No. 4885/20, amending Resolution No. 4820/20, prohibiting remunerating equity, including in the form of prepayment, above the higher of the following values: (i) the amount equivalent to 30 % of adjusted net income; (ii) the amount equivalent to the minimum profit distribution established in the Bylaws. In the period from January to December 2020 the amount of R$207,331 were paid and/or provisioned in interest on equity and dividends, net of income tax.

On April 27, 2021, at the Annual Shareholders’ Meeting, the proposal for the distribution of additional dividends for fiscal year 2021 in the percentage equivalent to 15% of the Net Income deducted from the Legal Reserve was approved, totaling 40%.

The distribution of dividends and interest on equity is shown in the table below:

	01/01 to 06/30/2021	01/01 to 06/30/2020
Half Year Net Income	**544,161**	**377,299**
Adjustment		
Legal Reserve	(27,208)	(18,865)
Dividend Calculation Basis	**516,953**	**358,434**
Minimum Mandatory Dividend 25%	129,238	89,609
Additional Dividend 15%	77,543	-
Complementary Paid Interest over Capital	-	6,165
Total Dividends	**206,781**	**95,774**
A) Paid Interest over Capital	**180,502**	**95,774**
Common Shares (R$469.78842 per thousand shares)	96,337	50,626
Preferred A Shares (R$469.78842 per thousand shares)	645	339
Preferred B Shares (R$469.78842 per thousand shares)	95,149	50,002
Income Tax witheld at source related to Interest over Equity	(11,629)	(5,193)
B) Provisioned Dividends	**26,279**	**-**
Common Shares (R$64.25599 per thousand shares)	13,177	-
Preferred A Shares (R$64.25599 per thousand shares)	88	-
Preferred B Shares (R$64.25599 per thousand shares)	13,014	-
Total Interest over Capital and Dividends (A+B)	**206,781**	**95,774**

(d) Reclassification from Results for Future Years

Beginning in March 2019, Banrisul has rectified the accounting for contracts involving Banrisul, Icatu Group and Rio Grande Seguros for the exclusive, 20-year term offering of personal insurance, private pension plans and pension bonds, whose amounts were recognized as income in the Bank's financial statements (being R$151,000 in 2014 and R$60,000 in 2017). Banrisul will prospectively carry out the deferment for the remaining term of 188 and 224 months. The adjustment was recorded in Results of Future Exercises and in Equity. As of June 30, 2021, the effect on the Bank's Shareholders' Equity was R$2,914, net of tax effects.

NOTE 22 - OTHER OPERATING INCOME

(a) Income from Services Rendered and Bank Fees

	Parent Company		Consolidated	
	01/01 to 06/30/2021	01/01 to 06/30/2020	01/01 to 06/30/2021	01/01/2020 to 03/31/2020
Funds Administration	21,775	32,774	33,928	36,366
Income from Collection and Custody Services	30,294	30,224	30,287	30,209
Income from Guarantees Provided	432	939	432	939
Income from Consortium Administration Fees	-	-	53,264	45,146
Income from Operations Brokerage	-	-	4,568	6,455
Banrisul Cards Service Revenues	-	-	286,649	277,205
Check Returns	5,439	7,985	5,439	7,985
Account Debits	30,213	36,519	30,213	36,519
Collection Services	24,436	28,703	24,436	28,703
Security Commissions	47,218	125,760	130,000	125,760
Check Transactions	5,408	5,901	5,408	5,901
Bank Fees for Current Accounts	290,286	299,570	290,286	299,570
Credit Card	32,580	34,379	32,580	34,379
Withdrawal Fees	2,459	2,895	2,459	2,895
Bank Guarantee Rates	1,221	1,478	1,221	1,478
Other Income	16,405	14,606	29,678	22,472
Total	**508,166**	**621,733**	**960,848**	**961,982**

(b) Other Income

	Parent Company		Consolidated	
	01/01 to 06/30/2021	01/01 to 06/30/2020	01/01 to 06/30/2021	01/01 to 06/30/2020
Recovery of Charges and Expenses	70,659	73,535	15,256	20,397
Reversal of Operating Provisions for:				
Labor	-	-	235	87
Tax	419	54	419	54
Other	13,461	398	13,461	398
Interbank Rates	13,127	13,753	13,127	13,753
Credit Receivables Securities	6,214	5,600	6,214	5,600
Commission and Fee on Insurance and Capitalization	-	4,052	-	4,052
Miscellaneous Card Recipes	58,212	54,700	58,212	54,700
Reversal of Provisions for Outgoing Payments	8,643	3,454	9,397	5,739
Advance Acquisition Revenue	-	-	9,878	9,757
Portability Income from Credit Operations	26,955	24,187	26,955	24,187
Acquiring Equipment Lease Fees	-	-	26,179	9,103
Other	16,727	6,222	30,952	15,225
Total	**214,417**	**185,955**	**210,285**	**163,052**

NOTE 23 - OTHER OPERATING EXPENSES

(a) Personnel expenses

	Parent Company		Consolidated	
	01/01 to 06/30/2021	01/01 to 06/30/2020	01/01 to 06/30/2021	01/01 to 06/30/2020
Salary	520,946	560,428	528,161	566,723
Benefits	163,122	170,273	164,173	171,217
Social charges	217,418	241,997	219,110	243,406
Trainings	1,468	3,627	1,471	3,632
Total	**902,954**	**976,325**	**912,915**	**984,978**

(b) Other Administrative Expenses

	Parent Company		Consolidated	
	01/01 to 06/30/2021	01/01 to 06/30/2020	01/01 to 06/30/2021	01/01 to 03/30/2020
Communications	30,302	33,202	30,765	33,554
Data processing	55,047	55,314	66,146	64,682
Surveillance, Security and Transportation of Values	61,019	68,860	61,019	68,860
Amortization and Depreciation	111,510	104,841	119,522	109,407
Rentals and Condominiums	68,532	64,925	68,831	64,331
Materials	5,982	6,340	8,483	9,359
Third Party Services (1)	263,427	242,284	275,158	262,676
Specialized Technical Services	60,576	37,374	61,900	38,818
Promotions and Advertising (2)	40,421	46,660	50,771	54,826
Maintenance and Conservation	34,572	29,507	34,909	29,859
Water, Energy and Gas	17,528	17,744	17,910	18,144
Financial System Services	15,304	15,868	16,813	17,284
Others	32,319	30,591	33,077	31,252
Total	**796,539**	**753,510**	**845,304**	**803,052**

(1) Of the amount of R$263,427 (1H2020 - R$242,284), R$116,374 (1H2020 – RS109,563) 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$15,071 (1H2020 - R$20,114), and in the Consolidated R$19,661 (1H2020 - R$22,919), of institutional advertising expenses, and of R$23,731 (1H2020 - R$24,414) and in the Consolidated R$23,800 (1H2020 - R$24,414) as sponsorship of sport events and teams.

(c) Other Expenses

	Parent Company		Consolidated	
	01/01 to 06/30/2021	01/01 to 06/30/2020	01/01 to 06/30/2021	01/01 to 06/30/2020
Discounts Granted on Renegotiations	19,918	13,499	19,918	13,499
Expenses with Labor Provisions (Note 19)	181,625	107,696	181,942	107,713
Expenses with Provisions for Civil Actions (Note 19)	65,982	39,689	66,373	39,938
Federal Tax Collection Expenses	995	1,481	995	1,481
Expenses with Provisions for Tax Risks (CS / IR) (Note 19)	82,990	5,651	83,018	5,661
Monetary Update Fines Exchange Rates - BACEN (Note 19)	523	886	523	886

Expenses with Provision for Debts Assumed with GESB	-	6,257	-	6,257
Card Expenses	4,387	9,602	4,387	9,602
Expenses with Provisions for Guarantees Provided by Banrisul	19	11,831	19	11,831
Credit Operations Portability Expenses	33,323	44,228	33,323	44,228
Costs with Payroll Loan Agreements	2,851	2,768	2,851	2,768
INSS Agreement Rates	67,240	40,076	67,240	40,076
Banrisul Advantage Membership Program Bonus	4,402	15,419	4,402	15,419
Expenses with Banrisul Branded Cards	-	-	17,137	14,336
Monetary Correction on Funding Release	1,565	1,603	1,565	1,603
Others	40,138	20,696	53,644	26,928
Total	**505,958**	**321,382**	**537,337**	**342,226**

NOTE 24 - INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of Income Tax and Social Contribution Expenses/Revenue

	Parent Company		Consolidated	
	01/01 to 06/30/2021	01/01 to 06/30/2020	01/01 to 06/30/2021	01/01 to 06/30/2020
Income for the Period before Taxes and Profit Sharing	**665,698**	**498,190**	**771,083**	**568,847**
Income Tax (IRPJ) - Rate 25%	(166,424)	(124,547)	(192,771)	(142,212)
Social Contribution Tax (CSLL) - Rate of 9%	-	-	(24,888)	(18,120)
Social Contribution Tax (CSLL) - Rate of 15%	-	-	(1,018)	(475)
Social Contribution Tax (CSLL) -Rate of 20%	(133,140)	(88,382)	(97,552)	(70,435)
Total Income and Social Contribution Taxes calculated at Current Rate	**(299,564)**	**(212,929)**	**(316,229)**	**(231,242)**
Net Effect of the rate differential, in deferred CSLL	25,163	15,065	25,163	15,065
Profit Sharing	29,425	25,473	29,425	25,473
Interest on Equity	86,459	42,083	86,459	42,083
Equity Result	99,476	69,704	9,043	12,549
Other Exclusions, Net of Additions	2,677	(1,224)	4,535	3,666
Total Income and Social Contribution Taxes	**(56,364)**	**(61,828)**	**(161,604)**	**(132,406)**
Current	(169,355)	(178,248)	(275,104)	(250,158)
Deferred	112,991	116,420	113,500	117,752

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,

	01/01 to 06/30/2021	01/01 to 06/30/2020
Net Income Attributable to Controlling Shareholders – R$ Thousand	**544,161**	**377,299**
Common Shares	272,810	189,172
Preferred A Shares	1,905	1,290
Preferred B Shares	269,446	186,837
Weighted Average of Outstanding Shares	**408,974,477**	**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	1,374,241
Weighted Average Number of Outstanding Preferred B Shares	202,536,545	202,535,395
Basic and Diluted earnings per Share – R$		
Commom Shares	1.33	0.92
Preferred A Shares	1.39	0.94
Preferred B Shares	1.33	0.92

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 to the Reserve Fund for the Return of Legal Deposit Guarantee, 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 June 30, 2021, the balance of said collected resources, indexed by the same rules as savings accounts, according to Law No 12,703/12 and article 12 of Law No 8177/91 as of the reporting date totaled R$11,456,256 (12/31/2020 - R$10,890,862), of which R$10,112,837 (12/31/2020 - R$10, 112,837) 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$124,963 (12/31/2020 - R$142,580), generate fee income and have recourse to the beneficiaries in case they have to be honored, Provisions for possible losses amounting to R$18,148 (12/31/2020 - R$19,832) have been made.

(c) Banrisul has confirmed import and export credits for R$95,016 (12/31/2020 - R$46,839) and recourse exposure from credit assignments for R$5,722 (12/31/2020 - R$6,473).

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

	Parent Company and Consolidated	
	06/30/2021	**12/31/2020**
Investment Funds [1]	12,422,812	11,703,808
Investment Funds in Investment Fund Shares	66,911	47,983
Equity Funds	443,051	383,665
Individual Retirement Programmed Funds	10,891	11,860
Fund to Guarantee the Liquidity of Rio Grande do Sul State Debt Securities	3,819,721	721,288
Managed Portfolios	449,156	443,727
Total	**17,212,542**	**13,312,331**

(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 (154 in 12/31/2020), including real estate, motorcycles and vehicles, comprising active 71,632 pool members (70,272 in 12/31/2020).

(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 non-cancelable lease agreements as of June 30, 2021 were R$349,489, of which R$100,849 mature in up to one year, R$228,873 from one to five-year term and R$19,767 beyond five-year term. In the period, lease payments recognized as expenses amounted to R$63,469.

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

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

Banrisul Foundation 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 4661/18. As per article 08 of the CMN Resolution No. 4661/18, 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 Previc Instruction No, 10/2018, the Executive Council of Banrisul Foundation has appointed the Administrator Responsible for the Benefit Plan – ARPB.

The set of hypotheses and actuarial methods adopted for the actuarial calculations arose from interaction with an external actuarial advisory firm which performed the calculations for the Benefit Plans managed by Fundação Banrisul, Executive Board and the representatives of the Decision-making Board of the Foundation and supported by the sponsors of Benefit Plan I and Settled Plan (defined benefit type) and FBPREV, FBPREV II and FBPREV III Plan (variable contribution type), pursuant to CNPC Resolution No. 30/2018, Previc Instruction No. 10/2018 and Previc Ordinance No. 300/2019.

Due to the volatilities from Benefit Plan I and seeking alternatives to resolve the matter, the Executive Board of Banrisul Foundation proposed a new migration process, similar to 2014´s, to a new benefit plan (named FBPREV III), with more stable participation costs and other alternatives for the payment of post-employment benefits, in addition to that of lifetime income.

With the approval of the new migration process, granted by the Decree No, 1123/2018 from the National Superintendence of Complementary Social Security - PREVIC, in January 28, 2019, Banrisul Foundation released the terms for the voluntary migration process offered to Benefit Plan I (PBI) participants to switch onto FBPREV III Benefit Plan (FBPREV III), a variable contribution post-employment plan, being the contribution defined by the participant during the reserve accumulation phase and the defined benefit set upon retirement, according to the participant's choice, whether lifelong payments or not, The migration process ended on April 27, 2019.

Pursuant to current legislation, as of June 2019 the sponsoring entities made payments within the migration process. On May 31, 2019, the date of in which the FBPREV III pension benefit plan was implemented, and indexed to INPC plus interest of 4,86% p,a,, Banrisul's contribution of R$126,091 in the quality of sponsor, was deposited into the new plan.

As the result of the migration process that ended on April 27, 2019, the number of participants in their respective plans is as follows:

Participants	PBI before Plan Migration	PBI after Plan Migration	FBPREV III Plan (1)
Active	274	35	239
Assisted (Those receiving benefits)	4,519	3,093	1,426
Total	**4,793**	**3,128**	**1,665**

(1) Of the total participants in the FBPREV III Plan, 1,094 participants opted to receive lifetime income benefits at the time of migration,

After the restructuring plan, Banrisul's remaining portion of the debt, in the amount of R$66,230 in December 31, 2019 was distributed as follows: R$23,896 to the Defined Benefit Plan I (PBI), R$16,895 to the Settled Defined Benefit Plan (PBS), R$11,796 to the FBPREV Benefit Plan II (FBPREV II) and R$13,643 to the FBPREV Benefit Plan III (FBPREV III). This debt, due 2028, was paid with the interest rate of 6% p.a., indexed to the General Price Index - Internal Availability - (IGP-DI), periodically updated and with monthly payments, This debt was settled in January 2020.

(a) Key Assumptions

The key assumptions below were elaborated upon information available at December 31, 2020 and 2019, subject to annual review,

Economic Assumptions - 12/31/2020	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	3.21	3.52	3.46	3.35	3.24	According to Pension Plan (2)	3.65	3.80	3.09
Expected Real Return on Assets	3.21	3.52	3.46	3.35	3.24	According to Pension Plan (2)	3.65	3.80	3.09
Real Salary Growth Rate for Active Employees	2.56	-	5.04	3.24	2.60	According to Pension Plan (2)	n/a	n/a	5.04
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	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32
Nominal Discount Rate	6.63	6.95	6.89	6.78	6.67	According to Pension Plan (2)	7.09	7.24	6.51
Expected Nominal Return on Assets	6.63	6.95	6.89	6.78	6.67	According to Pension Plan (2)	7.09	7.24	6.51
Nominal Salary Growth Rate for Active Employees	5.96	3.32	8.53	6.67	6.01	According to Pension Plan (2)	n/a	n/a	8.53
Nominal Growth in Plan Benefits During Receipt	3.63	3.32	3.32	3.32	3.32	3.32	3.32	4.35	3.32

(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 - 12/31/2019	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	3.29	3.29	3.29	3.29	3.29	3.29	3.29	3.29	3.29
Expected Real Return on Assets	3.29	3.29	3.29	3.29	3.29	3.29	3.29	3.29	3.29
Real Salary Growth Rate for Active Employees	2.56	-	5.04	4.18	3.35	According to Pension Plan (2)	n/a	n/a	5.04
Real Growth in Plan Benefits During Receipt	-	-	-	-	-	-	-	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	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Nominal Discount Rate	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01
Expected Nominal Return on Assets	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01	7.01
Nominal Salary Growth Rate for Active Employees	6.25	3.60	8.82	7.93	7.07	According to Pension Plan (2)	n/a	n/a	8.82
Nominal Growth in Plan Benefits During Receipt	3.60	3.60	3.60	3.60	3.60	3.60	3.60	4.64	3.60

(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 12/31/2020	Mortality Table	Mortality Table (Disabled)	Disability Entry Table	Annual Turnover Rate	Option for BPD	Retirement Entry	Family Composition
PBI Plan	AT-2000 (-25%) gender specific	RRB – 83 (-55%)	Álvaro Vindas (-70%)	Exp, Towers modified (+0,03)	BPD: 31%	Probable retirement date informed in the registration postponed: Group 1 in 10 years; Group 2 in 5 years; Group 3 in 1 year and Group 4 in 2 years (3)	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%)	Exp, Towers modified (+0,015)	BPD: 52%	Probable retirement date informed in the registration postponed by 4 years	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%)	Exp, Towers modified (-0,004)	-	-	Real Family, as registered
FBPREV II Plan	AT-2000 (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	Exp, Towers modified (+0,035)	-	-	Real Family, as registered
FBPREV III Plan	AT-2000 smoothed by 10%, gender specific	RRB – 83 (-50%)	Álvaro Vindas	3,25%	-	-	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 (-25%) gender specific	RRB – 83 (-55%)	Álvaro Vindas (-70%)	Willis Towers Watson Experience Modified (+0,03)	-	100% in normal retirement according to plan eligibility,	Real Family
PROMED	AT-2000 Basic (-25%) gender specific	RRB – 83 (-55%)	Álvaro Vindas (-70%)	Willis Towers Watson Experience Modified (+0,03)	-	100% in normal retirement according to plan eligibility,	Real Family
Retirement Award	AT-2000 (-30%) gender specific	n/a	Álvaro Vindas (-70%)	Exp, Towers modified (-0,004)	-	-	Not used

Demographic Assumptions as of 12/31/2019	Mortality Table	Mortality Table (Disabled)	Disability Entry Table	Annual Turnover Rate	Option for BPD	Retirement Entry	Family Composition
PBI Plan	AT-2000 (-20%) gender specific	RRB – 83 (-50%)	*Light* Smooth (-80%)	Exp, Towers modified (+0,30)	BPD: 43%	Probable retirement date informed in the registration	To be Granted: Average Family (74% married, woman 4 years younger), Granted: Real Family
Settled Plan	AT-2000 smoothed by 10%, gender specific	RRB – 83 (-50%)	*Light* Smooth (-80%)	Exp, Towers modified (+0,01)	BPD: 73%	Probable retirement date informed in the registration	To be Granted: Average Family (74% married, woman 4 years younger), Granted: Real Family
FBPREV Plan	AT-2000 (-20%) gender specific	RRB – 83 (-50%)	*Light* Smooth (-80%)	Exp, Towers modified (-0,005)	-	-	Real Family, as registered
FBPREV II Plan	AT-2000 (-20%) gender specific	RRB – 83 (-50%)	*Light* Smooth (-80%)	Exp, Towers modified (+0,04)	-	-	Real Family, as registered
FBPREV III Plan	AT-2000 Basic gender specific	RRB – 83 (-50%)	*Light* Strong (-60%)	0,64%	-	-	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 (-20%) gender specific	RRB – 83 (-50%)	*Light* Smooth (-80%)	Exp, Towers modified (+0,04)	-	100% in normal retirement according to plan eligibility,	Real Family
PROMED	AT-2000 Basic (-20%) gender specific	RRB – 83 (-50%)	*Light* Smooth (-80%)	Exp, Towers modified (+0,04)	-	100% in normal retirement according to plan eligibility,	Real Family
Retirement Award	AT-2000 (-20%) gender specific	n/a	*Light* Smooth (-80%)	Exp, Towers modified (-0,005)	-	-	Not used

(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.

(3) Group 1: registration until January 23, 1978; Group 2: registration between January 24, 1978 and June 30, 1983; Group 3: registration between July 01, 1983 and December 31, 1990; and Group4: registration from January 01, 1991.

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 Rule No. 695/12 and CMN Resolution No. 4424/15, 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 31, 2020.

Pursuant to CNPC Resolution No. 30/2018, combined with Previc Instruction No. 10/2018 and Previc Ordinance No. 300/2019, 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% 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% 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.

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 Plan % Allocated		Settled Plan % Allocated		FBPREV Plan % Allocated		FBPREV II Plan % Allocated		FBPREV III Plan % Allocated		Health Plan % Allocated	
Categories	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Cash	0.02	-	0.02	-	0.01	-	0.01	-	0.01	-	0.09	-
Fixed Income	71.51	77.00	75.92	77.81	78.45	86.00	77.67	83.35	71.43	78.23	97.64	97.97
Equity	9.82	9.98	8.08	9.62	4.07	3.27	5.72	6.40	9.44	9.58	2.27	2.03
Real Estate	4.28	3.45	3.12	2.90	0.27	0.39	1.57	1.41	3.92	3.17	-	-
Other	14.37	9.57	12.86	9.67	17.2	10.34	15.03	8.84	15.2	9.02	-	-
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$21,692 (12/31/2019 - R$15,935) and rented real state with a fair value of R$123,806 (12/31/2019 - R$125,701).

(e) Actuarial Reviews

The net actuarial (asset)/liability breakdown summary for the fiscal years ended December 31, 2020 and 2019, prepared based on the actuarial report as of December 31, 2020 and 2019, respectively, and in accordance with CPC 33 (R1), is shown below:

Liabilities/(Assets) Recorded in the Balance Sheet with Benefits of:	12/31/2020	12/31/2019
Pension Plans		
Benefit Plan I (PBI)	556,285	470,944
Settled Plan (PBS)	306,765	252,809
FBPREV Plan (FBPREV)	452	(9)
FBPREV II Plan (FBPREV II)	(9)	(63)
FBPREV III Plan (FBPREV III)	81,458	69,027
Health Plan (PAM, POD and PROMED)	(228,908)	(212,585)
Retirement Award	194,483	214,055
Total	**910,526**	**794,178**

The breakdown of the net actuarial liabilities/(assets) prepared based on the actuarial reports as of December 31, 2020 and 2019, and according to CPC 33 (R1), is as follows:

Balance of net liabilities (assets) as of 12/31/2020	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Actuarial Liabilities Assessed in the Actuarial Report	1,754,779	1,561,554	19,062	178,207	427,271	228,908	194,483
Fair Value of Plan Assets	(1,198,494)	(1,254,789)	(18,618)	(186,180)	(345,834)	(512,738)	-
Deficit/(Surplus)	**556,285**	**306,765**	**444**	**(7,973)**	**81,437**	**(283,830)**	**194,483**
Effect of Asset Limit	-	-	8	7,964	21	54,922	-
Net Actuarial Liabilities (Assets)	**556,285**	**306,765**	**452**	**(9)**	**81,458**	**(228,908)**	**194,483**

Balance of net liabilities (assets) as of 12/31/2019	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Actuarial Liabilities Assessed in the Actuarial Report	1,805,025	1,529,458	17,269	156,833	411,108	212,585	214,055
Fair Value of Plan Assets	(1,334,081)	(1,276,649)	(19,566)	(168,710)	(342,081)	(461,283)	-
Deficit/(Surplus)	**470,944**	**252,809**	**(2,297)**	**(11,877)**	**69,027**	**(248,698)**	**214,055**
Effect of Asset Limit	-	-	2,288	11,814	-	36,113	-
Net Actuarial Liabilities (Assets)	**470,944**	**252,809**	**(9)**	**(63)**	**69,027**	**(212,585)**	**214,055**

Changes in Present Value of Actuarial Liabilities as of 12/31/2020	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Present Value of Actuarial Liabilities as of January 1st	**1,805,025**	**1,529,458**	**17,269**	**156,833**	**411,108**	**212,585**	**214,055**
Net Cost of Current Service	(25)	-	1,206	346	3	362	10,353
Contributions from Plan Participants in the Period	36,694	3,217	581	651	-	-	-
Interest on Actuarial Liabilities	120,453	103,874	1,199	10,694	27,706	14,599	13,562
Benefits Paid in the Period	(171,226)	(89,991)	(764)	(11,556)	(33,398)	(9,430)	(33,148)
(Gain)/Loss on Actuarial Liabilities	(36,142)	14,996	(429)	21,239	21,852	10,792	(10,339)
Present Value of Actuarial Liabilities at End of Period	**1,754,779**	**1,561,554**	**19,062**	**178,207**	**427,271**	**228,908**	**194,483**

Changes in Present Value of Actuarial Liabilities as of 12/31/2019	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Present Value of Actuarial Liabilities as of January 1st	**2,402,077**	**1,239,923**	**14,327**	**112,186**	**-**	**197,461**	**204,238**
Net Cost of Current Service	(1,539)	-	1,107	649	1	1,893	8,744
Cost of Past Service	(957,214)	-	-	-	-	-	-
Contributions from Plan Participants in the Period	42,855	2,993	508	-	-	-	-
Interest on Actuarial Liabilities	159,411	109,075	1,299	9,948	18,259	17,705	16,516
Benefits Paid in the Period	(203,186)	(87,719)	(395)	(11,717)	(23,200)	(8,707)	(22,651)
(Gain)/Loss on Actuarial Liabilities	362,621	265,186	423	45,767	156	4,233	7,208
Transfers	-	-	-	-	415,892	-	-
Present Value of Actuarial Liabilities at end of Period (Restated)	**1,805,025**	**1,529,458**	**17,269**	**156,833**	**411,108**	**212,585**	**214,055**

Changes in the Fair Value of Plan Assets as of 12/31/2020	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	**(1,334,081)**	**(1,276,649)**	**(19,566)**	**(168,710)**	**(342,081)**	**(461,283)**	**-**
Benefits Paid from Plan Assets in the Period	171,226	89,991	764	11,556	33,398	-	-
Contributions from Plan Participants in the Period	(36,694)	(3,217)	(581)	(651)	-	-	-
Contributions from the Sponsor in the Period	(57,315)	(20,725)	(477)	(641)	(13,821)	-	-
Expected Return on Assets	(90,260)	(86,476)	(1,377)	(11,586)	(22,945)	(32,329)	-
(Gain)/Loss on Fair Value of the Plan Assets	148,630	42,287	2,619	(16,148)	(385)	(19,126)	-
Fair Value of the Plan Assets at end of Period	**(1,198,494)**	**(1,254,789)**	**(18,618)**	**(186,180)**	**(345,834)**	**(512,738)**	**-**

Changes in the Fair Value of Plan Assets as of 12/31/2019	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	**(1,952,694)**	**(1,163,712)**	**(14,975)**	**(138,863)**	**-**	**(385,517)**	**-**
Benefits Paid from Plan Assets in the Period	203,186	87,719	395	11,717	23,200	-	-
Contributions from Plan Participants in the Period	(42,855)	(2,993)	(508)	-	(55,865)	-	-
Contributions from the Sponsor in the Period	(33,839)	(6,405)	(380)	(1,663)	(1,136)	-	-
Expected Return on Assets	(132,247)	(102,553)	(1,392)	(12,464)	(16,064)	(34,712)	-
(Gain)/Loss on Fair Value of the Plan Assets	(123,333)	(88,705)	(2,706)	(27,437)	20,136	(41,054)	-
Transfers	-	-	-	-	(312,352)	-	-
Early Termination of Liabilities	747,701	-	-	-	-	-	-
Fair Value of the Plan Assets at end of Period	**(1,334,081)**	**(1,276,649)**	**(19,566)**	**(168,710)**	**(342,081)**	**(461,283)**	**-**

Net Actuarial Liabilities (Assets) of the Plan as of 12/31/2020	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Actuarial Liabilities (Assets) at End of Previous Year	**470,944**	**252,809**	**(9)**	**(63)**	**69,027**	**(212,585)**	**214,055**
Expense/(Revenue) Recognized in Income for the Year	**30,168**	**17,398**	**1,188**	**282**	**4,764**	**(14,837)**	**23,915**
(Gains)/Losses Recognized in Comprehensive Income	112,488	57,283	(250)	413	21,488	7,944	(10,339)
Contributions from the Sponsor	(57,315)	(20,725)	(477)	(641)	(13,821)	(9,430)	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	(33,148)
Net Actuarial Liabilities (Assets) at the of Current Year	**556,285**	**306,765**	**452**	**(9)**	**81,458**	**(228,908)**	**194,483**

Net Actuarial Liabilities (Assets) of the Plan as of 12/31/2019	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Actuarial Liabilities (Assets) at End of Previous Year	**449,383**	**76,211**	**(1)**	**(8)**	**-**	**(188,056)**	**204,238**
Expense/(Revenue) Recognized in Income for the Year	**(183,888)**	**6,522**	**1,074**	**573**	**418,088**	**(15,114)**	**25,260**
(Gains)/Losses Recognized in Comprehensive Income	239,288	176,481	(702)	1,035	20,292	(708)	7,208
Contributions from the Sponsor	(33,839)	(6,405)	(380)	(1,663)	(57,001)	(8,707)	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	(22,651)
Transfers	-	-	-	-	(312,352)	-	-
Net Actuarial Liabilities (Assets) at the of Current Year	**470,944**	**252,809**	**(9)**	**(63)**	**69,027**	**(212,585)**	**214,055**

Result for the Year of 2020	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Cost of Current Services	(25)	-	1,206	346	3	362	10,353
Cost of Interest on Actuarial Liabilities	120,453	103,874	1,199	10,694	27,706	14,599	13,562
Expected Return on Plan Assets	(90,260)	(86,476)	(1,377)	(11,586)	(22,945)	(32,329)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	160	828	-	2,531	-
Total Expense (Income) Recognized in Result for the Year	**30,168**	**17,398**	**1,188**	**282**	**4,764**	**(14,837)**	**23,915**

Result for the Year of 2019	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Cost of Current Services	(211,052)		1,107	649	415,893	1,893	8,744
Cost of Interest on Actuarial Liabilities	159,411	109,075	1,299	9,948	18,259	17,705	16,516
Expected Return on Plan Assets	(132,247)	(102,553)	(1,392)	(12,464)	(16,064)	(34,712)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	60	2,440	-		-
Total Expense (Income) Recognized in Result for the Year	**(183,888)**	**6,522**	**1,074**	**573**	**418,088**	**(15,114)**	**25,260**

Other Comprehensive Income in 2020	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
(Gain)/Loss on Plan Assets	148,630	42,287	2,619	(16,148)	(385)	(19,126)	-
(Gain)/Loss on Actuarial Liabilities	(36,142)	14,996	(429)	21,239	21,852	10,792	(10,339)
(Gain)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	(2,440)	(4,678)	21	16,278	-
(Gain)/Loss Recognized in Other Comprehensive Income	**112,488**	**57,283**	**(250)**	**413**	**21,488**	**7,944**	**(10,339)**

Other Comprehensive Income in 2019	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
(Gain)/Loss on Plan Assets	(123,333)	(88,705)	(2,706)	(27,437)	20,136	(41,054)	-
(Gain)/Loss on Actuarial Liabilities	362,621	265,186	423	45,767	156	4,233	7,208
(Gain)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	1,581	(17,295)	-	36,113	-
(Gain)/Loss Recognized in Other Comprehensive Income	**239,288**	**176,481**	**(702)**	**1,035**	**20,292**	**(708)**	**7,208**

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	154	-	994	(245)	3	(615)	9,475
Cost of Interest on Actuarial Liabilities	111,621	105,484	1,269	11,688	27,409	15,919	11,567
Expected Return on Plan Assets	(75,658)	(84,261)	(1,268)	(12,270)	(21,975)	(36,352)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	1	540	1	3,894	-
Estimated Actuarial Expense (Income)	**36,117**	**21,223**	**996**	**(287)**	**5,438**	**(17,154)**	**21,042**

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	37,004	3,140	446	635	-	9,030	-
Contributions Paid by Plan Participants	51,396	3,140	446	635	-	-	-
Benefits Paid on Plan Assets	182,697	93,775	1,326	11,783	33,488	9,030	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	34,026

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
2021	182,697	93,775	1,205	11,783	32,581	9,029	34,026
2022	172,612	93,908	1,100	10,370	31,748	10,637	10,079
2023	169,395	93,171	987	10,188	31,028	10,852	12,437
2024	165,994	92,317	1,086	10,011	30,254	11,175	13,700
2025	162,294	96,686	1,019	9,875	29,436	11,581	18,037
2026 to 2030	750,574	471,827	5,024	47,043	133,860	75,671	70,062

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**
12/31/2020	10,39	12,33	11,97	11,28	10,63	According to Pension Plan (1)	13,34	16,23	9,51
12/31/2019	10,17	11,53	11,32	10,30	9,80	15,30	15,30	15,30	10,20

(1) According to the Pension Plan to which the beneficiaries are registered, Other information concerning the plans:

Number of Participants as of 12/31/2020	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	53	729	5,338	3,785	188	2,455	535	9,004	9,732
Assisted	3,792	2,600	66	1,249	1,748	5,368	3,007	5,902	-
Total	**3,845**	**3,329**	**5,404**	**5,034**	**1,936**	**7,823**	**3,542**	**14,906**	**9,732**

Number of Participants as of 12/31/2019	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	152	756	5,385	3,877	193	3,112	599	9,384	10,382
Assisted	3,005	2,217	43	1,113	1,377	4,831	3,121	5,845	-
Total	**3,157**	**2,973**	**5,428**	**4,990**	**1,570**	**7,943**	**3,720**	**15,229**	**10,382**

(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) - 12/31/2020		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0,5 p,p,	(84,957)
Discount Rate	Decrease of 0,5 p,p,	93,280
Mortality Table	Increase of 10%	(64,107)
Mortality Table	Decrease of 10%	74,035

Settled Plan (PBS) - 12/31/2020		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0,5 p,p,	(87,263)
Discount Rate	Decrease of 0,5 p,p,	96,418
Mortality Table	Increase of 10%	(46,648)
Mortality Table	Decrease of 10%	58,156

FBPREV Plan (FBPREV) - 12/31/2020		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0,5 p,p,	(1,036)
Discount Rate	Decrease of 0,5 p,p,	1,147
Mortality Table	Increase of 10%	(1,022)
Mortality Table	Decrease of 10%	1,035

FBPREV II Plan (FBPREV II) - 12/31/2020		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0,5 p,p,	(7,991)
Discount Rate	Decrease of 0,5 p,p,	8,804
Mortality Table	Increase of 10%	(3,041)
Mortality Table	Decrease of 10%	3,594

FBPREV III Plan (FBPREV III) - 12/31/2020		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0,5 p,p,	(21,063)
Discount Rate	Decrease of 0,5 p,p,	23,319
Mortality Table	Increase of 10%	(11,906)
Mortality Table	Decrease of 10%	13,229

Health Plan - 12/31/2020		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0,5 p,p,	(15,226)
Discount Rate	Decrease of 0,5 p,p,	17,117
Mortality Table	Increase of 10%	(5,204)
Mortality Table	Decrease of 10%	6,023

Retirement Award - 12/31/2020		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0,5 p,p,	(8,697)
Discount Rate	Decrease of 0,5 p,p,	9,560
Mortality Table	Increase of 10%	(583)
Mortality Table	Decrease of 10%	586

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 and socio-environmental risks is an essential and strategic tool for a financial institution, The constant improvement on processes of 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 and socio-environmental risks, with the support of the Control and 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,

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

This corresponds to 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, The use and improvement of Application and Behavior Score systems have permitted that pre-approved credit limits to individuals be established in accordance with their risk ratings,

(a) Credit Risk Assessment

Lending Operations - Banrisul assesses the probability of default of each counterparty individually by using credit rating tools designed for different categories of counterparties, Such proprietary tools, which combine statistical analyses and the opinion of the staff of the credit area, are validated, when appropriate, by comparing external available data, The rating tools are reviewed and updated when necessary, Periodically, Management validates the rating performance and its capacity to forecast default events,

Default exposure is based on the total amounts that may be owed to Banrisul at the time of default; in the case of a loan, for example, it corresponds to the nominal value,

(b) Credit Risk Control

Credit risk control basically includes the following procedures: **(i)** 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;
(ii) 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
(iii) 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

The Bank 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 includes 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.

The Bank 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 17 and 18. 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 Management 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 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 at June 30, 2021,
Scenario 2: Possible situation, Assumptions: a deterioration of 25% in market risk variables, taking into account prevailing conditions at June 30, 2021,
Scenario 3: Remote situation, Assumptions: a deterioration of 50% in market risk variables, taking into account prevailing conditions at June 30, 2021,

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

For Foreign Exchange Risk, the rate of R$5.0022/USD1,00 as of June 30, 2021, (PTAX - Central Bank of Brazil) was used.

Sensitivity analyses 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 Test: Trading Portfolio

Scenarios		Risk Factors			Total
		Interest Rate	Exchange Rate	Equity	
1	1%	19	3,543	194	**3,756**
2	25%	469	85,565	4,854	**90,888**
3	50%	934	177,128	9,709	**187,771**

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, the "Foreign Currency" Risk Factor identifies the largest expected loss, which represents approximately 93.3% of all expected loss for the three scenarios. We observed that the expected loss in Scenario 2 was 25 times greater than in Scenario 1. From Scenario 2 to Scenario 3, the variation is 100%. The greatest expected loss in these Sensitivity Test Scenarios occurs in Scenario 3 (65.8%), in the total amount of R$187,771.

Sensitivity Analysis of Derivative financial instruments - Banrisul also conducted a sensitivity analysis of its derivatives positions (trading portfolio) and the international funding transactions carried out for USD823.185million (823.185 million U.S. Dollars) recorded in the Banking Portfolio (Note 17 and 18, 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$5.0074 on June 30, 2021 (1:00 pm, SPOT price - Central Bank of Brazil).

Scenario I is the most probable one and considers the changes expected by the Bank in relation to the market reference curves (B3 S.A. - Brasil, Bolsa, Balcão), used to mark to market such financial instruments, Scenarios II and III are defined to contemplate variations of +25% and +50% and scenarios of decreases of -25% and -50%.

As they reflect projections, Scenario I is defined by the increase of 1% in the U.S. Dollar coupon, the Scenario II is defined by the increase of 25% in the U.S. Dollar coupon, and the scenario III is defined by the increase of 50% in the U.S. Dollar coupon, according to the Bank's position, considering the conditions prevailing on June 30, 2021.

The sensitivity analyses shown below were established using premises and assumptions regarding future events, The estimated scenarios show the impacts on the outcome for each scenario in a static position of the portfolio as of June 30, 2021.

The table below shows the probability of impact on the cash flow in the three scenarios of derivatives exposures (or trading portfolio) and in the instrument being hedged (banking portfolio or held to maturity) on June 30, 2021 independently, since the Bank does not practice hedge accounting.

Trading and Banking Portfolio

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Increase in U.S. Dollar Coupon	(2,809)	(67,436)	(129,532)
		Line Item Being Hedged			
Debt 1	Banking	Increase in U.S. Dollar Coupon	2,809	67,434	129,528
	Net Effect		**-**	**(2)**	**(4)**

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.

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 consistent with the Banrisul's business strategies for financial instruments and other exposures whose achievement of grandness parameters 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.

Throughout the control process, mismatches arising from the use of short-term liabilities to ballast long-term assets are monitored, in order to avoid liquidity shortfalls and ensure that the Bank's reserves are sufficient to meet daily cyclical and non-cyclical cash needs, as well as the long-term needs. The Bank seeks to maintain a proper level of highly funding market assets, along with access to other liquidity sources, and seeks to ensure an appropriate mix of funding operations.

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 as 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. Through key risk indicators and the Internal Operational Risk Data Base, it is possible to monitor the evolution of losses and exposure to risk and propose improvement actions.

The results of the analysis and the records of the Internal Database of Operational Risk 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.

Socio-environmental Risk

Socio-environmental risk is defined as the possibility of losses arising from social and environmental damages and must be identified by financial institutions as a component of the various risk modalities to which they are exposed. Risk management also includes the activities of Banrisul.

Socio-environmental risk management covers financing, projects and operations, whose characteristics allow the previous identification of the allocation of resources, and does not prevent those that do not meet the definition above from being analyzed.

As to the Institution activities, socio-environmental risk management covers the waste management process, the compliance with requirements required in contracting suppliers, and the monitoring of contracts with contractors during their term, aiming at mitigating socio-environmental risks.

The results of the analyzes and the records of socio-environmental 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.

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 and environmental 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 June 30, 2021 was 6.70%,

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

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 Resolution No. 4,193/13 of the CMN, 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. 4280/13, 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 Cartões 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 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	06/30/2021	12/31/2020
Reference Equity	**6,697,102**	**6,821,228**
Tier I	**6,697,102**	**6,465,913**
Core Capital	**6,697,102**	**6,465,913**
Equity	5,205,891	5,205,891
Capital and Earnings Reserve	3,748,055	3,416,218
Deduction from Core Capital - Except for prudential adjustments	(299,847)	(276,190)
Prudential Adjustments (Resolution No,4192/13)	(1,956,997)	(1,880,006)
Tier II	**-**	**355,315**
Tier II Eligible Instruments (Resolution No,4192/13)	-	355,315
RWA - Risk Weighted Assets	**45,351,468**	**43,134,571**
RWA_{CPAD} (Credit Risk)	32,192,914	32,410,415
RWA_{MPAD} (Market Risk)	3,331,954	697,701
RWA_{JUR1} (Interest Rate Risk)	6,139	4,207
RWA_{JUR3} (Interest Rate Risk)	854	962
RWA_{ACS} (Equity Risk)	38,834	13,956
RWA_{CAM} (Exchange Risk)	3,286,127	678,576
RWA_{OPAD} (Operational Risk)	9,826,600	10,026,455
Banking Portfolio (RBAN)	212,656	332,106
Reference Equity Margin - with RBAN	2,119,367	2,499,174
Capital Ratio		
Basel Ratio	14.77%	15.81%
Tier I Ratio	14.77%	14.99%
Core Capital Ratio	14.77%	14.99%
Permanent Assets Ratio	10.89%	9.73%
Leverage Ratio	6.70%	6.88%

On March 16, 2020, BACEN published CMN Resolution No, 4783/20, altering Regulatory Capital requirements, The Resolution reduces the percentages that RWA is subject for the purposes of calculating the required amount of Principal Capital Additional - $ACP_{Conservation}$ for the next 2 years, commencing on April 1, 2020, Banrisul is subject to this surcharge, only, Thus, the percentages applied in the next periods can be seen in the table below:

Requirement	Up to 03/31/2021	Up to 09/30/2021	Up to 03/31/2022	From 04/01/2022
Main Capital	4,500%	4,500%	4,500%	4,500%
Level I	6,000%	6,000%	6,000%	6,000%
PR	8,000%	8,000%	8,000%	8,000%
$ACP_{Conservation}$ (1)	**1,250%**	**1,625%**	**2,000%**	**2,500%**
$ACP_{Contracyclic}$ (2) (up to)	2,500%	2,500%	2,500%	2,500%
$ACPS_{Systemic}$ (up to)	2,000%	2,000%	2,000%	2,000%
Total ACT (up to)	**5,750%**	**6,125%**	**6,500%**	**7,000%**
Factor F	8,000%	8,000%	8,000%	8,000%

(1) Percentage changed in accordance with CMN Resolution No, 4783/20,

(2) According to CMN Resolution No, 4,193 / 13, these additions are limited to these maximum percentages (%) in relation to RWATOTAL, 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 June 2021, 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 1.625%, totaling 9.625% for Basel Ratio, 7.625% for Tier I and 6.125% for Core Capital.

The Reference Equity reached R$6,697,102 in June 2021, decreasing R$124,126 from December 2020.

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 exposed has changed, no longer being calculated by Value at Risk (VaR) but by using the 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$212,656 as of June 2021, decreasing R$119,450 in relation to the capital allocation of R$332,106 as of December 2020.

To calculate the Reference Equity using R_{BAN}/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 1.625% from April 2021).

On June 30, 2021, the Basel Ratio of the Prudential Conglomerate was 14.77%, higher than the minimum required by BACEN, Tier 1 ratio and Core Capital were the same, due to the exclusion of Tier II subordinated debt from the PR.

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 CVM Resolution No. 642/10 and CMN Resolution No. 4636/18.

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 Resolution No. 4636/18 of CMN. 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) Companhia Estadual de Energia Elétrica (CEEE), Companhia Riograndense de Saneamento (CORSAN), Companhia de Gás do Rio Grande do Sul (SULGÁS), Centrais de Abastecimento do Rio Grande do Sul S,A, (CEASA), Companhia Estadual de Silos e Armazéns (CESA), 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; and (iii) VG8JV Tecnologia S.A. - VG8JV, company that ended its activity on 04/22/2021, offering integrated payment solutions to shopping centers located in its operating area throughout the national territory;

(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)	
	06/30/2021	12/31/2020	01/01 to 06/30/2021	01/01 to 06/30/2020
State of Rio Grande do Sul Government	**(4,169,823)**	**(1,499,936)**	**(45,010)**	**(8,714)**
Other Credits	1,100	4,098	-	-
Demand Deposits	(337,965)	(770,967)	-	-
Repurchase Agreements (Repos) (1)	(3,819,721)	(721,288)	(43,779)	(7,534)
Other Payables	(13,237)	(11,779)	(1,231)	(1,180)
Subsidiaries and Investment Fund	**(1,755,485)**	**(1,633,985)**	**40,062**	**38,952**
Other Credits	26,080	88,930	55,900	53,769
Demand Deposits	(96,243)	(11,464)	-	-
Time Deposits	(424,045)	(357,486)	(5,443)	(3,154)
Repurchase Agreements (Repos)	(191,063)	(210,947)	(589)	(636)
Funds from Acceptance and Issuance of Securities	(290,464)	(287,220)	(3,994)	(5,225)
Other Payables	(779,750)	(855,798)	(5,812)	(5,802)
Banrisul Foundation	**(1,261)**	**(1,224)**	**(8,010)**	**(6,919)**
Other Payables	(1,261)	(1,224)	(8,010)	(6,919)
Total	**(5,926,569)**	**(3,135,145)**	**(12,958)**	**23,319**

(1) These funds bear interest at 100% of the Selic rate.

				Consolidated
	Assets (Liabilities)		Income (Expense)	
	06/30/2021	12/31/2020	01/01 to 06/30/2021	01/01 to 06/30/2020
State of Rio Grande do Sul Government	**(4,169,663)**	**(1,499,667)**	**(44,992)**	**(8,577)**
Cash	-	-	-	125
Other Credits	1,260	4,367	18	12
Demand Deposits	(337,965)	(770,967)	-	-
Repurchase Agreements (Repos) (1)	(3,819,721)	(721,288)	(43,779)	(7,534)
Other Payables	(13,237)	(11,779)	(1,231)	(1,180)
Banrisul Foundation	**(1,261)**	**(1,224)**	**(8,010)**	**(6,919)**
Other Payables	(1,261)	(1,224)	(8,010)	(6,919)
Total	**(4,170,924)**	**(1,500,891)**	**(53,002)**	**(15,496)**

(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 and Risk Committee, as stated in the Bank's bylaws.

	01/01 to 06/30/2021	01/01 to 06/30/2020
Short Term Benefits	**9,682**	**9,412**
Salaries	7,418	7,281
Social Security	2,264	2,131
Post-Employment Benefits	**242**	**261**
Supplementary Pension Plans (1)	242	261
Total	**9,924**	**9,673**

(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 June 30, 2021, members of the Executive Board, the Board of Directors, the Supervisory Board, the Audit Committee, the Compensation Committee and the Risk Committee jointly hold 8,787 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.

Measurement at fair value for the period ended June 30, 2021:

	Parent Company			Consolidated		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Trading Securities	**8,023,092**	**4,767**	**8,027,859**	**8,158,565**	**16,248**	**8,174,813**
Financial Treasury Letter – LFT	8,003,675	-	8,003,675	8,011,755	-	8,011,755
Shares of Publicly-Held Companies	19,417	-	19,417	19,417	-	19,417
Investment Fund Shares	-	4,767	4,767	127,393	16,248	143,641
Available-for-Sale Securities	**-**	**1,593**	**1,593**	**2,324**	**1,607**	**3,931**
Investment Fund Shares	-	1,593	1,593	2,324	1,593	3,917
Privatization Certificates	-	-	-	-	14	14
Derivatives	**-**	**661,669**	**661,669**	**-**	**661,669**	**661,669**
Swaps	-	661,669	661,669	-	661,669	661,669
Total Assets at Fair Value	**8,023,092**	**668,029**	**8,691,121**	**8,160,889**	**679,524**	**8,840,413**
Financial Liabilities						
Derivative Financial Instruments	**-**	**174,239**	**174,239**	**-**	**174,239**	**174,239**

Swaps	-	174,239	174,239	-	174,239	174,239
Subordinated Debt	-	2,805,729	2,805,729	-	2,805,729	2,805,729
Loan Obligations - Subordinated Debt Issue	-	1,581,990	1,581,990	-	1,581,990	1,581,990
Total Liabilities at Fair Value	**-**	**4,561,958**	**4,561,958**	**-**	**4,561,958**	**4,561,958**

Measurement at fair value for the period ended December 31, 2020:

		Parent Company				Consolidated
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Trading Securities	**6,569,102**	**3,426**	**6,572,528**	**6,640,534**	**14,765**	**6,655,299**
Financial Treasury Letter – LFT	6,562,124	-	6,562,124	6,570,116	-	6,570,116
Shares of Publicly-Held Companies	6,978	-	6,978	6,978	-	6,978
Investment Fund Shares	-	3,426	3,426	63,440	14,765	78,205
Available-for-Sale Securities	**-**	**176**	**176**	**2,271**	**188**	**2,459**
Investment Fund Shares	-	176	176	2,271	176	2,447
Privatization Certificates	-	-	-	-	12	12
Derivatives	**-**	**844,599**	**844,599**	**-**	**844,599**	**844,599**
Swaps	-	844,599	844,599	-	844,599	844,599
Total Assets at Fair Value	**6,569,102**	**848,201**	**7,417,303**	**6,642,805**	**859,552**	**7,502,357**
Financial Liabilities						
Subordinated Debt	-	2,979,631	2,979,631	-	2,979,631	2,979,631
Total Liabilities at Fair Value	**-**	**2,979,631**	**2,979,631**	**-**	**2,979,631**	**2,979,631**

Banrisul does not have financial instruments classified in Level 3 of the fair value hierarchy.

(ii) Financial Instruments not Measured at Fair Value – the table below summarizes the book values and fair values of financial assets and liabilities that were presented at amortized cost:

		Parent Company		Consolidated
		06/30/2021		06/30/2021
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets				
Interbank Lending Market Investments	8,061,771	8,070,730	8,063,373	8,072,332
Compulsory Deposits of Central Bank of Brazil	7,744,492	7,744,492	7,744,492	7,744,492
Securities (1)	27,827,791	27,701,294	27,837,944	27,711,355
Loans, Leases and Other Credit-like Receivables (2)	36,640,135	36,122,830	36,640,135	36,122,830
Other Financial Assets	3,015,584	3,015,584	4,842,209	4,842,209
Total	**83,289,773**	**82,654,930**	**85,128,153**	**84,493,218**
Financial Liabilities (3)				
Deposits (a)	61,697,485	61,687,216	61,179,999	61,169,730
Repurchase Agreements (b)	8,870,394	8,870,394	8,679,331	8,679,331
Funds from Acceptance and Issuance of Securities (c)	2,033,009	2,033,262	1,742,545	1,742,798
Borrowings (d)	381,144	381,144	381,144	381,144
Onlendings (d)	1,355,171	1,355,171	1,355,171	1,355,171
Other Financial Liabilities	5,444,014	5,444,014	6,440,271	6,440,271
Total	**79,781,217**	**79,771,201**	**79,778,461**	**79,768,445**

		Parent Company		Consolidated
		12/31/2020		12/31/2020
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets				
Interbank Lending Market Investments	6,040,268	6,040,268	6,041,572	6,041,572
Compulsory Deposits of Central Bank of Brazil	7,750,609	7,750,609	7,750,609	7,750,609
Securities (1)	24,977,451	24,772,402	24,987,444	24,782,394
Loans, Leases and Other Credit-like Receivables (2)	37,605,804	38,378,831	37,605,804	38,378,831
Other Financial Assets	2,860,027	2,860,027	4,611,213	4,611,213

Total	**79,234,159**	**79,802,137**	**80,996,642**	**81,564,619**
Financial Liabilities [(3)]				
Deposits [(a)]	62,820,455	62,805,151	62,446,503	62,431,199
Repurchase Agreements [(b)]	4,573,384	4,573,384	4,362,437	4,362,437
Funds from Acceptance and Issuance of Securities [(c)]	2,727,755	2,728,236	2,440,535	2,441,016
Borrowings [(d)]	425,868	425,868	425,868	425,868
Onlendings [(d)]	1,473,113	1,473,113	1,473,113	1,473,113
Other Financial Liabilities	4,254,501	4,254,501	5,100,950	5,100,950
Total	**76,275,076**	**76,260,253**	**76,249,406**	**76,234,583**

(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) Time and Interbank Deposits: the fair value was calculated by discounting the difference between future cash flows, using discount rates equivalent to the rates practiced in contracting similar operations on the last business day.
(b) Repurchase Agreements: for operations with fixed rates, the fair value was calculated by the discount on estimated cash flows, adopting discount rates equivalent to the rates practiced in contracting similar operations on the last business day.
(c) Funds from Acceptance and Issuance of Securities: the fair value of flating rate Financial Bills is calculated by discounting future cash flows using a discount rate equivalent to the weighted average rate practiced in the most recent issue of securities with similar characteristics by Banrisul.
(d) 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.

We present below the events considered non-recurring for the indicated period. In the first half of 2020 there were no events treated as non-recurring.

	06/30/2021
Adjusted Net Income	560,818
Adjustments	(16,657)
Provision for Tax Contingencies [(1)]	(76,036)
Tax Effect [(2)]	34,216
Tax Credit - CSLL Law No 14,183/21 [(3)]	25,163
Net Income	544,161

(1) Provision arising from the review of parameters and progress of the process related to income tax and social contribution on the deduction of expenses arising from the settlement of the actuarial deficit at the Banrisul Social Security Foundation, questioned by the Federal Revenue Service for the period 1998 to 2005 (Note 19b).
(2) It refers to the tax effect on Provisions for Tax Contingencies.
(3) It 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.

c) Impact of the application of international accounting standards

During the IFRS convergence process, some standards and their interpretations were issued by the Brazilian FASB (CPC), which are applicable to financial institutions only when approved by the National Monetary Committee (CMN). Currently, financial institutions and other institutions regulated by the Central Bank have been required to adopt the following pronouncements in prior periods:

Basic Concept Statement (R1);
Impairment of Assets (CPC 01 (R1));
Statement of Cash Flows (CPC 03 (R2));
Related Party Disclosures (CPC 05 (R1));
Share-Based Payment (CPC 10 (R1));

Accounting Policies, Changes in Accounting Estimate and Errors (CPC 23);
Subsequent Events (CPC 24);
Provisions, Contingent Liabilities and Contingent Assets (CPC 25) and
Employee Benefits (CPC 33 (R1)),
Effects of Changes in Exchange Rates and Translation of financial statements (CPC 02 (R2));
Intangible Assets (CPC 04 (R1));
Permanent Assets (CPC 27);
Earnings per Share (CPC 41); and
Measurement of Fair Value (CPC 46).

Banrisul's Consolidated financial statements were prepared considering the requirements and guidelines of the National Monetary Council (CMN) that, as of December 31, 2010, requires the preparation of annual Consolidated financial statements in accordance with the international financial reporting standards (IFRS), as approved by the International Accounting Standards Board (IASB).

The financial statements for the year ended December 31, 2020, prepared in accordance with International Financial Reporting Standards (IFRS), were disclosed by Banrisul on March 15, 2021 on its website http://www,banrisul,com,br/ir, as well as on the website of the Brazilian Securities Exchange Commission (*Comissão de Valores Mobiliários* - CVM – www.cvm.gov.br).

d) Effects of the Covid-19 Pandemic on financial statements

The crisis scenario linked to the Covid-19 pandemic has maintained an environment of uncertainty, turbulence and challenges in the global financial market. The restrictions imposed by governments, social distancing measures above all, although effective to decrease the spread of the virus, have been harming all productive chains, affecting the economy and financial capacities of gubernatorial authorities, companies and individuals.

Although vaccines are already being used, the state of alert continues in several regions of the world including Brazil due to new variants coronavirus’ high contagion rates. Besides health consequences, since the beginning of 2020 the world has been critical to the most of economic sectors, with governments and regulators working on measures that could mitigate the outcome of the pandemic. Following the footprints of international entities, the National Monetary Committee and the Central Bank of Brazil have released measures encompassing liquidity, monetary, credit, foreign exchange and fiscal goals. These measures sought to minimize the coronavirus effects while addressing financial and, hence, economic stability. The most relevant measures in terms of Banrisul‘s risk and capital management are presented below:

- ✓ Additional Main Capital Conservation (CMN Resolution No. 4783, of March 16, 2020): in relation to Regulatory Capital requirements, the percentage to be applied to the Risk Weighted Asseets -RWA amount was reduced, for purposes of determining the value of the ACPCONSERVAÇÃO portion for2 years, with the objective of increasing the banks' available resources for granting credit;

- ✓ Customer Service at Branches (BACEN Circular No. 3991, of March 19, 2020): sets the opening hours for serving customers at the branches of the financial institutions while the situation of risk to public health resulting from Covid-19 continues;

- ✓ New Time Deposit with Special Collaterals (CMN Resolution No 4785, and 4030 of March 23, 2020, June 23, 2020 and June 23, 2020): allows funding to be obtained in the form of time deposits with special guarantee from the Deposit Guarantee Fund; and regulates the use of the 35% RWF to exposure to Time Deposit with Special Collaterals;

- ✓ Compulsory Deposit (BACEN Resolution No. 78 and Circulars No. 3997 and No. 4033 of October 02, 2020, April 06, 2020 and June 24, 2020): temporarily reduces to 17% from 25% the reserve requirement rate on time deposits, deduces requirements of compulsory deposits for loans granted under the scope of the Emergency Job Support Program, working capital lines and Time Deposit with Special Collaterals for institutions which don't belong to the same financial conglomerate;

- ✓ Requirement of Capital for Credit Risk - RWA_{CPAD} (BACEN Circulars No. 3998, No. 4026 and No. 4034 of April 09, 2020, June 10, 2020 and June 29, 2020): estabilishes procedures for mitigation or specific FPRs for the calculations of the capital requirement (RWA_{CPAD}) for credit operations that are not of retail exposure and that are contracted or restructured between March and December 2020, granted within the National Program of Support to Micro and Small Business (Pronampe) guidelines and guaranteed by the Investment Guarantee Fund - FGI or belonging to the portfolio contracted under the Emergency Credit Access Program – PEAC, These measures aim to foster credit operations by increasing capital availability for banks;

- ✓ Capital Regulation for Financial Institutions (CMN Resolution No. 4820 of May 29, 2020 and No. 4,885 of December 23, 2020) establishes temporary limitations over remuneration of own capital according requirements, increase of Management compensation, shares buy back and decrease of Equity, to mitigate the pandemic potential effects upon the financial industry;

- ✓ Credit for Payroll (Federal Law No. 14043, CMN Resolution No. 4846 and BACEN Resolution No. 17 of August 19, 2020, August 24, 2020 and September 17, 2020): regulates credit operations to finance payroll or the payment of labor expenses, as granted by banks under the guidelines of the Emergency Job Support Program to companies with annual gross revenues from R$360.0 thousand reais to R$50.0 million reais, with 85% of each operation funded by federal government resources and these loans will not be considered exposures for the purposes of RWA_{CPAD}.

The international economic environment continues to be marked by debates regarding rising inflation in different regions of the globe, due to the resumption of economic activity, as countries control the pandemic, in part because of impacts on supply chains and high demand for commodities. In this scenario, apprehension grows in relation to a possible anticipation in the reduction of monetary stimuli – especially in the USA. Global economic activity has been showing improvement in its performance, with highlights to the PMI Index in the US, which indicated that economic activity continues to grow strongly, although the pace of expansion in the services sector has retreated in relation to previous months.

Economic activity in Europe grew in June at the strongest pace in 15 years, with confidence boosted by the removal of social restrictions in the face of improved control of the pandemic. According to preliminary data, the composite PMI for the region rose to 59.2 points in June, reaching its highest level since June 2006. In the same sense, the index that measures consumer confidence advanced to -3.3 in the preliminary of June compared with -5.1 in May, as released by the European Commission. The indicator surpassed analysts' forecasts that pointed to -3.5.

In the domestic scenario, at the end of June, the Copom released the minutes of its most recent meeting, informing that it considered accelerating the rate of interest rate hikes in June, which brings the possibility of a further step towards the normalization of the rate Selic at the August meeting.

In line, the Central Bank released the Quarterly Inflation Report (RTI) for the second quarter of 2021, which brought an increase in the GDP forecast in 2021 to 4.6%, against 3.6% estimated in March. With regard to the IPCA, the report showed that the monetary authority expects inflation to end the year at 5.8%, above the target ceiling for the period (5.25%).

In this context, Banrisul has not altered the *modus operandi* in place since the beginning of the pandemic, with contingency customer service at branches and continuous improvement on digital service channels. The development and offering of numerous credit solutions to its customers due to the new economic needs, the measures taken by Bacen to minimize effects of Covid-19 on the national financial system and society, and also Government policies and measures to contain the consequences of the pandemic in Brazil, have been some of actions taken aiming at mitigating the consequences of Covid-19. Thus, it is expected that the Consolidated financial statements reflect the consequences of the pandemic, especially in the following items:

- ✓ Credit Operations: it is expected an increase in the demand for credit and a slow reduction in their credit quality. To companies, this may occur due to the recovery of economic activity in main sectors. As to individuals, increases in unemployment rates are expected to occur at levels lower than the current's, improving purchasing power for families;

- ✓ Allowance for Loan Losses: in a preventive way to monitor the risk, exposure and performance of customers belonging to the segments most affected by the pandemic generated by Covid-19, Banrisul downgraded the rating of some customers, raising the level of provisions and assessing future default levels;

- ✓ Deferred tax assets: these assets depend on future results for their realization, which may be affected due to the effects of the pandemic on the economy, with greater impact if it lasts for a long period of time;

- ✓ Intangible Assets: their recoverable value may be impacted in their core realization premises due to the repercussions of Covid-19 pandemic;

- ✓ Funding: it is believed that the search for security positively influences the Company's liquidity, generating an increase in fundraising from clients, In line with the other financial agents, Banrisul continues to present comfortable levels of liquidity. However, depending on the consequences of the economic crisis and its duration, this benefit may no longer be seen, impacting in an increase in funding costs;

- ✓ Civil and Labor Provisions: as to civil lawsuits, an increase may be seen for the revisiting of credit operations contracts and also in claims that involve difficulties in customer service.

In this pandemic period, observing the health precautions recommended by the World Health Organization and the social distancing measures proposed by governments, Banrisul has been ensuring the maintenance of operating and taken measures to help minimize the exposure of customers and employees to contagion, adapting all that was necessary, from credit policies to operating routines. The Company keeps shareholders and the market duly informed about all measures dealing with the present scenario.

In relation to credit policies, Banrisul, an economic and financial policy instrument within the State of Rio Grande do Sul, is committed to contributing to the continuity of regional economic activity and takes into consideration the risks arising from this role. In this sense, it has immediately made available products and services to mitigate the pandemic impacts, which include: extension of the maturities of outstanding loans to mitigate provisions and loss expectation; increase of the offer of pre-approved credit lines; an additional 10% increase to Banricompras and overdraft accounts limits; solutions to extend the maturity of credit lines and the use of insurance coverage in products offered to farmers; the increase of credit limits used for transactions and withdrawals in digital channels, as well as making available, exempted from charges and monthly fee payment, additional Vero POS equipment; development of a Quick Guide for the commercial approach to companies that did not operate with the Company or that operated in less relevant manner, assisting in the processing of credit requests and risk analysis; availability of credit lines to finance payroll for companies that pay employees via Banrisul; and adjusted leverage parameters for customers within the retail segment, to improve risk model.

All exposures to interest rate risk in trading and non-trading portfolios remain monitored, with the aim of monitoring and anticipating any impact of fluctuations in interests rates and their possible impacts over different time horizons,

In relation to operational routines, among the main measures taken by Banrisul in the pandemic period, the following stand out:

- ✓ Activation of operational continuity plans: secondment employees for remote work without prejudice to the continuity of activities;

- ✓ Special attention to employees belonging to risk groups, freeing them to remain in their homes working remotely;

- ✓ Wide dissemination of self-service channels: via accessing services tutorials, encouraging the use of these channels and providing service through social networks; and

- ✓ Maintenance of branch customer service by scheduling: with respect to restrictions linked to coping with the pandemic, adoption of extra hygiene measures and availability of personal protective equipment to employees,

- ✓ Use of health advisory from the medical staff of Moinhos de Vento Hospital to assist in the definitions of protocols for prevention of Covid-19 and to provide telemedicine service to assist employees with corresponding symptoms, as well as for those employees who have tested positive for the virus; and

- ✓ Establishment of strict cleaning protocols for the environments where employees with suspected and/or confirmed cases of contamination were; and

- ✓ Use of information material on office ergonomics and on system maintenance and information security to help employees on remote work during this period,

One of the most important purposes of Banrisul's capital and risk management is comply with operational limits set forth by regulatory authorities and by the Management of the Bank, In this scope, besides the Institution's activities is being monitored in both national and international economic scenarios, as well as in connection to the constant evolution of the pandemic caused by Covid-19, Therefore, it is comprehensible that pandemic impacts will continue to affect the economy, with the reflexes of the crisis and the effectiveness of the mitigation measures being thoroughly assessed in a future moment, Therefore, it is essential to permanently monitor regulatory and market changes and the evolution of the crisis caused by the coronavirus, so that Banrisul can position itself and continue taking the necessary measures to face the crisis.

REPORTS

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

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

Individual and Consolidated
Interim Financial Statements for the
Three-month Period
Ended March 31, 2021 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes

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

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"), which comprise the individual and consolidated balance sheet as at June 30, 2021 and the related individual and consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the semester 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 June 30, 2021, and its individual and consolidated financial performance and its individual and consolidated cash flows for the semester then ended in accordance with accounting practices adopted in Brazil applicable to the 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 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 semester. 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 high 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 parameters established by CMN (National Monetary Council) Resolution 2682/99, and the impacts arising from CMN Resolution 4803, issued in April 2020, and CMN Resolution 4855, issued in September 2020, which provide for certain effects of COVID-19. 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, including the impacts of COVID-19.

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

How was the matter addressed in our audit?

Our audit procedures included, among others: (a) understanding the provisioning criteria adopted by the Bank for loan transactions and other credits with loan characteristics, including the impacts of COVID-19; (b) understanding and testing the design, implementation, and effectiveness 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 parameters 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, including the impacts of COVID-19; 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. Provision for tax, civil and labor claims

As disclosed in notes 3.o) and 19 to the individual and consolidated financial statements, the Bank recognizes a provision for tax, civil and labor claims, arising from past events, based on Management's assessment, supported by its legal counsel, measuring the amounts to be provisioned using mass methods or individual analysis of each case, which is periodically assessed by the legal counsel regarding the likelihood of loss and the amounts to be provisioned. The "Massified" method is used for similar and usual lawsuits of civil and labor nature, having been developed internally by Management.

Due to the materiality in the context of the individual and consolidated financial statements and the complexity, subjectivity and degree of judgment underlying the methods used by Management, we considered this a key audit matter.

How was the matter addressed in our audit?

Our audit procedures included, among others: (a) understanding the design and implementation of the relevant internal controls involving the control of tax, civil and labor claims and the measurement of the amounts provisioned; (b) involving our specialists for understanding the parameters used in the Massified method; (c) confirming the claims with the in-house and outside legal counsel; (d) analyzing on a sampling basis the appropriateness of the assumptions used in the measurement of the selected lawsuits; and (e) analyzing the appropriateness of the disclosures made in the individual and consolidated financial statements in accordance with the applicable accounting pronouncements.

We consider that the criteria and assumptions adopted by Management to estimate the provision for tax, civil and labor claims are acceptable in the context of the individual and consolidated financial statements taken as a whole.

3. 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 IT-related processes, associated with its controls, may pose risks in the processing and generation of critical information, including that used in the preparation of the financial statements, justifying our consideration as a key audit matter due to the relevance in the context of the individual and consolidated financial statements.

How was the matter addressed in our audit?

Upon the involvement of our IT specialists, we identified the significant systems that support the Bank's key business activities, and assessed the design of the general IT controls and tested the operating effectiveness of these controls, including, when necessary, the tests of compensating controls, related to information security, the development and maintenance of significant systems and the operation of information technology environment related to the infrastructure that supports the Bank's business.

Considering the information technology environment's processes and controls, associated with the tests previously mentioned, we concluded that they allowed us to consider the information obtained from certain systems to plan the nature, timing and extent of our substantive procedures in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added ("DVA") for the semester ended June 30, 2021, prepared under the responsibility of the Bank's Management, whose presentation is not required by accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the 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 evaluated 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.

Corresponding figures for the year ended December 31, 2020 and the semester ended June 30, 2020

The corresponding figures for the year ended December 31, 2020 and the semester ended June 30, 2020 were previously audited by other independent auditors, who issued unmodified reports thereon dated February 9, 2021 and August 5, 2020, respectively.

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

The Bank's 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.

Management's responsibilities 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 the financial institutions authorized to operate by the 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 other matters that may reasonably be thought to bear on our independence, and, where 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 semester 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, August 6, 2021

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

João Paulo Stellfeld Passos
Engagement Partner

AUDIT COMMITTEE REPORT SUMMARY

1st HALF OF 2021

Statutory advisory body to the Board of Directors, the Audit Committee is currently composed of three independent members, appointed by the Board of Directors, whose duties are defined by Law No. 13303/2016 (Public Companies Law), CMN Resolution No. 4,910/2021, and other legislation in force, in addition to the attributions defined by the Banco do Estado do Rio Grande do Sul's and the Audit Committee's Bylaws.

Its activities are related to Banco do Estado do Rio Grande do Sul S.A. ("Banrisul"), identified as Banrisul and Banrisul Consolidated, and its competencies includes to review, previously to the publication, the half-yearly financial statements; to evaluate the effectiveness of the independent and internal audits; to define and release proceedings for receiving and treating information regarding to the non-compliance of legal and regulatory normative applicable to the Institution, and periodically meet with the Board of Directors, the Fiscal Council, the Board of Executive Officers and with Statutory Committees.

Banrisul Management is responsible for maintaining internal controls that allow the preparation of the financial statements free from material misstatement.

The Internal Audit aims at safeguarding assets, ensuring compliance with applicable policies, plans, procedures and legislation, responding to the Audit Committee and the Independent Auditors.

It is of responsibility of Deloitte Touche Tohmatsu Limited (Independent Auditors) to ensure that the accounting statements of Banrisul and of assets under management adequately represent the financial position. Their work planning was discussed with the Committee and, during the six-month period reports produced and the analysis of the internal controls structure were made available.

Activities

The planning of the works was carried out, considering the main attributions, being periodically reviewed as the activities evolved. The Committee monitored the activities carried out by the areas responsible for carrying out internal control, risk management and monitoring contingencies from January 1st to June 30, 2021. During this period, it held 10 meetings, comprising 42 sessions, duly formalized in minutes, and, in addition, the members dedicated 240 hours for prior analysis of the material.

During the 1st half of 2021, meetings were held with Directors of the Board of Directors, Fiscal Council, Banrisul's Executive Officers and Subsidiaries, coordinator of the Risk Committee, and executives of the Bank and Subsidiaries. Noteworthy are the meetings with the Central Bank of Brazil Inspectors, the Independent Auditors, the executives from the Accounting, Controls and Compliance Units, the Financial Controller, Internal Audit and the other areas of the Institution.

To ensure their constant qualification, the members of the Audit Committee attended a seminar related to their area of expertise, totaling 66 training hours.

It should be noted that, prior to the disclose of quarterly and mid-year financial reports, the members of the Audit Committee have meet with Independent Auditors to evaluate the control aspects used in generating the figures to be disclosed, and the independence of the auditors as well. The Committee discussed with the independent auditors their report dated of August 04, 2021, without caveats.

Conclusion

The analysis of notes from the Central Bank of Brazil, as well as the reports produced by the Internal Audit, the Control and Compliance Unit and the Independent Auditors, considering the natural limitations of the scope of their activities, did not produce elements that compromise the effectiveness of the internal controls system.

In view of the Independent Auditors' Report on the Internal Controls System and Non-Compliance with Legal and Regulatory Provisions for the half year period ended December 31, 2021, no elements were identified that could compromise the effectiveness of the Bank's internal controls.

During this period, the reports issued monthly by the Internal Audit were analyzed, and it met frequently to clarify and take corrective measures in relation to the notes, analyzing and approving the Annual Internal Audit Planning and Annual Report of the Activities developed.

In accordance with the accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil, in compliance with the Brazilian Corporation Law, the rules and instructions of the National Monetary Council (CMN) and the Central Bank of Brazil and the Brazilian Securities and Exchange Commission (CVM) and the Accounting Plan for Institutions pertaining to the National Financial Industry (COSIF), the Committee regularly examines the financial statements and maintains close relation to the Accounting and Internal Audit areas, and with the Independent Auditors, allowing their members to evaluate the quality of the aforementioned statements and notify that they have not been subjected to any material misstatement.

Based on the activities developed, the Audit Committee concluded that the half-year financial statements ended June 30, 2021 of Banco do Estado do Rio Grande do Sul S. A. were prepared in accordance with current laws and regulations and were deemed adequate, hence recommending their approval by the Board of Directors.

Porto Alegre, August 03, 2021.

Carlos Biedermann	João Verner Juenemann Coordinator	Eraldo Soares Peçanha

OPINION OF THE FISCAL COUNCIL

We, the members of the Fiscal Council of Banco do Estado do Rio Grande do Sul S.A., pursuant to the provisions of the Company´s Bylaws, reviewed the Management Report and the Financial Statements of Banco do Estado do Rio Grande do Sul S.A. (Banrisul), documents related to the period ended on June 30, 2021. Based on these examinations, on presentations made by the Management of the Company and by the Independent Auditors Report and on the Opinion of the Independent Auditors, without caveats, issued on August 06, 2021, it is our opinion that the mentioned statements are fairly presented in all material aspects.

Porto Alegre, August 09, 2021.

Bruno Pinto de Freitas
Chairman

Gustav Penna Gorski
Marco Aurélio Santos Cardoso
Reginaldo Ferreira Alexandre
Rogério Costa Rokembach
Members

BANCO DO ESTADO DO RIO GRANDE DO SUL S,A,

Executive Board

CLÁUDIO COUTINHO MENDES
Chief Executive Officer

IRANY DE OLIVEIRA SANT'ANNA JUNIOR
Deputy CEO

CLAÍSE MÜLLER RAUBER
FERNANDO POSTAL
JORGE FERNANDO KRUG SANTOS
MARCUS VINÍCIUS FEIJÓ STAFFEN
MARIVANIA GHISLENI FONTANA
OSVALDO LOBO PIRES
RAQUEL SANTOS CARNEIRO
Officers

Board of Directors

JORGE LUIS TONETTO
Chairman

CLÁUDIO COUTINHO MENDES
Vice-Chairman

ADRIANO CIVES SEABRA
EDUARDO CUNHA DA COSTA
EDUARDO RODRIGUES MACLUF
IRANY DE OLIVEIRA SANT'ANNA JUNIOR
JOÃO VERNER JUENEMANN
MÁRCIO GOMES PINTO GARCIA
MÁRCIO KAISER
RAFAEL ANDREAS WEBER
RAMIRO SILVEIRA SEVERO
Board Members

WERNER KÖHLER
Accountant CRCRS 38,534

Banrisul