

Banco do Estado do Rio Grande do Sul

# Institutional Presentation

Investor Relations

September 2020





## Institutional Presentation

This presentation contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of Banrisul. These are merely projections and, as such, are based exclusively on the expectations of Banrisul's management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in Banrisul's filed disclosure documents and are, therefore, subject to change without prior notice.

**COVID-19**

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**Corporate Profile**

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**Business Strategy**

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**Financial Summary**

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# Covid-19

Actions

Customer Support

Renegotiated Credit Portfolio

Digital Channels

# Actions

Health and medical assistance from Moinhos de Vento Hospital to define prevention protocols and to provide telemedicine service to employees with Covid-19 symptoms or that have tested positive for the virus

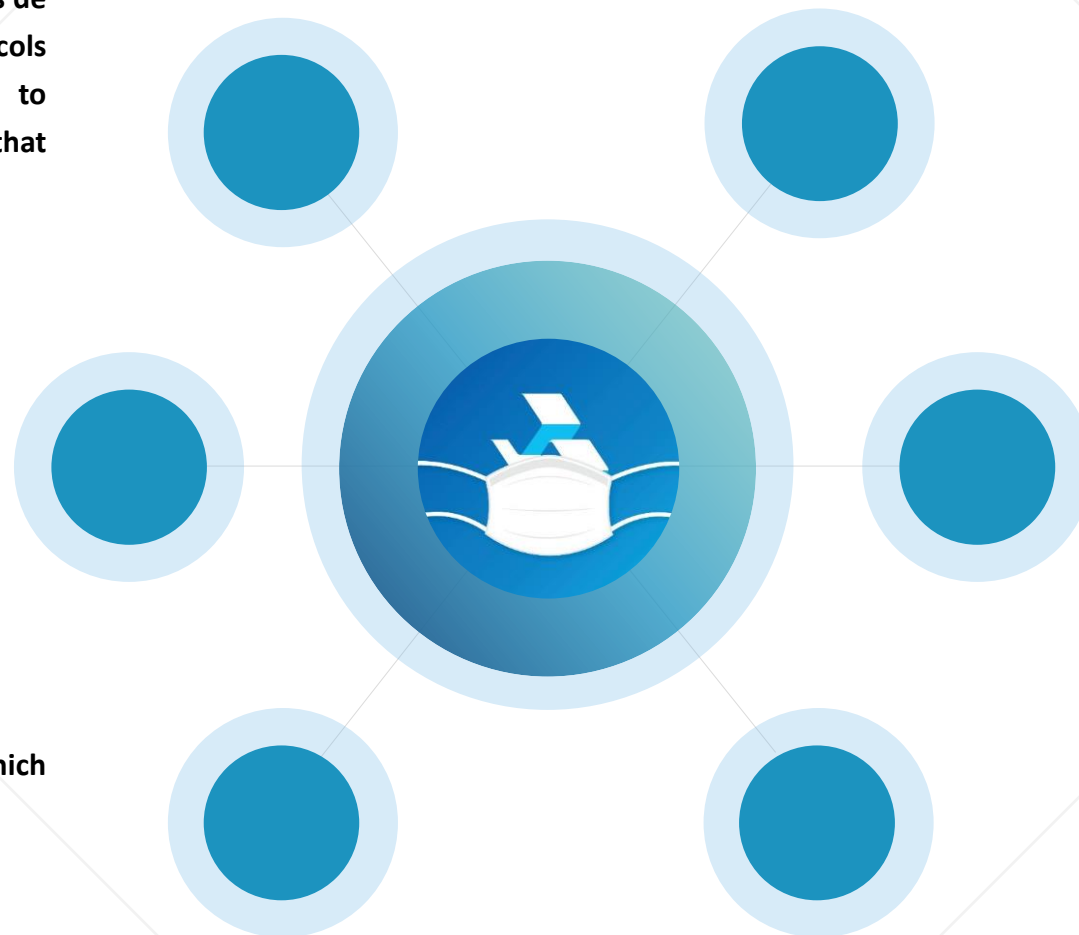
Provision of personal protective equipment to employees working at branches

Especial care to employees in risk groups, which are working remotely from home

Operational home office contingency plans, without jeopardizing the continuity of activities

Customers serviced at branches by appointment, in observance to restrictions linked to coping with the pandemic

Widely disseminated self-service channels, with tutorials for accessing services, as well as servicing customers through social networks



# Customer Support

## Individuals

Additional limits for Banricompras, pre-approved credit limits available, extension of maturities on consumer loans and on payroll loans to public employees

## Companies

Additional limits for Banricompras, pre-approved credit limits available, extension of credit maturities and offer of working capital and pay roll credit lines

## Agribusiness

Insurance-related solutions to deal with the effects of drought, extension of maturities on credit operations and new credit concession

## Insurance

Special conditions for the renewal of vehicle and home insurance, in addition to improving remote solutions for the acquisition of life insurance

## Vero

POS with no cost, fees exemption to customers with reduced sales volumes, MDR rates as practiced prior to March 2020

## Real Estate

Grace period (deferral of charges) of up to six installments (by customer request) on real estate loans, offered to individuals and companies alike



HUB.STARTUP

HUB.EDUCATION



**Banri**Tech

Innovate | Discover | Explore | Co-create

HUB.VENTURE

HUB.SPACE



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### **HUB.STARTUP**

It is the acceleration program for startups incubated at BanriTech.

### **HUB.SPACE**

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

### **HUB.EDUCATION**

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

### **HUB.VENTURE**

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



# Renegotiated Credit Portfolio

		Jun/2020		Sep/2020	
		Installments (R\$ Thousand)	Contracts	Installments (R\$ Thousand)	Contracts
<b>Individuals</b>		<b>317,347</b>	<b>192,546</b>	<b>331,818</b>	<b>199,569</b>
Payroll Loans		188,047	36,633	188,047	36,633
Vehicles		182	89	182	89
Real Estate		63,658	10,731	72,429	11,760
Consumer Loans		65,460	145,093	71,160	151,087
<b>Companies</b>		<b>251,800</b>	<b>26,638</b>	<b>318,012</b>	<b>27,744</b>
Corporate e Large Corporate		124,723	358	157,045	378
Middle		54,503	2,062	74,927	2,190
SMEs		59,496	23,528	72,161	24,470
BNDES (Onlendings)		13,077	690	13,878	706
<b>Rural Credit</b>		<b>94,746</b>	<b>997</b>	<b>94,746</b>	<b>997</b>
<b>Total</b>		<b>663,893</b>	<b>220,181</b>	<b>744,577</b>	<b>228,310</b>

Renegotiated installments are **2.1%** of the total loan portfolio

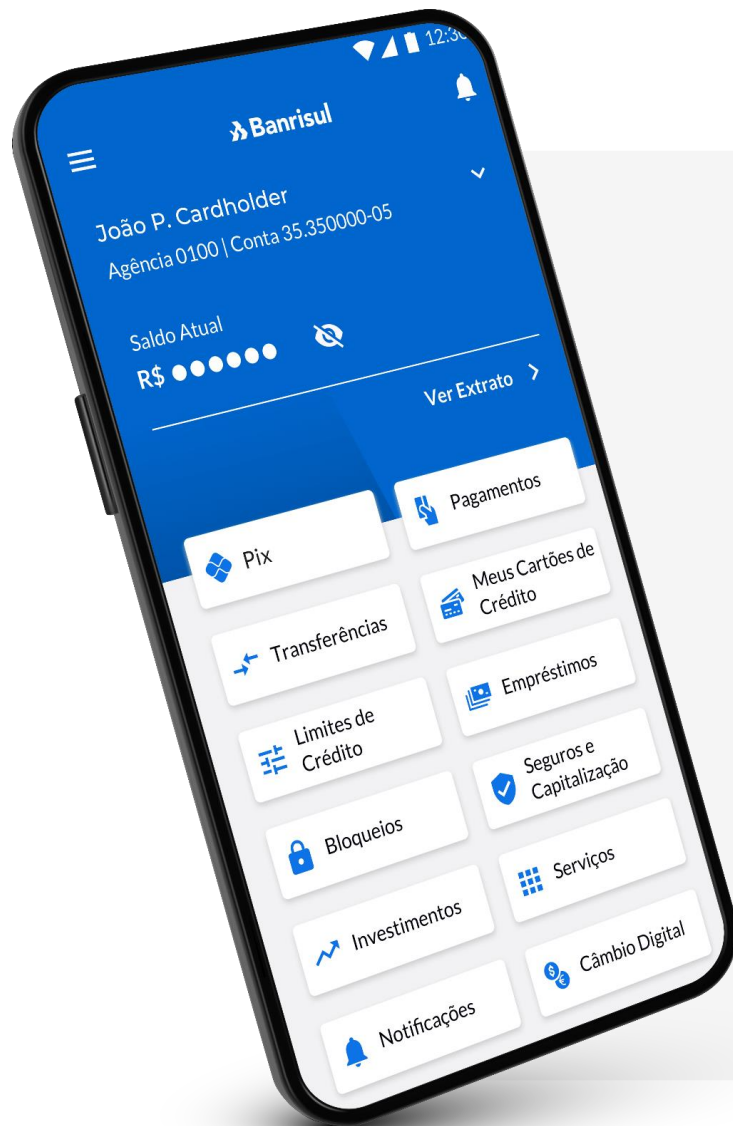
**1.2%** of the Individuals Credit

**3.5%** of the Companies Credit

Loans with renegotiated installments correspond to approximately **15%** of the credit portfolio



# Digital Channels



In a scenario of social distancing, digital channels have become even more important, as they are the main channel of relationship between the Institution and the customers.



- ✓ Release of updated Version of Banrisul Digital app;
- ✓ Increasing limits for transactions using My Account, Affinity and Office App channels in the Banrisul Digital app;
- ✓ Scheduling of Service at Branches using the app;
- ✓ “Talk-to-your-Account-Manager” WhatsApp button for customers of the Afinidade segment.

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# Corporate Profile

Corporate Profile

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Timeline

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Administrative Structure

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Management and Governance Committees

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Board of Executive Officers

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Corporate Governance

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Banrisul listed shares

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Sustainability

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Human Resources

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Awards

# Corporate Profile



## Efficiency

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



## Transformation

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



## Employees

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



## Customers

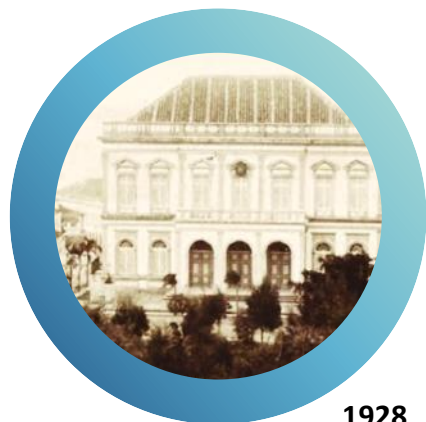
Considering the similarity of products offered in the financial market, the entry of new competitors and the targeting of customers by perception of value and innovation, Banrisul intensifies focus on customer, in order to provide the best experience in financial solutions and raise their level of satisfaction.



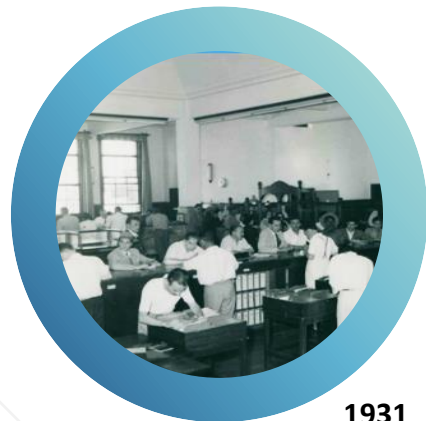
## Essence

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

# Timeline

**1928**

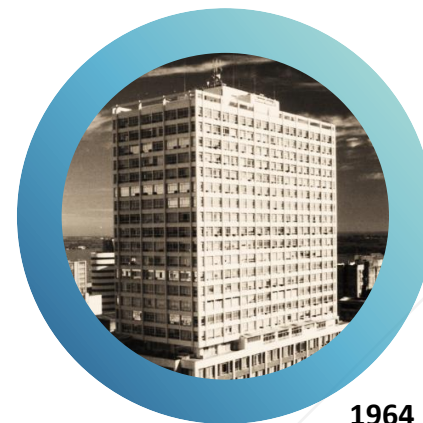
On September 12, 1928 Banrisul starts operating as rural credit and mortgage public bank and its main activity was the long term lending with mortgage as collateral.

**1931**

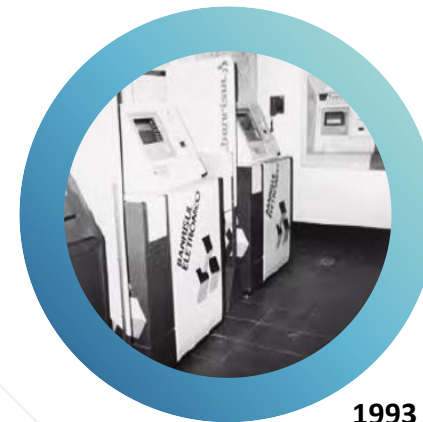
In the beginning of the 30's years, after incorporating the Pelotense Bank, Banrisul started being the tax collector for the State of Rio Grande do Sul. Listed on the Stock exchange in September, 1931.

**1943**

Banrisul receives its first female employees on its office force.

**1964**

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

**1993**

It is inaugurated the first ATM room, totally automatized, at the Praia de Belas Shopping, in Porto Alegre.



# Timeline

**2005**

Banrisul launches the Banrisul Internet Card with smart chip, innovation at Latin America which brings more safety at electronic transactions.

**2007**

It is completed the process of capitalization and secondary emission of preferred shares, held by the State of Rio Grande do Sul. Banrisul joined the Level 1 of Corporate Governance at the São Paulo Stock Exchange.

**2012**

Bem Promotora comes up, a company which acts as payroll loans originators for INSS retired, pensioners and public federal employees.

**2014**

Banrisul launches its new multibrand acquirer company, Vero.

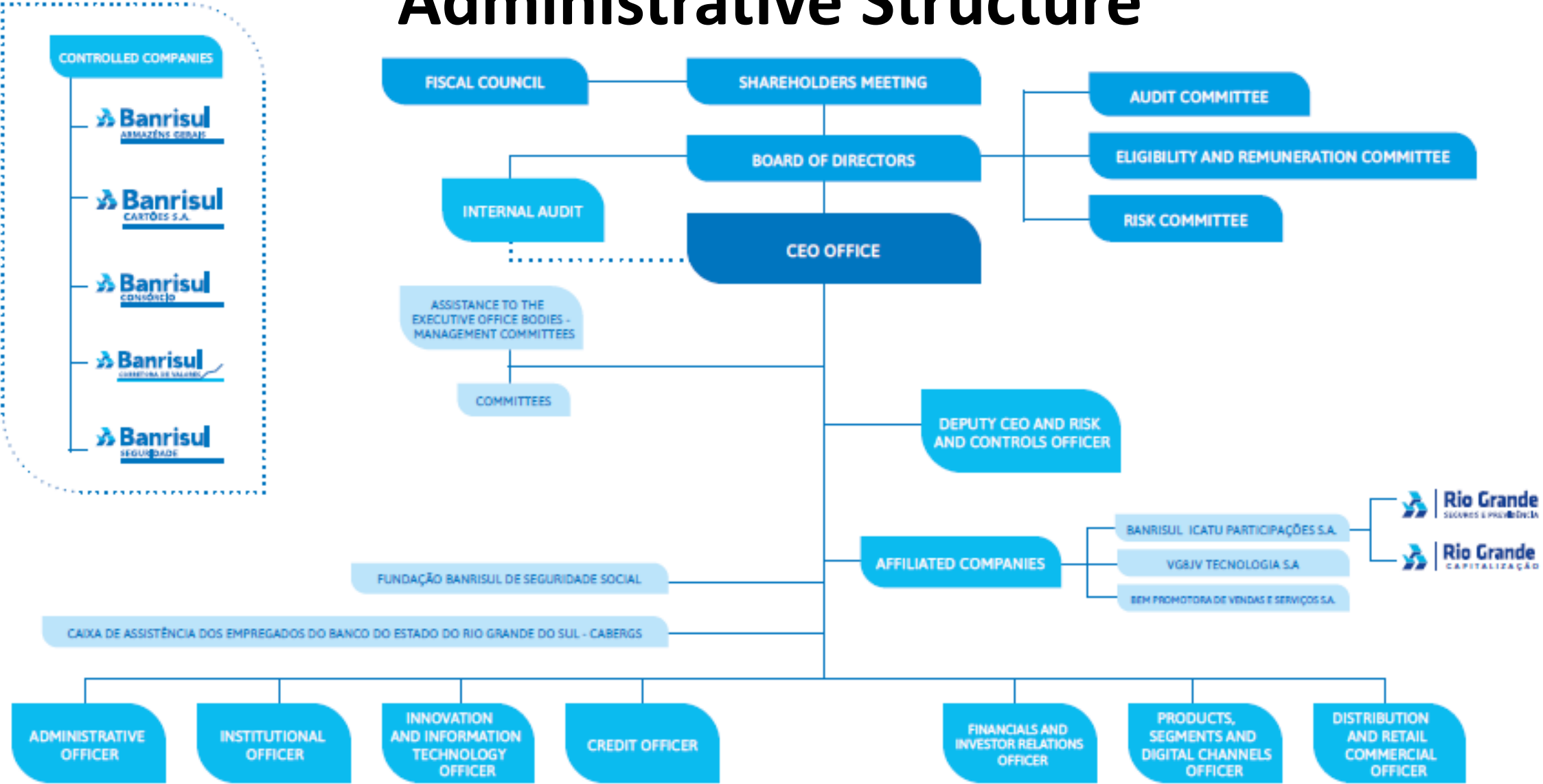
**2017**

Banrisul launched the Banrisul Digital app.

**2019**

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

# Administrative Structure



# Management and Governance Committees



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

Minority Shareholders elect 2 members to the Board of Directors.

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

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

## Risk Committee

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

## Audit Committee

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

## Eligibility and Compensation Committee

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

## Other Committees

Banrisul has other 15 committees assisting the Executive Board.

# Board of Executive Officers



**Cláudio Coutinho Mendes**

CEO



**Irany de Oliveira  
Sant'Anna Junior**

Deputy CEO and Risk and  
Controls Officer



**Marcus Vinícius  
Feijó Staffen**

Financials and Investor  
Relations Officer



**Jorge Fernando  
Krug Santos**

Information Technology  
and Innovation Officer



**Raquel Santos Carneiro**

Institutional Officer



**Fernando Postal**

Distribution and Retail  
Commercial Officer



**Claíse Müller Rauber**

Products, Segments and Digital  
Channels Officer



**Osvaldo Lobo Pires**

Credit Officer



**Suzana Flores Cogo**

Administrative Officer



# Banrisul Group Companies

## Subsidiaries



### **Banrisul Cartões**

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



### **Banrisul Corretora**

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



### **Banrisul Consórcio**

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



### **Banrisul Armazéns Gerais**

It acts as a Bonded Warehouse and Certified Bonded Warehouse / dry port



### **Banrisul Seguridade**

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

## Affiliated



### **Rio Grande Seguros e Previdência**

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



### **Bem Promotora**

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



### **Rio Grande Capitalização**

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



### **VG8JV Tecnologia S.A.**

Offers integrated payment solutions to shopping centers located in its operating area throughout the national territory.;

# Corporate Governance



## Aligned with Good Market Practices

Annual Financial Statements  
in International Standard  
IFRS / IASB

100% tag along for all  
Banrisul shares

50.61% Free float

Resolution of disputes or  
controversies by the Market  
Arbitration Chamber



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

Establishes mechanisms,  
procedures and rules that guide  
the performance of employees in  
conducting business, in order to  
prevent the occurrence of  
operations related to these illegal  
acts in the institution

These principles cover all  
Banrisul Group companies



## Interest on Equity and Dividend Policy

Transparent Shareholder  
Remuneration Policy regarding  
the distribution of dividends and  
/ or payment of interest on  
equity, always observing the  
Company's capital structure

Banrisul has suspended the  
quarterly payment of Interest on  
Equity during the year of 2020 ,  
in attendance to the CMN  
Resolution No 4820/20



## Other Policies

Disclosure

Security Trading

Anti-corruption

Related Party Transactions

Indication and Succession

Capital and Corporate Risk  
Management

Code of Ethics and Conduct

# Banrisul listed shares

Listed at Level 1 of B3 Corporate Governance since 2007

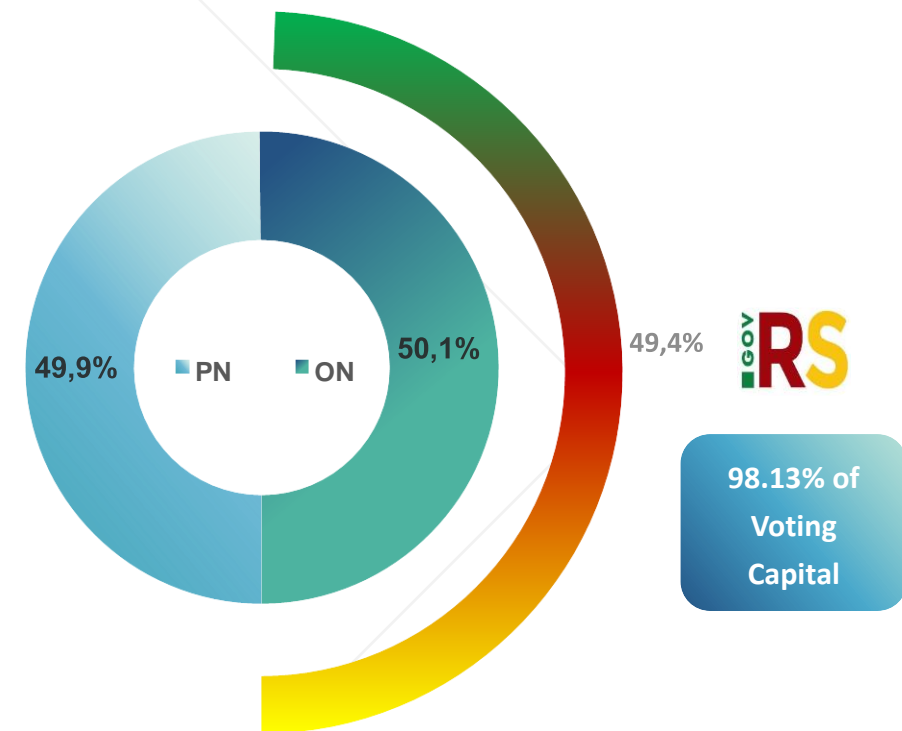
Foreigners are 23% of the total base and 46.4% of the Free Float

Average daily trading financial volume of R\$30.8 mm <sup>1</sup>

2,7 MM average daily trades shares <sup>1</sup>

More than 80,000 individuals in our shareholder base

Banrisul is present in seven of B3's listing indexes



Índice Dividendos  
BM&FBOVESPA **IDIV**

Índice do  
BM&FBOVESPA  
Financeiro **IFNC**

Índice  
Brasil Amplo  
BM&FBOVESPA **IBRA**

Índice  
Small Cap **SMLL**

Índice de  
Ações com Governança  
Corporativa Diferenciada **IGC**

Índice de  
Governança  
Corporativa Trade **IGCT**

Índice de  
Ações com Tag Along  
Diferenciado **ITAG**

# Sustainability

Signatory to the UN Global Pact  
since 2013



Aligned to UN's Sustainable  
Development Goals



Local Communities-Oriented Sustainable Actions



Agricultural seeds distribution to farmers, schools, quilombolas and indigenous people.



Personal and Professional development of  
Young people from 16 to 19 years.



Aims to minimize damages caused to the  
environment and to enhance social  
inclusion.



# Human Resources

## Relation with Employees

Banrisul hires employees through public contest

Teams with presential work regime and home office

health advisory from Moinhos de Vento Hospital to help define the protocols for preventing Covid-19.

Equity of opportunity and professional development

## Qualification

2.574\* improvement and qualification courses

+ 37 thousand participations

Around 257 hours of professional qualification per employee

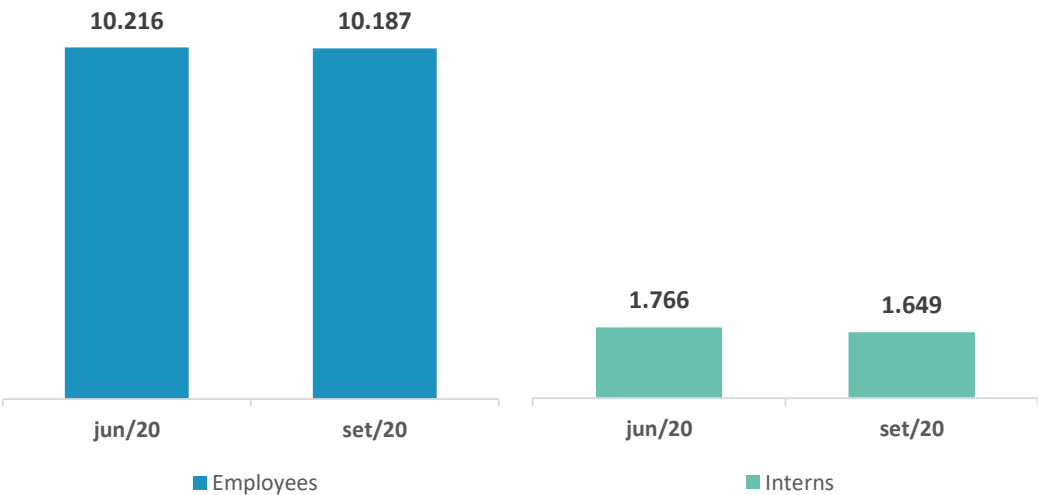
Encouragement of qualification of employees by offering partial subsidies to college and post-graduation courses

\*9M2020

## Employees Profile

55% men and 45% women, being that 33% of leadership and top management functions are occupied by women

IT professionals correspond to 13% of employees, approximately - distinguished career framework and low turnover



# Awards



Banrisul is one of the largest companies in the South Region - ranking 500 Largest in the South from Grupo Amanhã.



Banrisul and Rio Grande Seguros are highlights in national ranking Valor 1000.



Banrisul is highlighted in the Estadão Empresas Mais case.



Banrisul's IT Infrastructure wins 2019 Banking Report Award.



Banrisul Stock Fund was highlighted in Valor Investe survey



Banrisul is a leading brand as a public company and bank in RS.

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# Business Strategy

Business Strategy

Diversified Portfolio

Customer Base

Individuals

Payroll Loans

Afinidade Space

Credit to Companies

Agribusiness Credit Lines

Banking Fee Revenues

Vero

Digital Transformation

Market Share

# Business Strategy



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



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



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



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



# Diversified Portfolio

Personal  
Loans

Payroll Loans

Working  
Capital Lines

Real State  
Loans

Credit Cards  
and  
Banricompras

Agribusiness  
Credit Lines

Exchange

Time and  
Saving  
Deposits  
Accounts

Investment  
Funds

Consortium

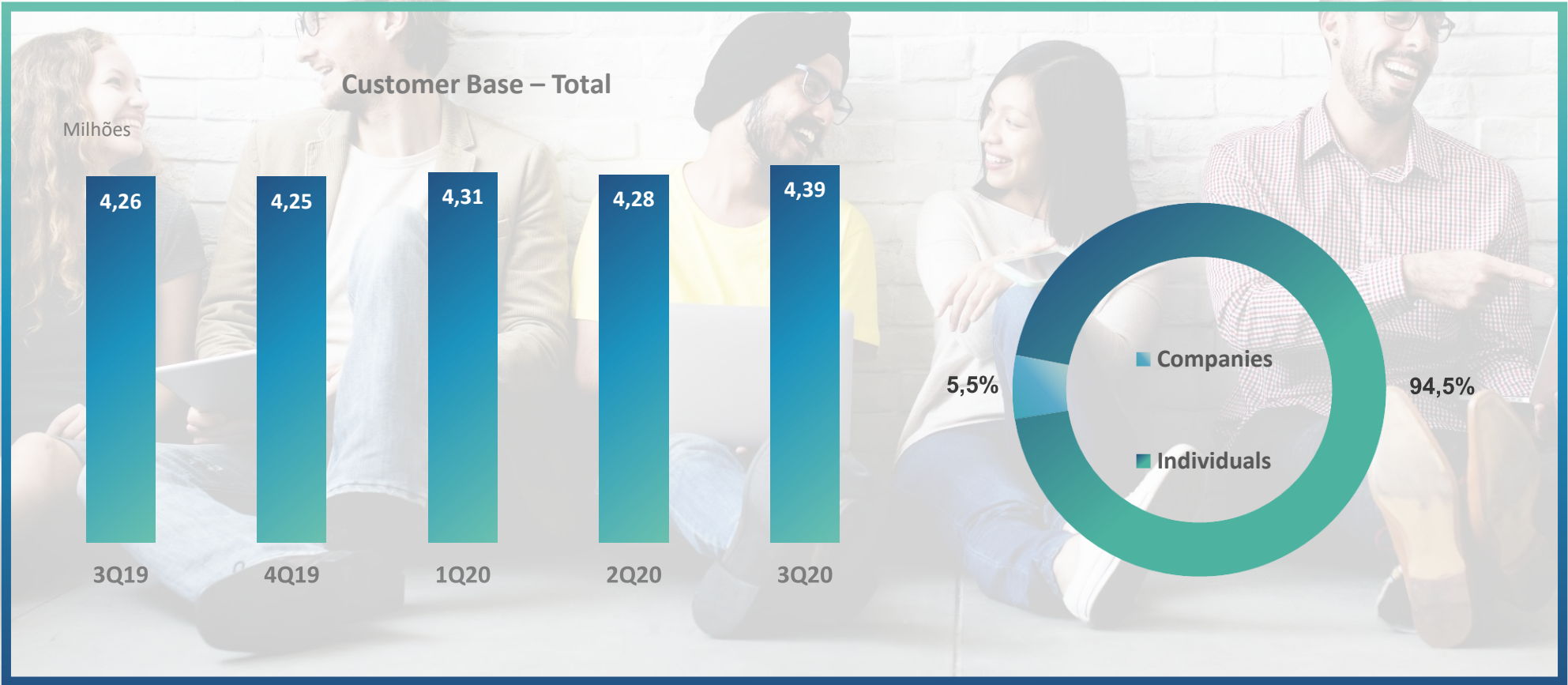
Insurance,  
Pension Plans  
and Saving  
Bonds

Acquiring  
Network

Receivables  
Discount

Long-Term  
Loans and  
Leasing

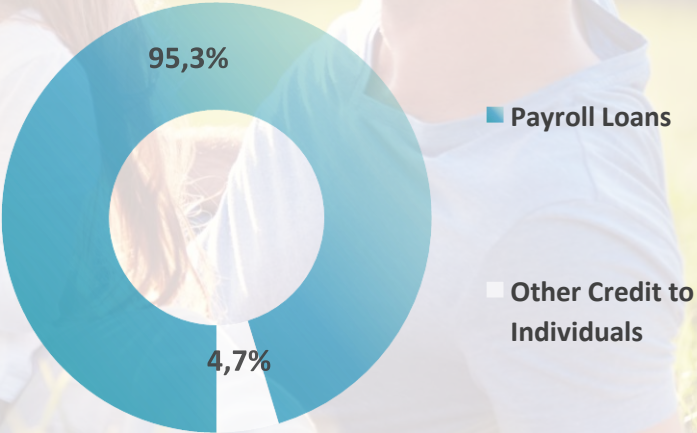
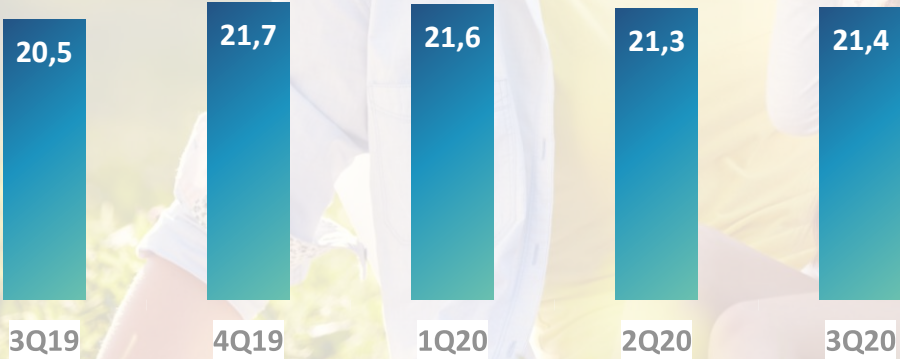
# Customer Base



# Individuals

Credit Portfolio Individuals

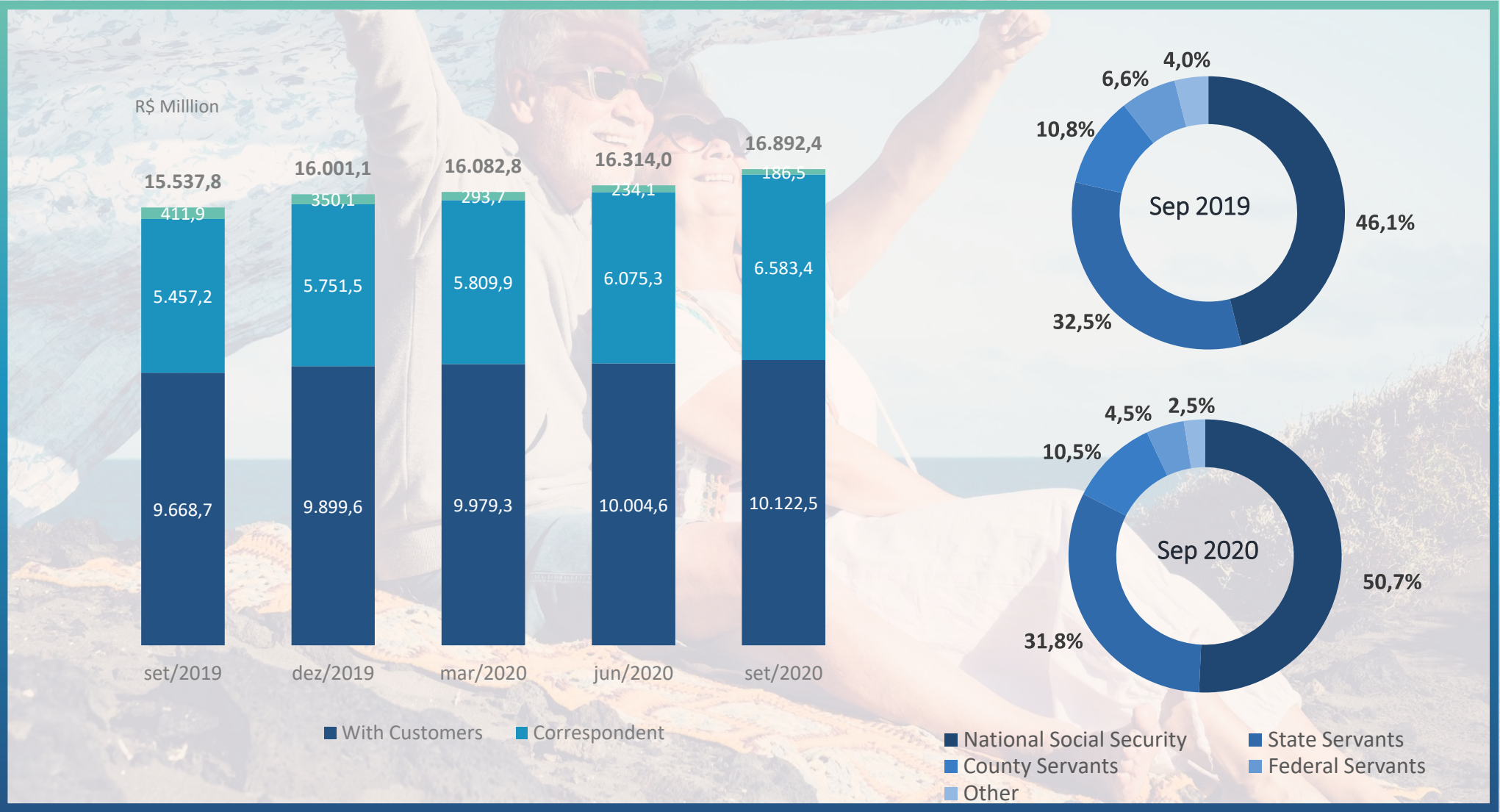
R\$ Billion





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# Payroll Loans





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# High-net- worth customers

Banrisul has been expanding and opening new Afinidade spaces, created specifically to serve this high-income public

- ✓ Differentiated Hours of Attendance
- ✓ 23 Afinidade Spaces
- ✓ Exclusive Products and Services
- ✓ Specialized and skilled professionals





# Companies

## Support to Entrepreneurship

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

Credit modeling and risk analysis focusing on retail customers

### Commercial Credit Lines

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

### Direct Credit Lines

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

### Services

- Business Cards
- Digital Certificate
- Consortiums
- Billing of banking bills
- Payroll
- Insurance
- Vero Solutions

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# Rural Credit



Banrisul has a  
Strong presence  
in agribusiness



Bring new  
technologies  
to Farmers



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

## AGRO is our Business



Promote  
Agribusiness  
sustainability and  
productivity

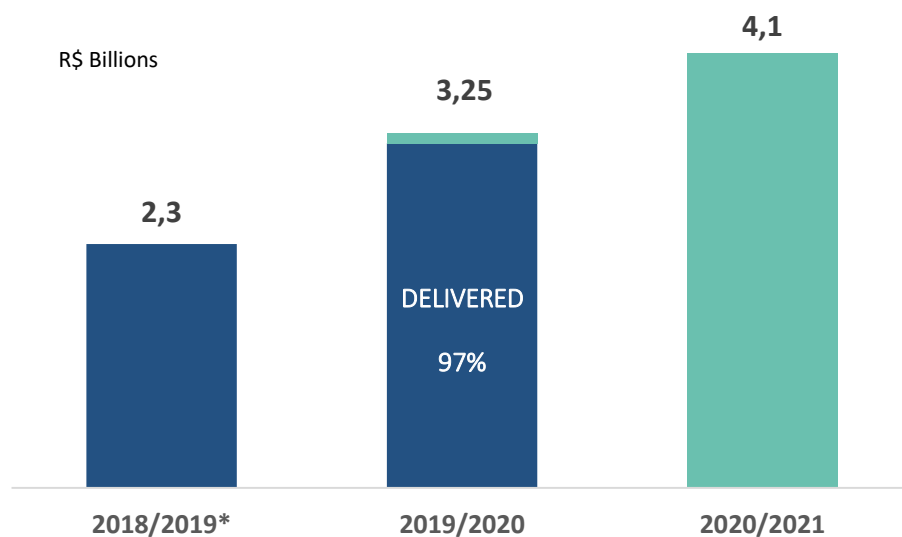


Contribute to the  
economic development of  
the State, by fostering  
agribusiness in  
partnership



# 2020/2021 Harvest Plan

## Annual Growth



\*: Rural credit Portfolio in jun/19

Resources by customer category:

R\$800 million  
FAMILY PRODUCERS

R\$635 million  
MEDIUM-SIZE PRODUCERS

R\$2.67 billion  
BUSINESS FARMERS AND RURAL,  
COOPERATIVES AND COMPANIES

# Banking Fee Revenues



Rede Vero



Financial Volume of R\$21.2 billion <sup>1</sup>

222 million transactions <sup>1</sup>



Banricard revenues  
R\$1 billion <sup>1</sup>



Insurance, Pension Plans and  
Capitalization



Growth of 18.3%

14.6% share of the Personal  
Insurance market in RS <sup>1</sup>



Exclusive product sales in  
Banrisul's distributions  
channels



Consortiums



R\$4.2 billion in Total  
Volume  
of Credit Letters <sup>1</sup>

67.8 thousand  
consortium members

153 groups

R\$367.4million in credit  
for the acquisition of  
consumption assets <sup>1</sup>

7.7 contemplations <sup>1</sup>



Banrisul Investment Funds



R\$12.3 billion in  
Assets under  
Management <sup>1</sup>

97.4% of assets are  
into Fixed Income  
Funds and 2.4%  
into Variable  
Income Funds

36.7% of AUM  
came from Pension  
Plans  
Managements

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# Technological Modernization

Banrisul's technological modernization process is focused on:

- ✓ Digital Transformation
- ✓ IT Infrastructure
- ✓ Security of Information

In 9M20, Banrisul invested R\$259.2 million in technological modernization



# Digital Transformation

**Aiming to harmoniously integrate business strategies with technological possibilities**

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

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

## DESTAQUES:



**Launching of Vero Wallet, Banrisul's digital portfolio**



**Altering the assigned credit card limit on App and implementing a new investment solution.**



**Agrofácil, system which expedites processes in agricultural credit products.**

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# Agile Methodologies



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# IT

## Infrastructure

- ✓ renewal of contract with the company specialized in field answering related to IT
- ✓ Addition of about 300 mobile phone lines to streamline work-from-home solutions for employees
- ✓ Renewal of about 80% of no-break equipment in use at branches
- ✓ Acquisition of 1,776 batteries for the -no-breaks in the same network.



# Security of Information

Banrisul is making several contributions and improvement suggestions to the building of SPI - Brazilian Instantaneous Payment ecosystem, Selected by Febraban to be the sector's representative in the Information Security Sub commission.

Banrisul participates as member of the working group dedicated to quickly implementing and testing the standards of the UK's Open Banking Implementation Entity (OBIE).

- ✓ Improvement in security mechanisms related to employees internal accesses control;
- ✓ Increasing the continuous processes for the evaluation of vulnerabilities
  - ✓ several actions for
- ✓ information security to its employees

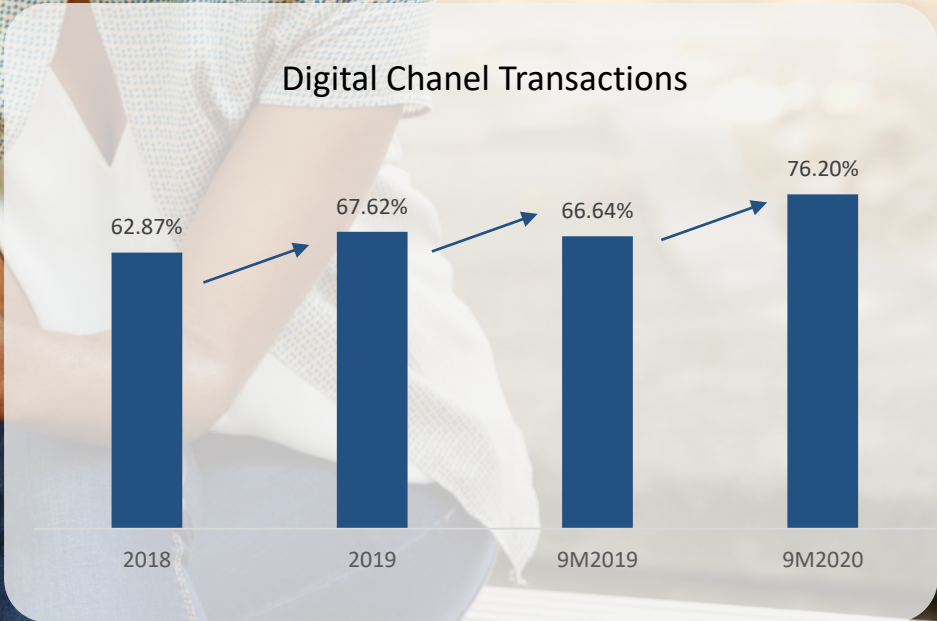
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# Digital Channels

In 9M20, digital channels had **260.9** million accesses, **33.8%** higher than in 9M19, with an average of **966.4 thousand daily accesses**. Number of operations increased 11.5%

76.2% of transactions were made through digital channels in 9M20

+50% of these transactions were made through Banrisul Digital App





# Market Share

Time Deposits	40.0%	2.9%
Demand Deposits	22.2%	1.1%
Credit Operations	19.2%	1.0%
Savings Deposits	12.4%	1.1%
Number of Branches	31.4%	2.6%

Última informação  
disponível: March/2020

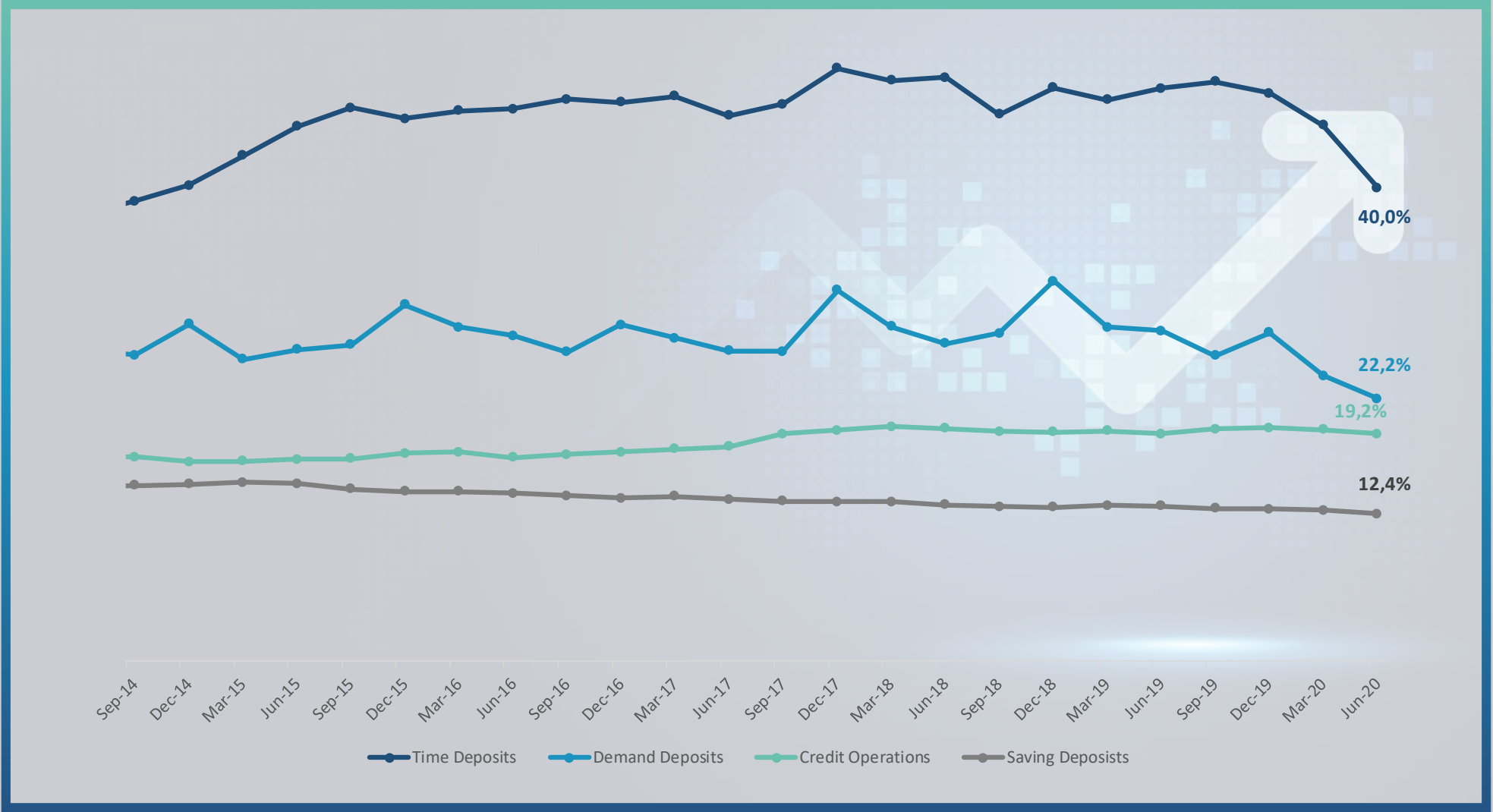


Rio Grande  
do Sul



Brasil

# RS Market Share Tracking



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# Financial Summary

Profitability

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NIM and NII

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Banking Fees

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Assets

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Funding

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Credit Portfolio

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Provision

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Credit Quality

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Time Deposits and Non-earmarked Credit

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Interest on Equity and Dividends

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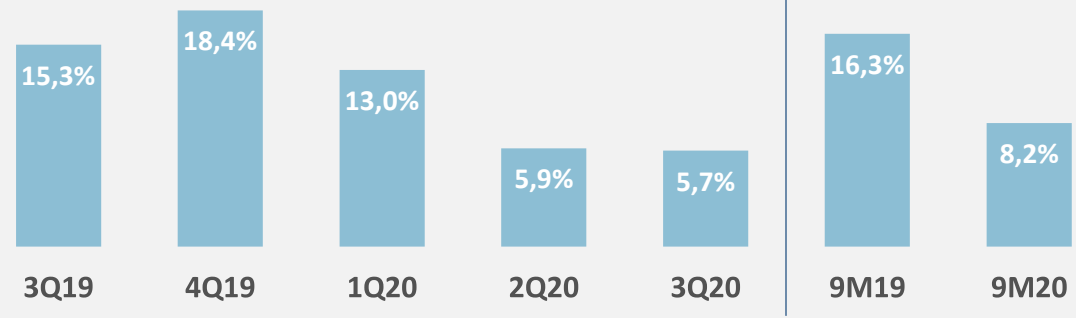
Basel Ratio

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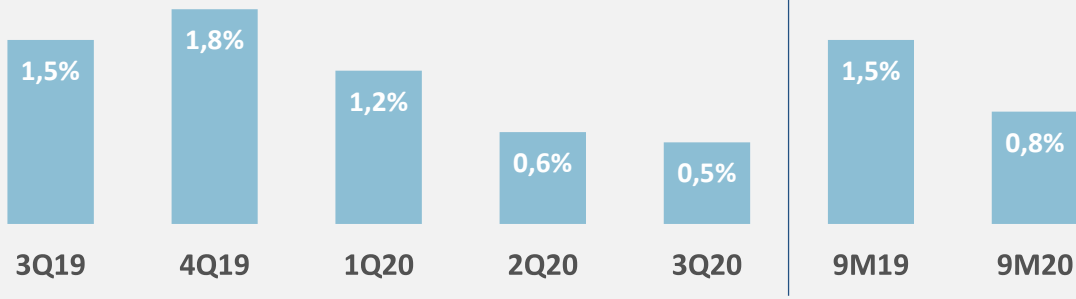
Ratings

# Profitability

Adjusted ROAE

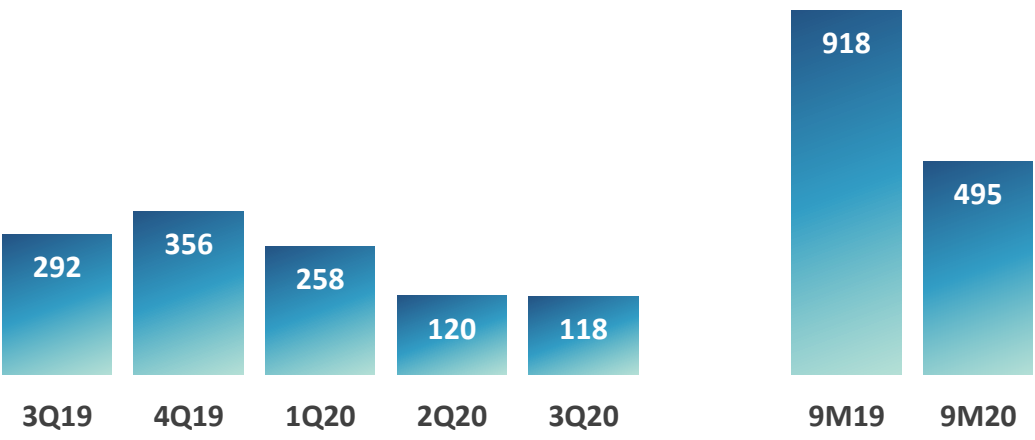


Adjusted ROAA

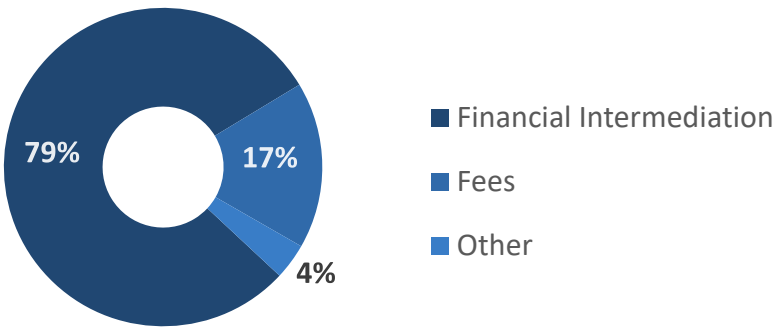


Adjusted Net Income

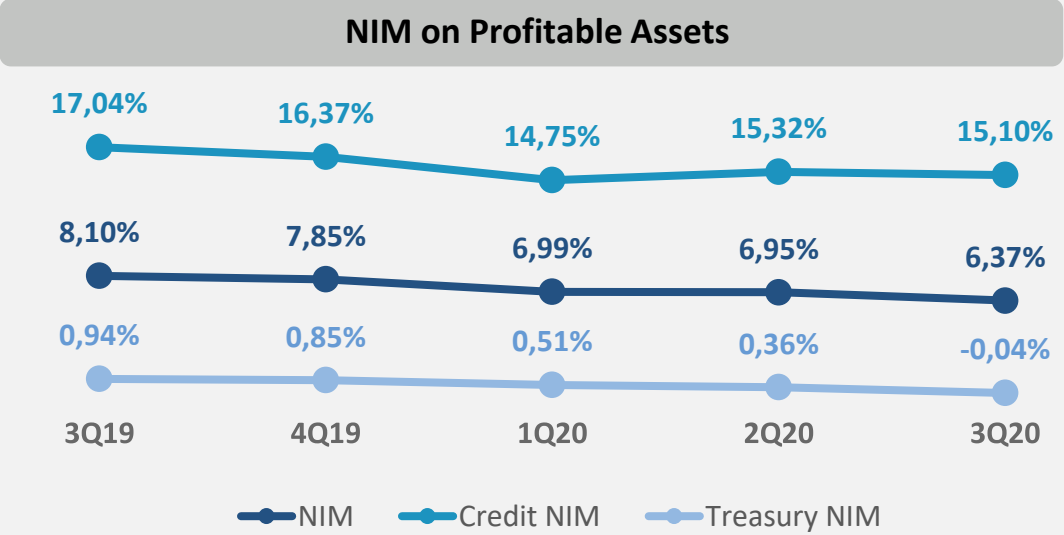
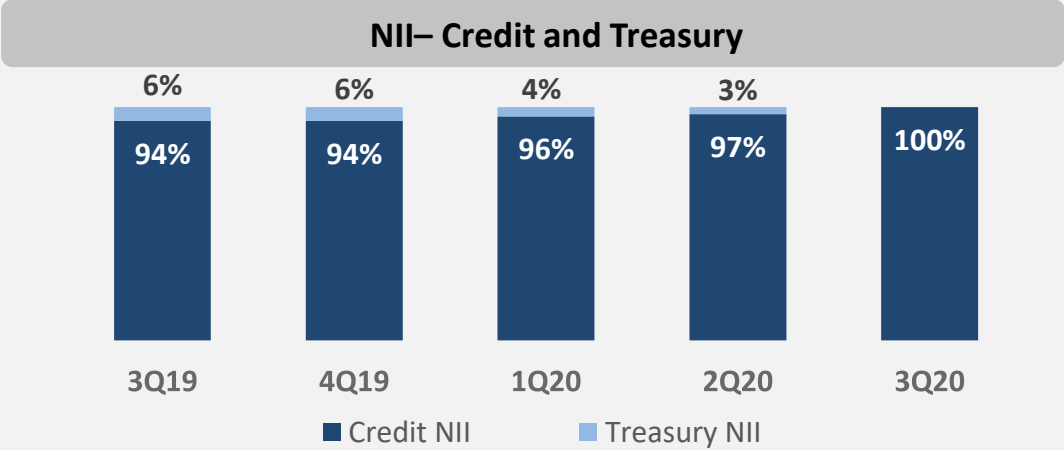
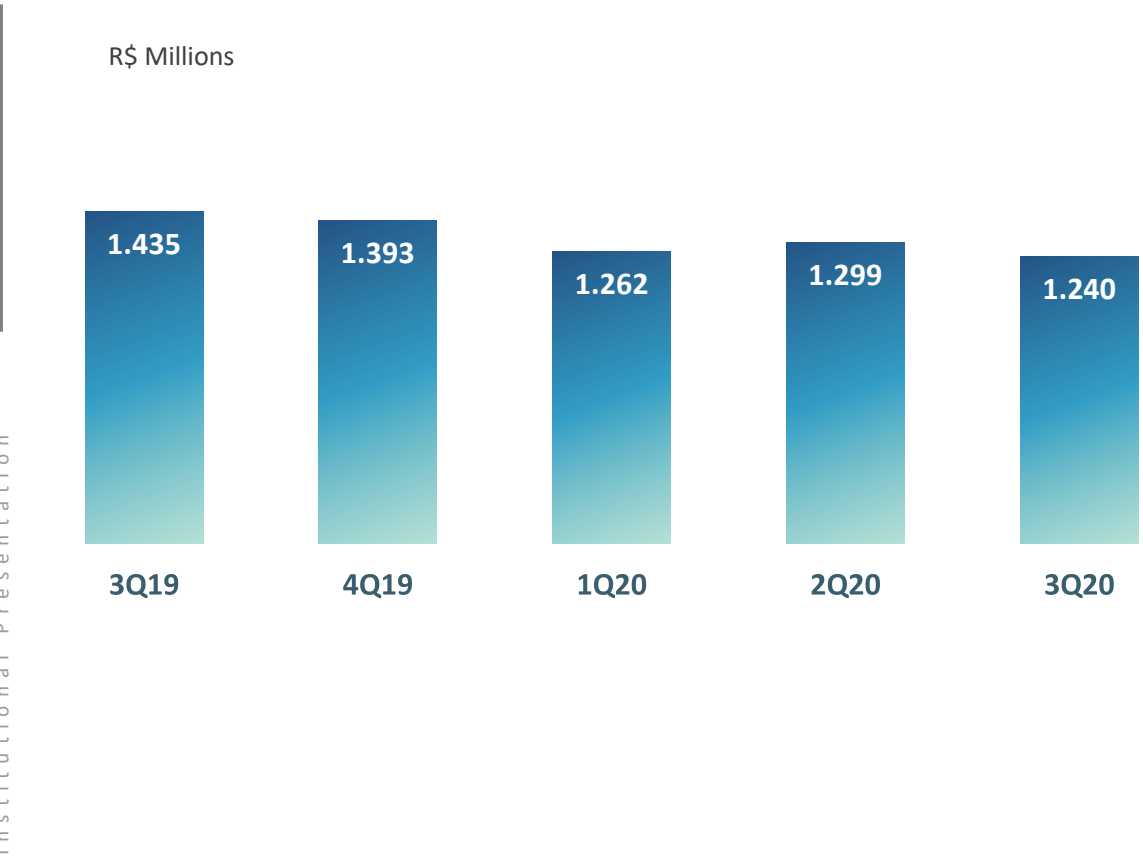
R\$ Million



Revenues 9M20



# NIM and NII

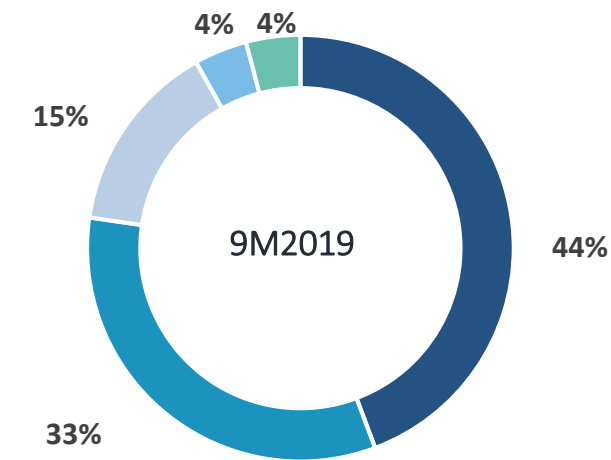
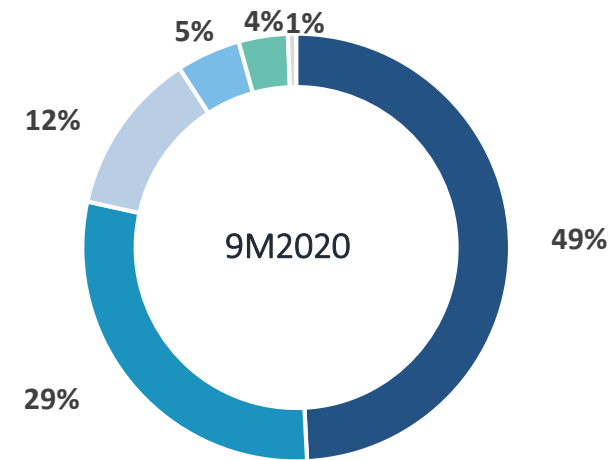
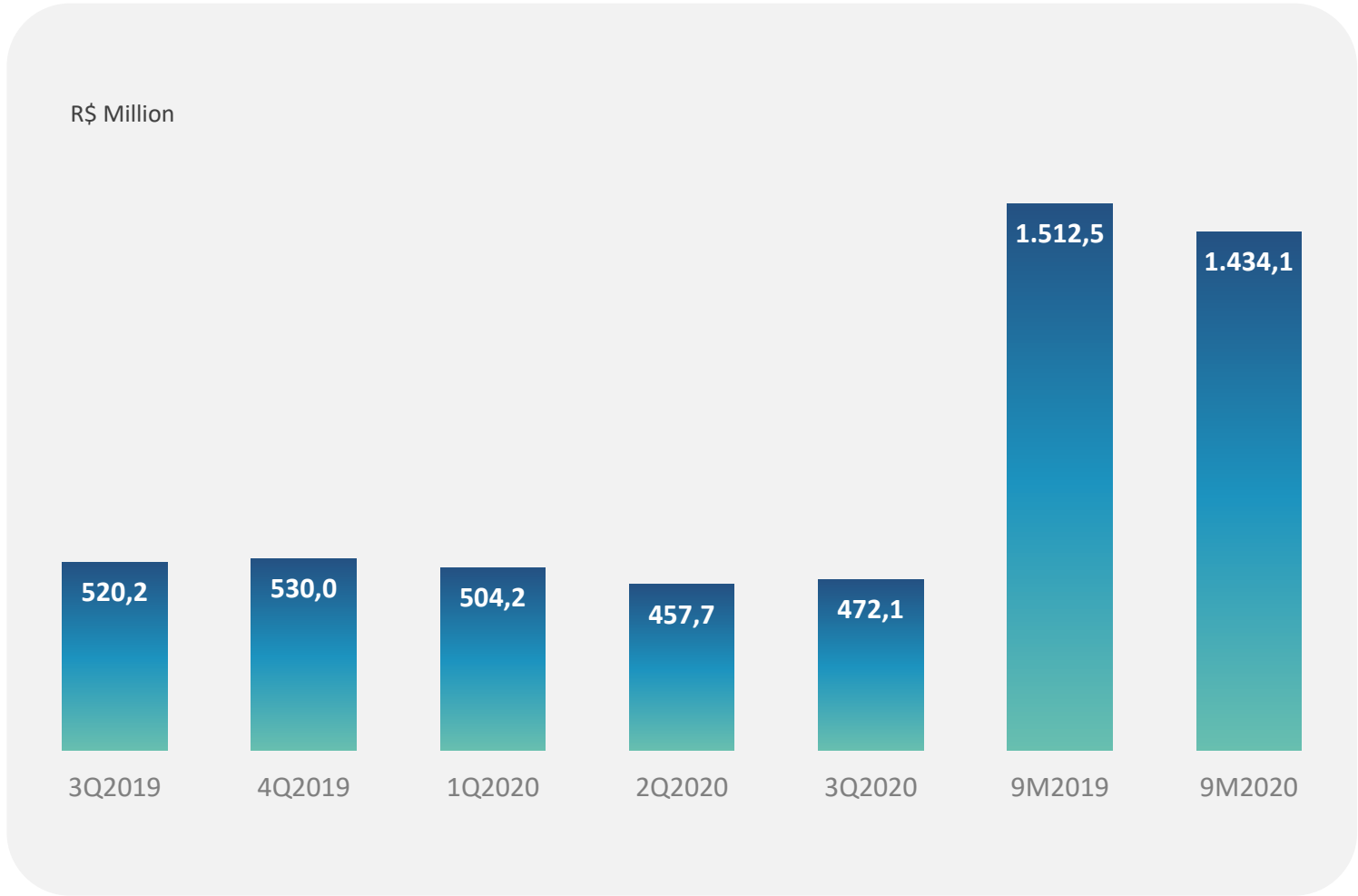




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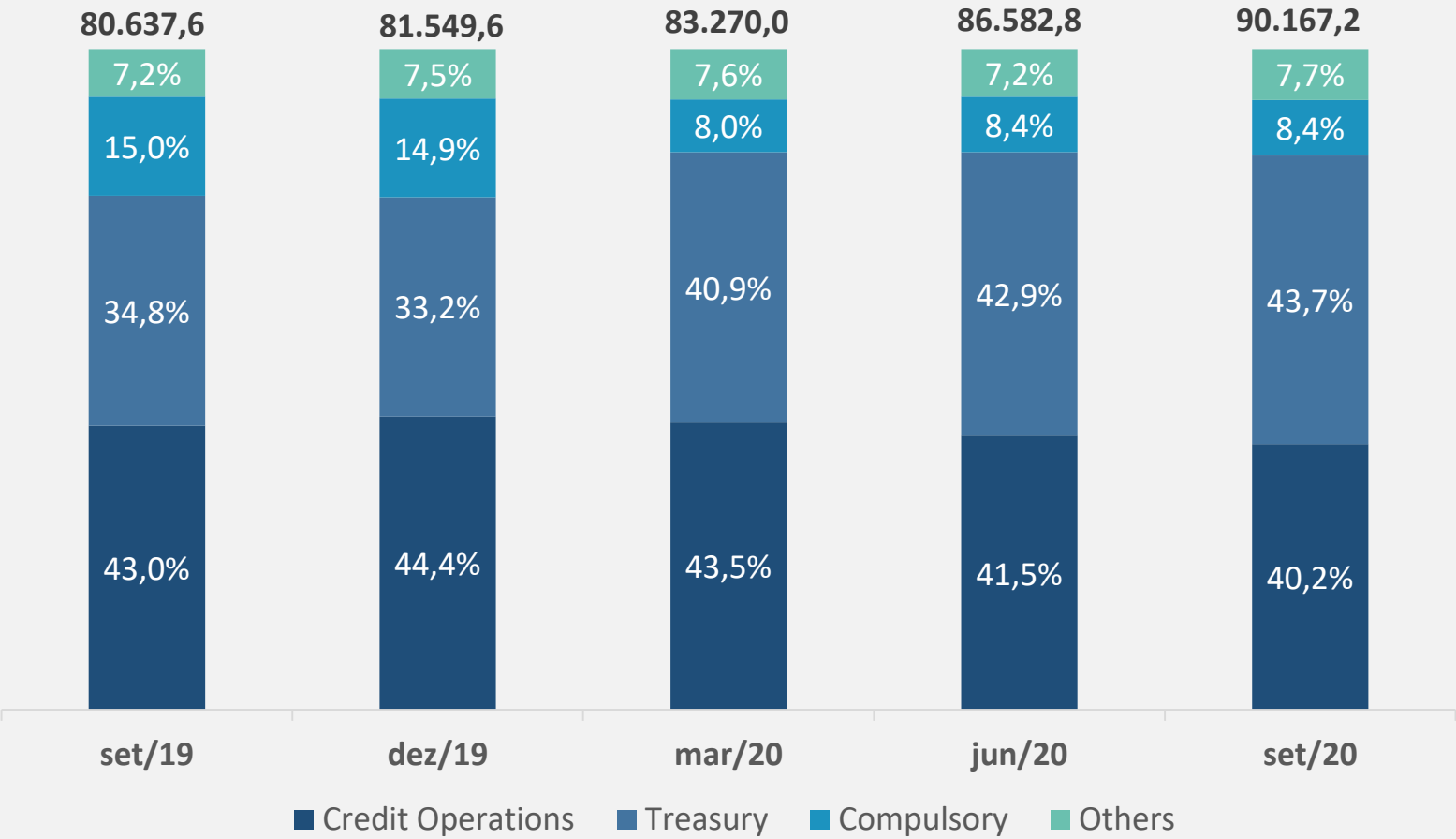
# Banking Fees

Institutional Presentation



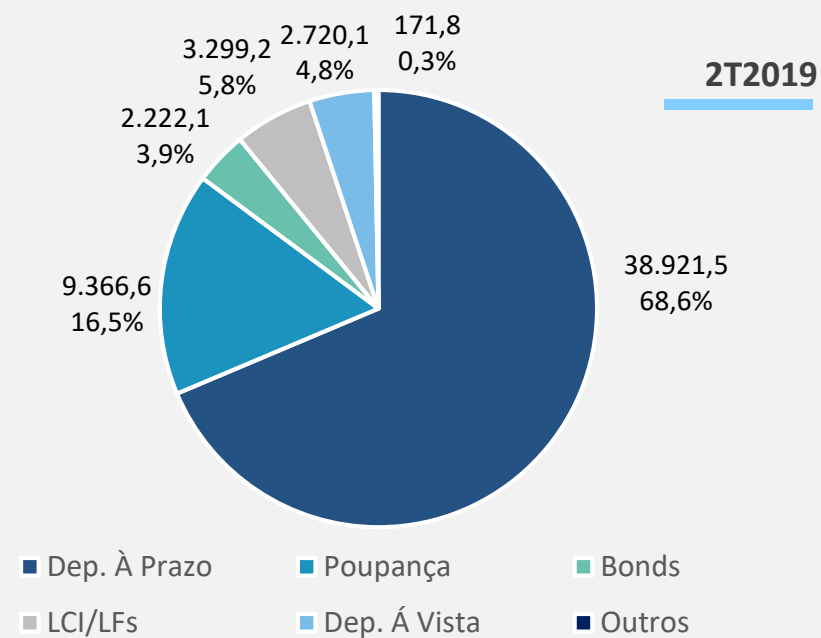
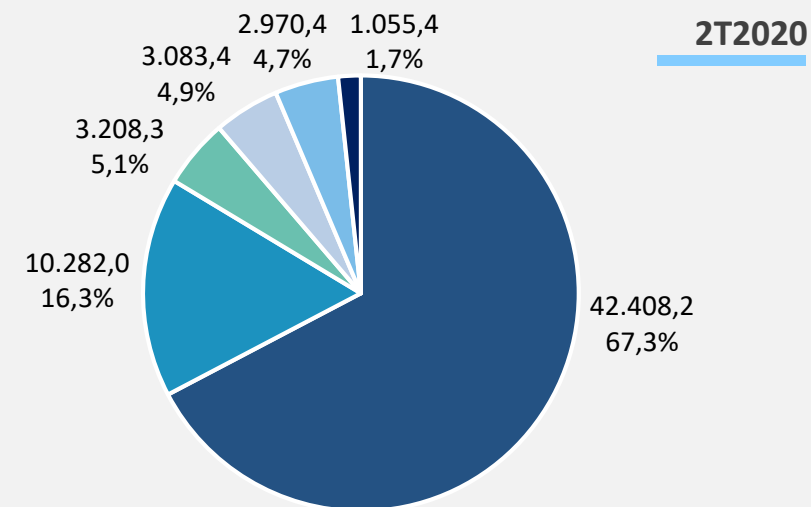
- Banking Services
- Card-Related Fees
- Insurance
- Consortia Management
- AUM

# Assets



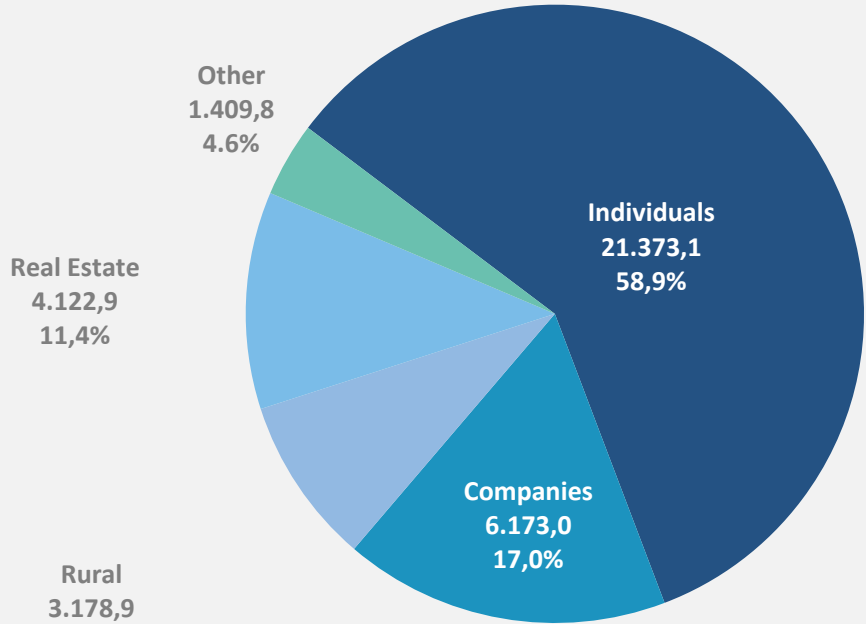
# Funding

- ✓ Pulverized Funding, grounded on its recognized retail banking DNA in the Southern Region of Brazil
- ✓ Average Funding Cost (Time Deposits) - 91% of CDI
- ✓ Banrisul did not use pandemic-linked emergency liquidity lines made available by BCB – LFG/DPGE



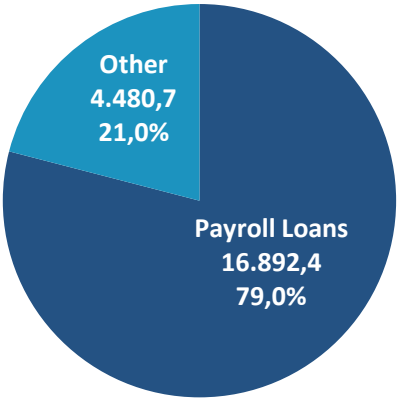
# Credit Portfolio

Total Portfolio

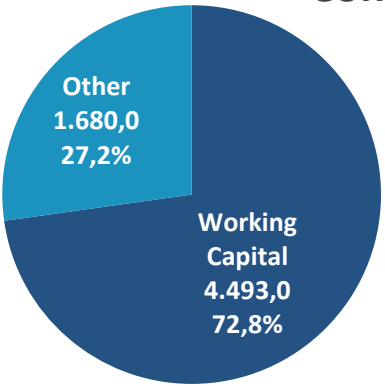


R\$ Million

Individuals



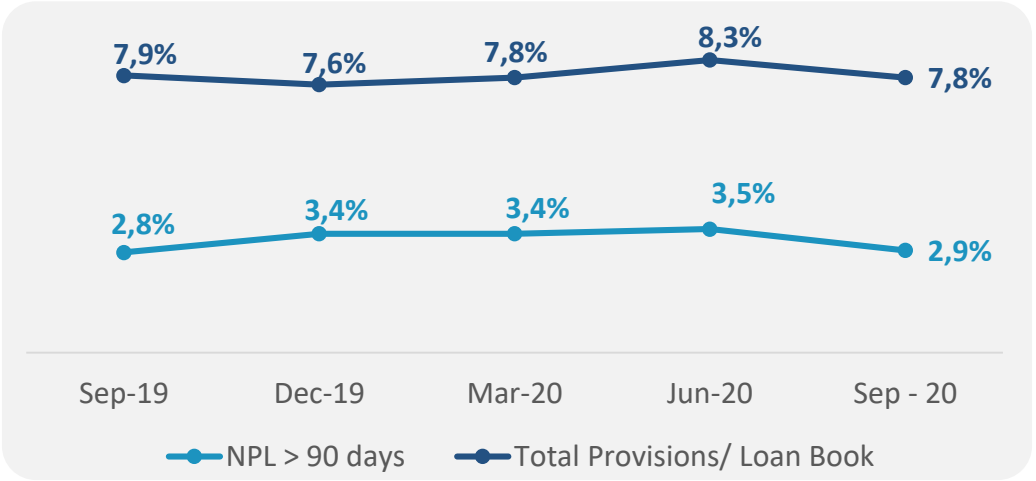
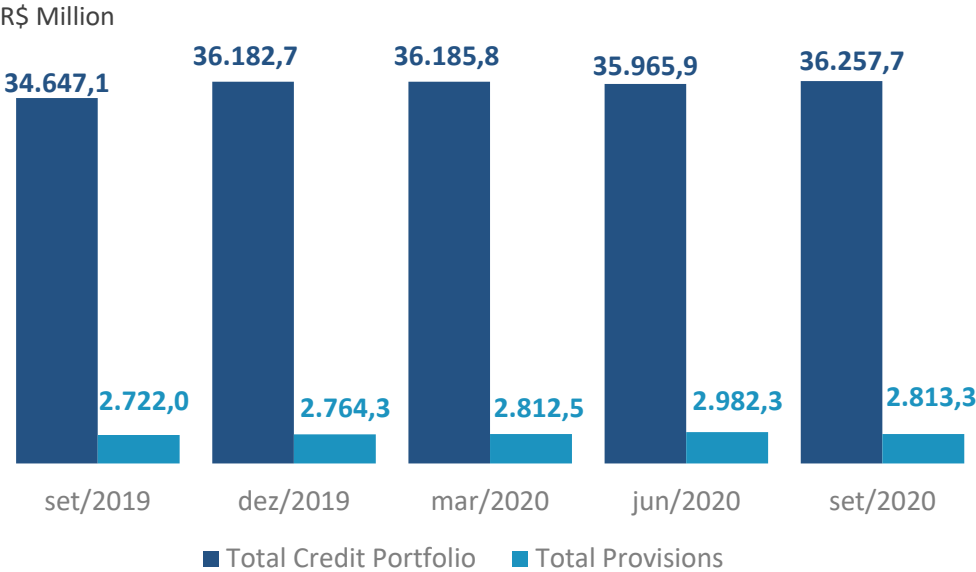
Companies



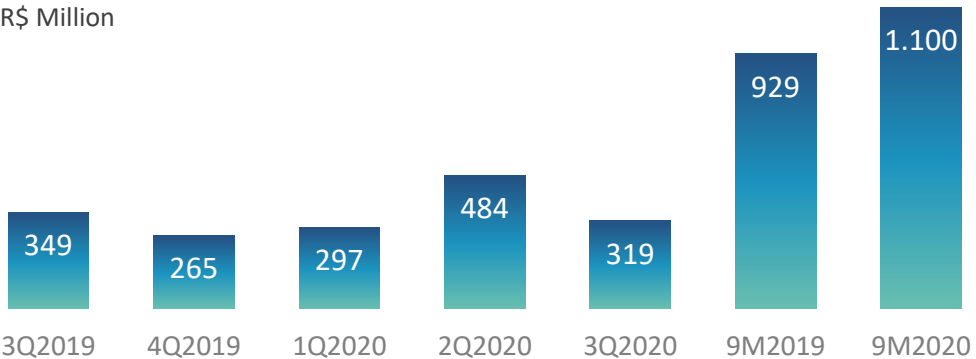


# Provision

## Provision for Expected Loan Losses

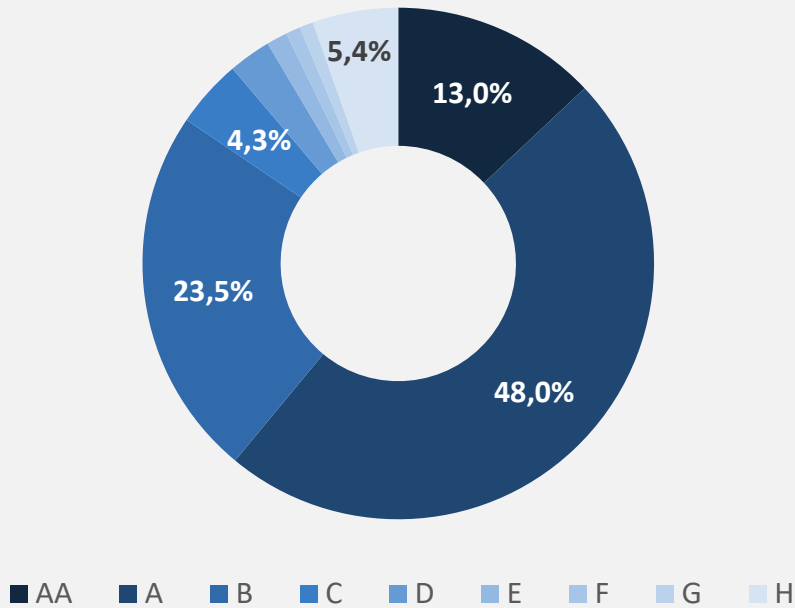


## Provision Expenses for Expected Loan Losses



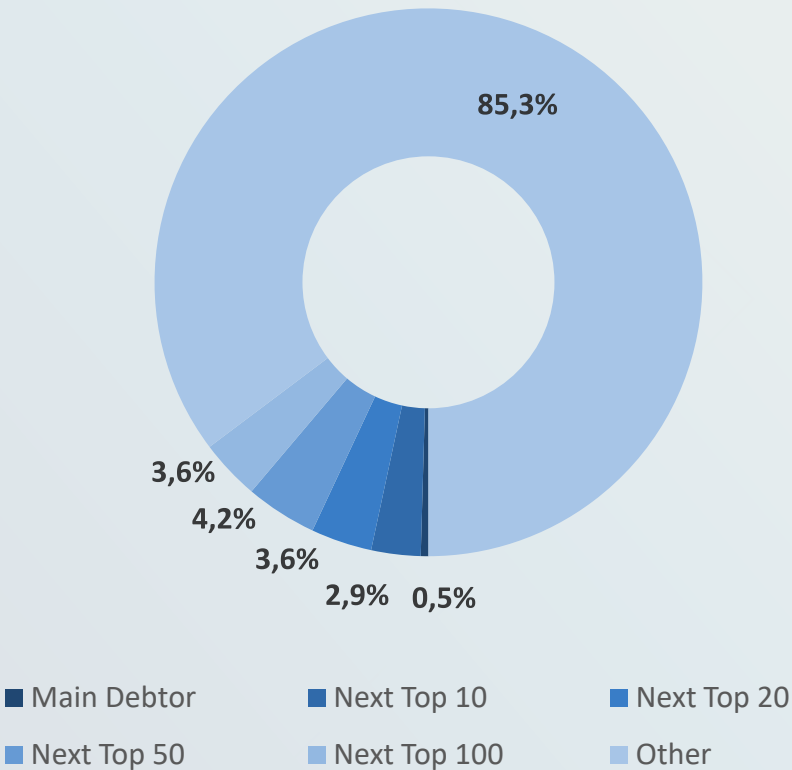
# Credit Quality

Rating



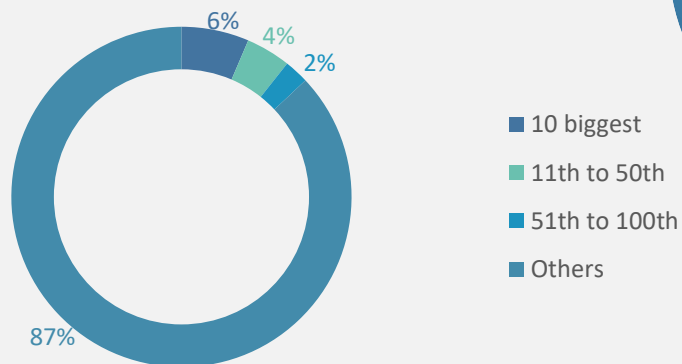
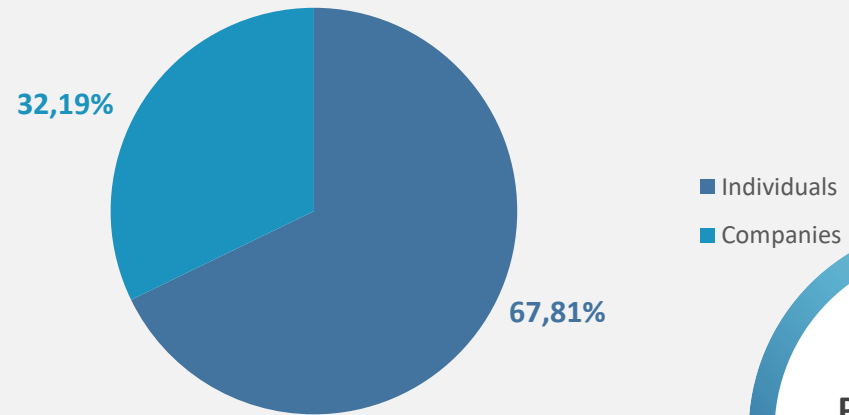
88.8% of the portfolio is made of AA, A, B and C ratings.

Concentration



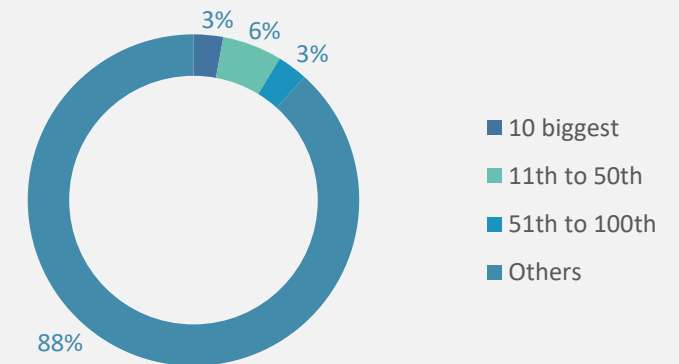
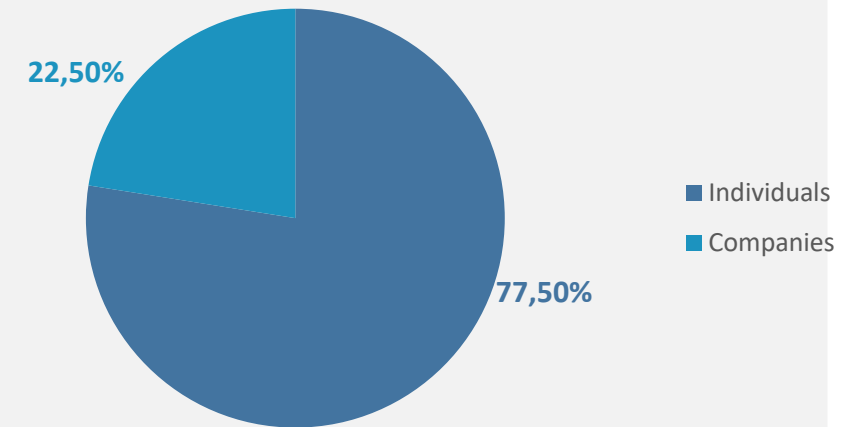
# Time Deposits and Non-earmarked Credit

## Time Deposits



Diversified  
Portfolios, with  
low concentration

## Non-earmarked Credit



# Interest on Equity and Dividends

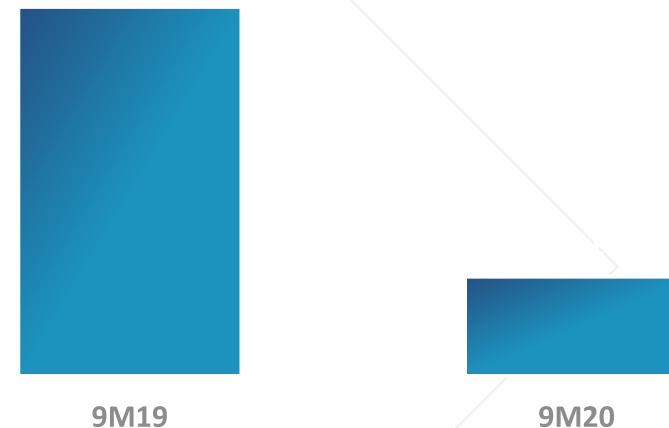
Distribution of 25% of net income for each fiscal year to shareholders as dividends or interest on equity

Banrisul's Board of Directors may recommend that its Shareholders approve the distribution of dividends in excess of the mandatory amount

Banrisul has suspended the quarterly payment of Interest on Equity for 2020, in compliance to CMN Resolution No. 4820/20

## Interest on Equity and Dividends

R\$ Million



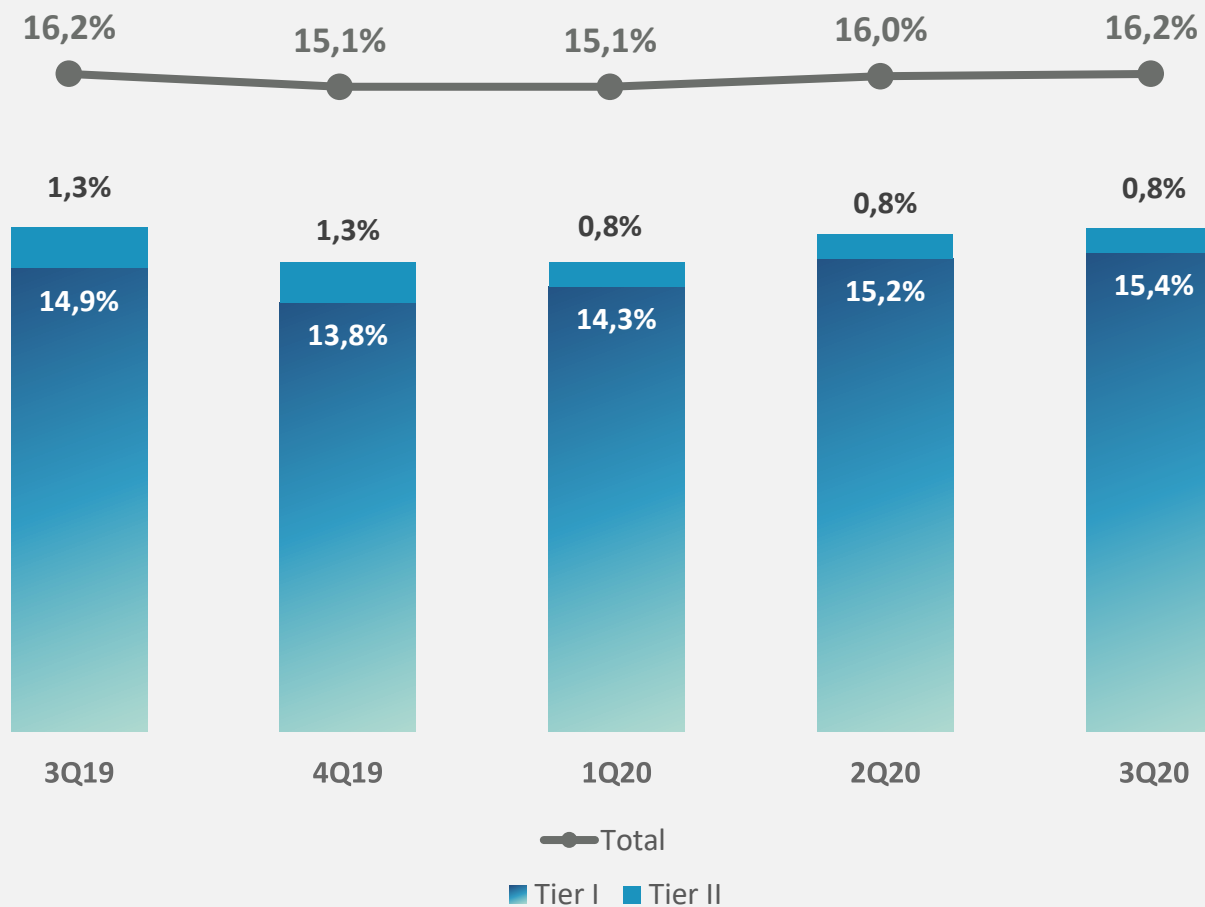
Since 2013, uninterruptedly, Banrisul is part of IDIV – Dividends Index, whose portfolio is composed by assets that have been highlighted in terms of investor remuneration



3 Q 2 0 2 0

# Basel Index

Solid capital structure, with comfortable levels of liquidity



# Ratings

**STANDARD  
& POOR'S**  
RATINGS SERVICES

Issuer Credit Rating  
Escala Global

**BB-**

Issuer Credit Rating  
Escala Nacional

**brAA+**

Outlook

**Estável**

**Fitch**Ratings

Local Currency –  
Long Term IDR

**BB-**

Long-Term National  
Scale Rating

**A+(bra)**

Long Term IDR  
Outlook

**Negativa**

**MOODY'S**

Baseline Credit  
Assessment (BCA))

**ba3**

Deposits – National  
Scale Rating (NSR)

**A1.br/BR-1**

Outlook

**Estável**

I n s t i t u t i o n a l   P r e s e n t a t i o n



Investor Relations