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Banrisul

INTERIM FINANCIAL STATEMENTS

MARCH 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 and expectations 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	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020	1Q2021/ 1Q2020	1Q2021/ 4Q2020
Net Interest Income	1,207.3	1,261.6	1,207.3	1,462.4	1,239.5	1,299.3	1,261.6	-4.3%	-17.4%
Provisions for Expected Losses Associated with Credit Risk Expenses	129.8	296.6	129.8	401.3	319.4	484.2	296.6	-56.3%	-67.7%
Financial Income	1,939.9	2,921.4	1,939.9	1,510.6	1,763.9	2,037.3	2,921.4	-33.6%	28.4%
Financial Expenses	732.6	1,659.8	732.6	48.2	524.4	738.0	1,659.8	-55.9%	1,418.9 %
Income from Services and Fees	478.5	504.2	478.5	521.3	472.1	457.7	504.2	-5.1%	-8.2%
Adjusted Administrative Expenses (1)	869.7	920.3	869.7	905.0	905.9	867.7	920.3	-5.5%	-3.9%
Adjusted Other Expenses	252.3	174.9	252.3	230.1	318.8	167.4	174.9	44.3%	9.7%
Adjusted Other Income	99.8	93.3	99.8	148.2	146.7	69.8	93.3	7.0%	-32.6%
Adjusted Net Income	278.9	257.5	278.9	329.7	117.8	119.8	257.5	8.3%	-15.4%
Net Income	278.9	257.5	278.9	232.3	117.8	119.8	257.5	8.3%	20.1%

Main Balance Sheet Accounts - R$ Million	Mar 2021	Mar 2020	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Mar 2021/ Mar 2020	Mar 2021/ Dec 2020
Total Assets	95,432.1	83,270.0	95,432.1	91,822.9	90,167.2	86,582.8	83,270.0	14.6%	3.9%
Securities (2)	37,141.4	30,213.1	37,141.4	35,432.6	35,213.9	32,926.3	30,213.1	22.9%	4.8%
Total Credit Portfolio	36,852.2	36,185.8	36,852.2	37,605.8	36,257.7	35,965.9	36,185.8	1.8%	-2.0%
Provisions for Expected Losses Associated with Credit Risk	2,700.7	2,812.5	2,700.7	2,763.1	2,813.3	2,982.3	2,812.5	-4.0%	-2.3%
Past Due Loans > 90 Days	891.2	1,221.0	891.2	869.7	1,080.3	1,272.7	1,221.0	-27.0%	2.5%
Funds Raised and Under Management	78,577.4	72,587.0	78,577.4	80,457.7	78,483.5	75,329.0	72,587.0	8.3%	-2.3%
Shareholders' Equity	8,581.2	8,069.0	8,581.2	8,346.2	8,354.9	8,219.1	8,069.0	6.3%	2.8%
Prudential Conglomerate Reference Equity	6,694.2	6,546.6	6,694.2	6,821.2	6,905.5	6,737.2	6,546.6	2.3%	-1.9%
Average Shareholders' Equity	8,463.7	7,931.7	8,463.7	8,350.6	8,287.0	8,144.1	7,931.7	6.7%	1.4%
Average Total Assets	93,627.5	82,409.8	93,627.5	90,995.1	88,375.0	84,926.4	82,409.8	13.6%	2.9%
Average Profitable Assets	82,820.6	72,149.3	82,820.6	80,219.6	77,837.1	74,770.8	72,149.3	14.8%	3.2%

Stock Market Information - R$ Million	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020	1Q2021/ 1Q2020	1Q2021/ 4Q2020
Interest on Own Capital / Dividends (3)	93.1	101.0	93.1	117.2	0.0	0.0	101.0	-7.8%	-20.6%
Market Capitalization	4,924.1	4,879.1	4,924.1	5,958.8	4,879.1	5,541.6	4,879.1	0.9%	-17.4%
Book Value Per Share	20.98	19.73	20.98	20.41	20.43	20.10	19.73	6.3%	2.8%
Average Price per Share (R$)	12.93	18.19	12.93	13.00	13.68	12.92	18.19	-28.9%	-0.5%
Earnings per Share (R$)	0.68	0.63	0.68	0.57	0.29	0.29	0.63	8.3%	20.1%

Financial Indexes	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020
Adjusted ROAA (pa.) (4)	1.2%	1.2%	1.2%	1.4%	0.5%	0.6%	1.2%
Adjusted ROAE (pa.) (5)	13.2%	13.0%	13.2%	15.8%	5.7%	5.9%	13.0%
Adjusted Efficiency Ratio (6)	53.5%	52.6%	53.5%	53.0%	54.3%	52.6%	52.6%
Net Interest Margin on Profitable Assets (7)	5.83%	6.99%	5.83%	7.29%	6.37%	6.95%	6.99%
Adjusted Operating Cost	3.7%	4.5%	3.7%	3.9%	4.1%	4.3%	4.5%
Default Rate > 90 Days (8)	2.42%	3.37%	2.42%	2.31%	2.98%	3.54%	3.37%
Coverage Ratio 90 days (9)	303.1%	230.4%	303.1%	317.7%	260.4%	234.3%	230.4%
Provisioning Index (10)	7.3%	7.8%	7.3%	7.3%	7.8%	8.3%	7.8%
Basel Ratio (Prudential Conglomerate)	14.8%	15.1%	14.8%	15.8%	16.2%	16.0%	15.1%

Structural Indicators	Mar 2021	Mar 2020	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020
Branches	502	514	502	507	508	514	514
Service Stations	156	181	156	182	182	181	181
Electronic Service Stations	426	422	426	418	418	422	422
Employees	9,224	10,237	9,224	9,280	10,187	10,216	10,237

Economic Indicators	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020
Effective Selic Rate	0.48%	1.01%	0.48%	0.47%	0.51%	0.73%	1.01%
Exchange Rate (R$/USD - end of period)	5.70	5.20	5.70	5.20	5.64	5.48	5.20
Exchange Rate Variation (%)	9.63%	28.98%	9.63%	-7.87%	3.01%	5.33%	28.98%
IGP-M (General Market Price Index)	8.27%	1.69%	8.27%	7.64%	9.59%	2.66%	1.69%
IPCA (Extended Consumer Price Index)	2.05%	0.53%	2.05%	3.13%	1.24%	-0.43%	0.53%

(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.

COVID-19 PANDEMIC

The first quarter of 2021 was marked by the beginning of the population's immunization, but the increase in the number of cases and deaths after the end of the year celebrations and holidays brought the need for stricter measures of social distance by the State Government. Therefore, in order to face the Covid-19 pandemic, Banrisul maintained its various actions, initiated in 2020, to minimize the exposure of customers and employees to contagion and to contribute to the continuity of economic activity, measures ranging from operational routines to credit policies, associated with a fast pace of technological innovations.

Among the operational routines, Banrisul kept employees belonging to the risk group away from face-to-face activities and made the home office available, extending it to the other employees, without prejudice to activities; the technical advice of the Hospital Moinhos de Vento, which assists in the construction of the protocols necessary to combat Covid-19 remains active; to the customer, the maintenance of the relationship was guaranteed through face-to-face service, carried out by online booking at Banrisul Digital, at the self-service terminals, correspondents Banriponto, Banrifone, Banrisul Digital and WhatsApp app; it is also worth mentioning the continuous improvements in the investment journey, opening a university account, funding for agribusiness and the App Vero Wallet.

As to credit policies, Banrisul quickly made available products and services to minimize the pandemic impacts. Those measures include the launching of new microcredit lines for micro, small companies and individual entrepreneurs, and FINEP onlending lines aimed at technological innovation; extension of exemption from maintenance fees and freezing of MDR and additional POS monthly fee for companies operating in the delivery modality of the Vero Acquisition network.

For more information about the measures adopted to deal with Covid-19 and its impacts, see accompanying Management Report and Notes to the Financial Statements.

OTHER INFORMATION

Following the strategy of revenue diversification and business optimization related to the sale of security products, in the first quarter of 2021, **Banrisul Corretora de Seguros** SA started operations, a wholly-owned subsidiary of the holding company Banrisul Seguridade Participações SA, a company whose capital is wholly owned by Banrisul.

On January 28, 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. The balance of this issue is recorded in Obligations for Loans Abroad.

The digital transformation through the development of new business and technology models has been the path taken by Banrisul and, in this first quarter, the publication of the announcement of the launch of the 1st cycle of acceleration of startups from **BanriTech**, an initiative that aims to boost the innovation ecosystem of Rio Grande do Sul; regarding **Open Banking**, standardized sharing of data and services by opening and integrating systems, in January Banrisul implemented phase 1 (sharing of institutional data from the Customer Service Channels, available products and services) and is already developing the phase two.

FINANCIAL HIGHLIGHTS

The summary of Banrisul's 1Q2021 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

	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020	1Q2021/ 1Q2020	1Q2021/ 4Q2020
Net Interest Income	1,207.3	1,261.6	1,207.3	1,462.4	1,239.5	1,299.3	1,261.6	-4.3%	-17.4%
Provisions for Expected Losses Associated with Credit Risk Expenses	129.8	296.6	129.8	401.3	319.4	484.2	296.6	-56.3%	-67.7%
Income from Services and Fees	478.5	504.2	478.5	521.3	472.1	457.7	504.2	-5.1%	-8.2%
Adjusted Administrative Expenses	869.7	920.3	869.7	905.0	905.9	867.7	920.3	-5.5%	-3.9%
Adjusted Operating Income	426.2	359.0	426.2	491.7	211.8	209.9	359.0	18.7%	-13.3%
Adjusted Net Income	278.9	257.5	278.9	329.7	117.8	119.8	257.5	8.3%	-15.4%
Net Income	278.9	257.5	278.9	232.3	117.8	119.8	257.5	8.3%	20.1%

Net income reached R$278.9 million in 1Q21, increasing 8.3% (R$21.4 million) from 1Q2020 and decreasing 15.4% (R$50.7 million) from 4Q2020 (impacted by the PDV in R$97.3 million, net of tax effects; events were treated as non-recurring for analyzing results).

In 3Q2020, the PDV was approved for employees retired by the National Social Security Institute - INSS, or who have, or will have in 24 months, contribution time and the other conditions to retire under the rules of the INSS, with adherence period and terminations in the last quarter of 2020, except for employees based in units of the Information Technology Directorate who may have their departures staggered until 2022. The POS was signed through a Collective Labor Agreement with the union entities representing the banking category, containing a specific clause for the total discharge of the employment contract. The costs recorded in the scope of the PDV totaled R$ 177.0 million in 4Q2020, and refer to 901 employees; of this total, by the end of December 2020, 865 employees, and by the end of March 2021, 96.2% or 867 employees had already left the Bank within the scope of the PDV.

The **performance** registered by Banrisul in 1Q21 over 1Q2020, reflects the (i) decrease in provisions for expected losses associated with credit risk, (ii) decrease in net interest income, (iii) decrease in income from services and fees, (iv) decrease in administrative expenses, (v) increase in other operating expenses and revenues, and (vi) higher volume in taxer over profit. The **bottom line** from **4Q2020 to 1Q2021** reflects: (i) the increase in net interest income: (ii) higher provisions for expected losses associated with credit risk; (iii) retraction of revenues from banking fees; and (iv) decrease in adjusted administrative expenses (v) unfavorable evolution in other revenues and expenses, and (vi) consequent lower volume of taxes on profit.

Net interest income amounted to R$1,207.3 million in 1Q2021, decreasing 4.3% (R$54.2 million) from 1Q2020 and 17.4% (R$255.0 million) from 4Q2020. The NII decrease from 1Q2020 and 4Q2020 to 1Q2021 reflects, particularly, the context of decreasing effective Selic Rate, decrease in interest rates and revenues from credit operations.

Provisions for expected loan losses reached R$129.8 million in 1Q202, decreasing 56.3% (R$166.9 million) from 1Q2020, mainly due to the rollover of credit portfolio by risk ratings, affected by the current economic environment, and the decrease in delays. Comparing to 4Q2020, loan loss provision expenses totaled decreased 67.7% (R$271.5 million) due to the rollover of credit portfolio by risk rating and the decrease in credit operations.

Banking Fees totaled R$478.5 million in 1Q2021, decreasing 5.1% (R$25.7 million) from 1Q2020, particularly driven by lower MDR fees, impacted by the lower transaction volume and the measures in force to support customers due to the pandemic. Comparing to 4Q2020, banking fees decreased 8.2% (R$42.7 million), mostly due to lower MDR fees, due to the seasonality of income at the end of the year and revenues from account debt.

Administrative expenses totaled R$869.7 million in 1Q2021, decreasing 5.5% (R$50.6 million) from 1Q2020 and 3.9% (R$35.3 million) from 4Q2020. **Personnel expenses** totaled R$459.0 million in 1Q2021, decreasing 9.1% (R$46.1 million) from 1Q2020, impacted by the collective wage agreement and the number of employees who retired pursuant the incentive retirement plan. Comparing to 4Q2020, personnel expenses totaled decreased 6% (R$22.0 million) reflecting the retirement of employees related to the PDV. **Other administrative expenses** totaled R$410.7 million in 1Q2021, mostly stable from 1Q2020, influenced mostly by the decreased in expenses with services of surveillance, security and money transportation. Comparing to 42020, other administrative expenses decreased 3.1% (R$13.3 million), influenced mostly by the decrease in advertising and specialized technical services.

The reconciliation between reported and managerial net income is presented below, and considers the non-recurring events recorded in 4Q2020. 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 %

	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020
Adjusted Net Income	278.9	257.5	278.9	329.7	117.8	119.8	257.5
Adjustments	-	-	-	97.3	-	-	-
Voluntary Termination Plan	-	-	-	(177.0)	-	-	-
Tax Effects	-	-	-	79.6	-	-	-
Net Income	278.9	257.5	278.9	232.4	117.8	119.8	257.5
Adjusted ROAA	1.2%	1.2%	1.2%	1.4%	0.5%	0.6%	1.2%
Adjusted ROAE	13.2%	13.0%	13.2%	15.8%	5.7%	5.9%	13.0%
Adjusted Efficiency Ratio (1)	53.5%	52.6%	53.5%	53.0%	54.3%	52.6%	52.6%

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

Annualized ROAE reached 13.2% in 1Q2021, 0.2 pp. above 1Q2020, reflecting particularly the decrease in provisions for expected losses associated with credit risk expenses and the decrease in administrative expenses, partially offset by the decrease in financial margin, banking fees and by the increase in other expenses and revenues.

Adjusted efficiency ratio reached 53.5% in accumulated twelve months to March 2021, from 52.6% in accumulated twelve months to March 2020. The trend of the efficiency ratio was impacted by a reduction in financial margins, revenue from services rendered and banking fees and an increase in other expenses, in view of the reduction in adjusted administrative expenses.

OPERATIONAL HIGHLIGHTS

Total assets reached R$95,432.1 million at the end of March 2021, growing 14.6% (R$12,162.0 million) over March 2020 and 3.9% (R$3,609.2 million) over December 2020. The main components of assets and liabilities are presented below.

Table 4: Asset Evolution Statement - R$ Million

	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Dec 2020/ Dec 2019	Dec 2020/ Sep 2020
Total Assets	95,432.1	91,822.9	90,167.2	86,582.8	83,270.0	14.6%	3.9%
Credit Operations	36,852.2	37,605.8	36,257.7	35,965.9	36,185.8	1.8%	-2.0%
Securities (1)	37,141.4	35,432.6	35,213.9	32,926.3	30,213.1	22.9%	4.8%
Funds Raised and Under Management	78,577.4	80,457.7	78,483.5	75,329.0	72,587.0	8.3%	-2.3%
Shareholders' Equity	8,581.2	8,346.2	8,354.9	8,219.1	8,069.0	6.3%	2.8%

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

Total **credit assets** (expanded concept) reached R$37,044.6 million in March 2021, increasing 1.6% in twelve months and decreasing 2.0% in the last quarter. Excluding sureties and guarantees, loan book increased 1.8% (R$666.4 million) from March 2020, mostly influenced by the growth of R$746.8 million in rural credit and of R$435.0 million in non-earmarked credit, performance that was offset by the reduction of R$344.2 million in foreign exchange financing, of R$130.3 million in long-term loans and of R$30.8 million in real estate loans. From December 2020, the loan book decreased 2.0% (R$753.6 million), mainly due to the decrease in non-earmarked credit in R$751.2 million, due to the decrease in working capital lines and personnel credit lines.

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

	Mar 2021	% Total Credit	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Mar 2021/ Mar 2020	Mar 2021/ Dec 2020
Foreign Exchange	502.4	1.4%	510.4	672.7	826.2	846.6	-40.7%	-1.6%
Commercial	28,136.2	76.3%	28,887.4	27,546.1	27,306.0	27,701.2	1.6%	-2.6%
Individuals	21,873.5	59.4%	22,278.0	21,373.1	21,318.7	21,571.6	1.4%	-1.8%
Payroll (1)	16,943.5	46.0%	17,057.1	16,892.4	16,314.0	16,082.8	5.4%	-0.7%
Other	4,930.0	13.4%	5,220.9	4,480.7	5,004.6	5,488.8	-10.2%	-5.6%
Companies	6,262.7	17.0%	6,609.4	6,173.0	5,987.3	6,129.5	2.2%	-5.2%
Working Capital	4,527.8	12.3%	4,873.7	4,493.0	4,207.6	4,152.5	9.0%	-7.1%
Other	1,734.9	4.7%	1,735.6	1,680.0	1,779.7	1,977.0	-12.2%	0.0%
Long-term Financing	530.2	1.4%	569.1	616.4	654.6	660.5	-19.7%	-6.8%
Real Estate Financing	4,104.9	11.1%	4,125.6	4,122.9	4,148.8	4,135.7	-0.7%	-0.5%
Agricultural Financing	3,459.3	9.4%	3,392.2	3,178.9	2,902.4	2,712.6	27.5%	2.0%
Other (2)	119.2	0.3%	121.1	120.6	127.9	129.3	-7.8%	-1.6%
Total	**36,852.2**	**100.0%**	**37,605.8**	**36,257.7**	**35,965.9**	**36,185.8**	**1.8%**	**-2.0%**

(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$44,161.2 million in March 2021, with net balance (deducted of repurchase transactions) of R$37,141.4 million, increasing 22.9% (R$6,928.3 million) from March 2020, mostly influenced by the increase in deposits and funding abroad performed in January 2021, in a context of increased compulsory deposits at Bacen and lower growth in the loan portfolio. In relation to December 2020, these investments registered a growth of 4.8% (R$1,708.8 million), reflecting, especially, funding abroad and the reduction of compulsory deposits at the Central Bank, in a context of a reduction in the credit portfolio and in deposits.

Funds raised and under management, composed by deposits, bank notes, subordinated bond and third-party funds, totaled R$78,577.4 million in March 2021, increasing 8.3% (R$5,990.4 million) in twelve months, especially due to the growth in deposits, partially minimized by the retraction in funds in bills. Comparing to December 2020, funds raised and under management decreased 2.3% (R$1,880.4 million) mostly influenced by the decrease in deposits.

Shareholders' equity reached R$8,581.2 million at the end of March 2021, increasing 6.3% (R$512.2 million) from March 2020 and 2.8% (R$235 million) from December 2020. The evolution in shareholders' equity in twelve months reflects the incorporation of net income, the payment of interest on own capital, 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 dependencies abroad. In comparison with December 2020, the trajectory of shareholders' equity reflects, especially, the incorporation of the results generated the payment of interest over capital and the exchange rate adjustments on the equity of branches abroad.

Banrisul paid and provisioned R$295.1 million in **taxes and contributions** in 1Q2021. Taxes withheld and paid, directly levied on financial intermediation and other payments, amounted to R$189.3 million in the period.

Table 6: Other Indicators - %

	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020
Net Interest Margin	5.83%	6.99%	5.83%	7.29%	6.37%	6.95%	6.99%
Basel Ratio (Prudential Conglomerate)	14.8%	15.1%	14.8%	15.8%	16.2%	16.0%	15.1%
Loan Portfolio Normal Risk / Total Credit	89.9%	88.8%	89.9%	89.9%	88.8%	88.0%	88.8%
Loan Portfolio Risks 1 and 2 / Total Credit	10.1%	11.2%	10.1%	10.1%	11.2%	12.0%	11.2%
Default Rate > 90 Days	2.42%	3.37%	2.42%	2.31%	2.98%	3.54%	3.37%
Cover Ratio > 90 Days (1)	303.1%	230.4%	303.1%	317.7%	260.4%	234.3%	230.4%
Provision Ratio (2)	7.3%	7.8%	7.3%	7.3%	7.8%	8.3%	7.8%

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

The **NIM** decrease from 1Q2020 to 1Q2021 reflects the decrease in financial revenues and expenses, impacted, in special, by the decrease in interest, line up with the decrease in Selic Rate, facing the increase in profitable assets, especially, securities.

The **90-day default rate** reached 2.42% in March 2021, decreasing 0.95 pp. in twelve months and increasing 0.11 pp. in three months. The balance of 90-day past due credit reached R$891.2 million in March 2021, decreasing

27.0% in twelve months and increasing 2.5% in the last quarter. The 90-day past due **Coverage ratio** reached 303.1% in March 2021, vis-à-vis 230.4% in March 2020 and 317.7% in December 2020. From March 2020 to March 2021, the increase of the 90-day coverage ratio reflects the proportionally bigger decrease in past-due loans facing the decrease in the in the balance of provisions for expected losses associated with credit risk. In comparison with December 2020, the decrease in the coverage ratio reflects the increase in past-due loans and the decrease in the balance of provisions for expected losses associated with credit risk.

Total provisions reached 7.3% of the outstanding credit portfolio in March 2021, 0.5 pp. below March 2020 and stable from December 2020. Provisions for expected losses associated with credit risk were decreased R$111.7 million in twelve months, due to the rolling over of risk rating levels, impacted by the current economic scenario, and the decrease in past-due loans. The portfolio of normal risk loans increased 1.1 pp. in relation March 2020. In the last quarter, the balance of provisions for expected losses associated with credit risk decreased R$62.4 million reflecting the rollover of the portfolio by rating levels, and a write-off loans flow higher than provision, in a context of increasing past-due loans, and while the share of normal risk loan portfolio in relation to the total loan book was stable.

GUIDANCE

The expected growth for credit, funding and provisioning portfolio, as well as the performance indicators for 2021, disclosed in the 2020 Financial Statements, are maintained.

Table 6: Guidance

	Year 2021
	Expected
Credit Portfolio	10% to 15%
Non-direct Lending – Individuals	10% to 15%
Non-direct Lending – Companies	11% to 16%
Agricultural Loans	22% to 27%
Provision Expenses / Credit Portfolio	3,5% to 4,5%
Funding (1)	4% to 8%
Return on Average Equity	10% to 14%
Efficiency Ratio	50% to 54%
Net Interest Income / Interest-Earning Assets	6% to 7%

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

Porto Alegre, May 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 quarter of 2021.

MARKET SHARE

In December 2020, Banrisul occupied the 11th position in total assets, the 11th 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 2.7988% in March 2021 from 3.4862% in March 2020; deposits grew 11.8% year-on-year in Banrisul vis-à-vis the 39.2% expansion observed within the banking industry in the same period. As to demand deposits, Banrisul's participation in the domestic market reached 1.2344% in March 2021, decreasing 0.0260 pp. from March 2020; as for savings accounts, Banrisul's portfolio reached 1.0924% from the domestic market balance in March 2021, decreasing 0.0459 pp. from March 2020. Banrisul's share in credit in the Brazilian credit market reached 0.8978% in March 2021 from 1.0094% in March 2020.

Credit market share reached 18.1198% of the total credit granted within Rio Grande do Sul in December 2020, decreasing 1.5832 pp. in comparison to December 2019. In the State of Rio Grande do Sul, in December 2020 Banrisul's market share reached 40.9386% in time deposits, decreasing 7.0255 pp. in twelve months, while reaching 12.3318% in saving deposits in the same month, decreasing 0.4974 pp. year-on-year. Demand deposits decreased 2.6393 pp. in twelve months, reaching 25.0941% in December 2020.

Table 7: Market Share

	Brazil		Rio Grande do Sul	
	Mar 2021 (1)	Mar 2020 (1)	Dec 2020 (2)	Dec 2019
Demand Deposits	1.2344%	1.2604%	25.0941%	27.7334%
Saving Deposits	1.0924%	1.1383%	12.3318%	12.8292%
Time Deposits	2.7988%	3.4862%	40.9386%	47.9641%
Credit Operations	0.8978%	1.0094%	18.1198%	19.7030%
Number of Branches	2.7345%	2.5761%	31.4899%	30.6110%

(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 1Q2020 to 1Q2021. Average interest-earning assets grew 14.8% and interest-bearing liabilities increased 15.1%. The absolute margin decreased 4.3% in 1Q2021and the relative annualized margin decreased 1.16 pp. when compared to 1Q2020.

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 41.3% of the total average interest-earning assets, credit assets decreased 4.2 pp. from 1Q2020 to 1Q2021; treasury operations amounted to 47.1% of interest-earning assets in 1Q2021, increasing 9.6 pp. from 1Q2020. Compulsory deposits decreased 5.8 pp comparing to 1Q2020, reaching 9.0% in 1Q2021.

As to interest-bearing liabilities, the average balance of time deposits represented 62.1% of the cost-generating liabilities in 1Q2021, decreasing 1.1 pp. from 1Q2020. Savings deposits reached 15.2% of the total interest-bearing liabilities in 1Q2021, stable from 1Q2020. Among the other interest-bearing liabilities, market funding represented 7.5%, increasing 1.7 pp. from 1Q2020. Subordinated debt represented 4.2% in 1Q2021, with an increase of 0.1 pp. compared to 1Q2020, an increase motivated by the exchange rate variation and mark to market. Bank notes represented 3.0% of the interest-bearing liabilities in 1Q2021, decreasing 2.5 pp. from 1Q2020.

All together, these variations decreased spreads, which reached 1.28% in 1Q2021.

Table 8: Margin Analysis - R$ Million and %

	1Q2021			1Q2020			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	**82,820.6**	**1,939.9**	**2.34%**	**72,149.3**	**2,921.4**	**4.05%**	**76,228.3**	**8,233.2**	**10.80%**	**70,212.7**	**9,105.4**	**12.97%**
Loans (1)	34,242.8	1,391.3	4.06%	32,850.2	1,771.0	5.39%	33,186.0	6,311.3	19.02%	31,627.5	6,818.0	21.56%
Securities (2)	39,048.9	204.0	0.52%	27,078.3	261.7	0.97%	32,854.9	836.0	2.54%	25,443.9	1,422.7	5.59%
Derivatives	964.9	291.0	30.16%	432.0	758.1	175.51%	814.7	782.8	96.09%	81.7	132.1	161.60%
Compulsory Deposits	7,421.9	38.1	0.51%	10,707.0	115.4	1.08%	8,268.3	241.8	2.92%	12,014.8	672.9	5.60%
Other	1,142.2	15.5	1.36%	1,081.9	15.2	1.40%	1,104.4	61.4	5.56%	1,044.7	59.7	5.71%
Non Interest-Earning Assets	**11,542.6**	-	-	**10,285.1**			**10,642.8**	-	-	**9,059.0**	-	-
Total Assets	**94,363.3**	**1,939.9**	**2.06%**	**82,434.4**	**2,921.4**	**3.54%**	**86,871.2**	**8,233.2**	**9.48%**	**79,271.7**	**9,105.4**	**11.49%**
Interest-Bearing Liabilities	**73,140.6**	**(732.6)**	**1.00%**	**63,546.8**	**(1,659.8)**	**2.61%**	**67,116.5**	**(2,970.4)**	**4.43%**	**61,337.2**	**(3,580.4)**	**5.84%**
Interbank Deposits	1,346.5	(2.8)	0.21%	691.8	(5.5)	0.79%	1,098.6	(23.9)	2.18%	257.8	(10.3)	4.01%
Saving Deposits	11,084.8	(61.3)	0.55%	9,657.6	(86.7)	0.90%	10,256.6	(285.5)	2.78%	9,341.5	(419.9)	4.49%
Time Deposits	45,425.5	(210.0)	0.46%	40,192.1	(380.1)	0.95%	42,571.5	(1,090.4)	2.56%	38,940.9	(2,102.3)	5.40%
Repurchase Agreements (REPOs)	5,517.2	(31.3)	0.57%	3,687.9	(43.0)	1.17%	4,046.1	(121.9)	3.01%	3,871.0	(252.7)	6.53%
Resources from Bank Notes (3)	2,219.7	(10.6)	0.48%	3,493.1	(36.0)	1.03%	3,040.1	(87.1)	2.86%	3,295.1	(192.3)	5.84%
Subordinated Debt	3,072.8	(268.7)	8.75%	2,575.4	(792.2)	30.76%	2,949.3	(885.7)	30.03%	2,211.8	(315.7)	14.27%
Domestic Borrowing and Onlending	1,451.0	(13.3)	0.92%	1,528.6	(15.6)	1.02%	1,492.2	(55.9)	3.74%	1,631.9	(68.2)	4.18%
Foreign Borrowing and Onlending (4)	1,642.9	(126.7)	7.71%	750.3	(288.5)	38.45%	701.2	(387.0)	55.19%	761.7	(147.8)	19.40%
Financial and Development Funds	1,380.3	(7.9)	0.57%	970.0	(12.1)	1.25%	960.9	(33.1)	3.44%	1,025.4	(71.2)	6.94%
Non-Interest-Bearing Liabilities	**12,716.2**	-	-	**10,936.9**			**11,578.1**	-	-	**10,331.5**	-	-
Shareholders' Equity	**8,506.5**	-	-	**7,950.7**			**8,176.5**	-	-	**7,603.0**	-	-
Liabilities and Shareholders' Equity	**94,363.3**	**(732.6)**	**0.78%**	**82,434.4**	**(1,659.8)**	**2.01%**	**86,871.2**	**(2,970.4)**	**3.42%**	**79,271.7**	**(3,580.4)**	**4.52%**
Spread			**1.28%**			**1.53%**			**6.06%**			**6.97%**
Margin		**1,207.3**	**1.46%**		**1,261.6**	**1.75%**		**5,262.8**	**6.90%**		**5,525.0**	**7.87%**
Annualized Margin			**5.83%**			**6.99%**			**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$1,686.5 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$268.5 million. The increase in revenues produced by the variation of the average balance of interest-earning asset, in amounts more expressive than those of the increase in the expenses produced by the variation of the average balance of interest-bearing liabilities, produced an overall increase of R$214.3 million in financial margin. Altogether, financial margin decreased R$54.2 million from 1T2020 to 1T2021.

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) 1T2020 to 1T2021, (ii) 2020 vs 2019, (iii) 2019 vs 2018.

Table 9: Variations in Interest Income and Expenses: Volumes and Rates - R$ Million

	1Q2021/1Q2020			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	72.4	(452.0)	(379.6)	324.3	(831.1)	(506.8)	506.7	(646.5)	(139.8)
Securities	89.6	(147.3)	(57.7)	335.7	(922.4)	(586.7)	49.1	(254.8)	(205.7)
Derivatives	471.8	(939.0)	(467.2)	681.5	(30.8)	650.7	194.3	(279.8)	(85.5)
Compulsory Deposits	(61.6)	(15.7)	(77.3)	(398.1)	(33.1)	(431.2)	14.3	(45.0)	(30.7)
Other	0.8	(0.4)	0.4	3.2	(1.5)	1.7	2.6	12.7	15.3
Total Interest-Earning Assets	**573.0**	**(1,554.4)**	**(981.4)**	**946.7**	**(1,818.9)**	**(872.2)**	**767.0**	**(1,213.4)**	**(446.4)**
Interest-Bearing Liabilities									
Interbank Deposits	(3.0)	5.6	2.6	(15.8)	2.2	(13.6)	(5.6)	1.1	(4.5)
Saving Deposits	(11.5)	36.9	25.4	(37.9)	172.2	134.3	(26.9)	26.9	0.0
Time Deposits	(44.4)	214.5	170.1	(180.5)	1,192.5	1,012.0	(140.4)	155.1	14.7
Repurchase agréments (REPOs)	(15.9)	27.6	11.7	(11.0)	141.7	130.8	62.9	(9.7)	53.2
Resources from Bank Notes	28.0	(2.5)	25.5	16.2	89.0	105.2	(56.2)	5.6	(50.6)
Subordinated Debt	(129.7)	653.2	523.5	(132.2)	(437.7)	(569.9)	(43.2)	138.8	95.5
Domestic Borrowings and Onlendings	0.8	1.5	2.3	8.7	3.7	12.3	39.3	45.9	85.2
Foreign Borrowings and Onlendings	(179.1)	340.9	161.8	10.8	(250.0)	(239.2)	14.4	84.0	98.4
Financial and Developmentee Funds	(3.9)	8.2	4.3	4.8	33.3	38.1	(7.9)	(3.7)	(11.6)
Total Interest-Bearing Liabilities	**(358.7)**	**1,285.9**	**927.2**	**(337.0)**	**946.9**	**609.9**	**(163.6)**	**443.9**	**280.3**
Margin	**214.3**	**(268.5)**	**(54.2)**	**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.

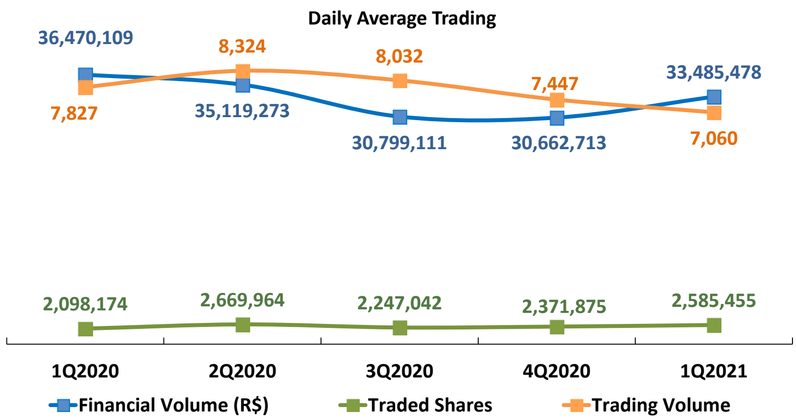
STOCK MARKET PERFORMANCE

Listed under Corporate Governance Level 1 since July 2007, and committed to the best market practices, Banrisul voluntarily adopts certain rules from other levels of Corporate Governance, strengthening and consolidating a transparent relationship with stakeholders in events, conferences and meetings in Brazil and abroad.

Banrisul's stock capital was R$5,200.0 million in March 31, 2021, represented by 408,974,477 shares (205,064,841 common shares and 203,909,636 preferred shares) in book entry form and without nominal value. The Bank's largest shareholder is the Government of the State of Rio Grande do Sul, which directly held 98.1% of common capital and 49.4% of total capital.

Banrisul is listed in seven indexes of B3 S.A. - Brasil, Bolsa, Balcão. In 1Q2021, the average daily traded financial volume decreased by 8.2% in relation to 1Q2020; in the same period, the daily average number of transactions decreased 9.8%. Average financial volume increased 9.2% and the average number of transactions decreased 5.2% in the last three months.

Graph 1: Average Financial Volume, Number of Trades and Number of Shares



In March 2021, Banrisul's market value reached R$4,924.1 million, stable from March 2020 and decreasing 17.4% in relation to December 2020.

The table with Banrisul's ratings according to main risk classification agencies is as follows.

Table 10: Ratings from Risk 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 -Dom Curr	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+
Perspective	Stable
Individual Credit Profile (SACP)	bb-

ASSET EVOLUTION

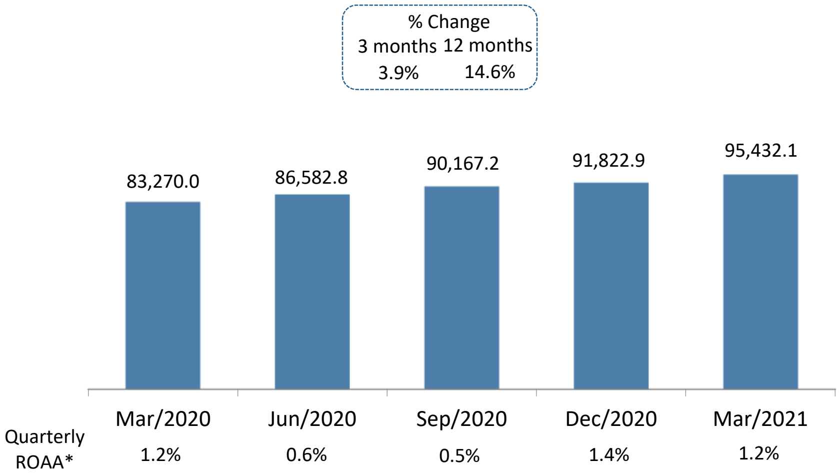
TOTAL ASSETS

Total assets reached R$95,432.1 million in March 2021, and are divided into (i) securities added to interbank deposits and cash (46.3%); (ii) loans (38.6% of total assets); (iii) compulsory deposits placed at the Central Bank of Brazil (7.8%) and (iv) other assets (7.3%).

In the last twelve months, total assets grew 14.6% (R$12,162.0 million), mostly from the increase of R$7,032.7 million in deposits, of R$3,197.3 million in repurchase agreements and of R$1,686.5 million in subordinated bond issued as of January 2021. As to asset allocation, the balance of securities, jointly with net interbank investments, increased R$10,125.6 million, and compulsory deposits placed at the Central Bank of Brazil increased R$796.5 million in the period, while credit portfolio increased R$666.4 million.

From December 2020, total assets increased by 3.9% (R$3,609.2 million), mainly due to the increase of R$2,657.4 million in repurchase agreements, of R$1,686.5 million in external funding, and of R$463.1 million in financial funds, mostly offset by the decrease of R$1,480.0 in deposits. As for the allocation, securities increased by R$4,366.2 million, credit portfolio decreased by R$753.6 million, compulsory deposits at Bacen decreased R$281.4 million.

Graph 2: Total Assets - R$ Million



*Annualized and based on adjusted net income.

SECURITIES AND DERIVATIVES

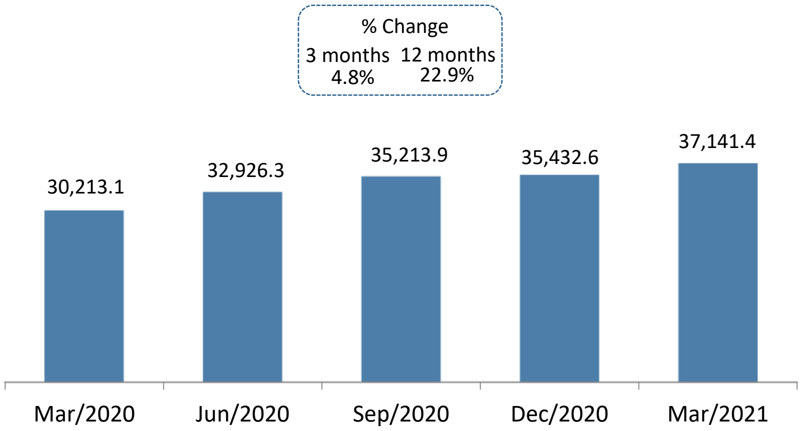
Securities, derivatives, interbank investments and cash, net of repo transactions, totaled R$37,141.4 million in March 2021, increasing 22.9% (R$6,928.3 million) from March 2020 and 4.8% (R$1,708.8 million) from December 2020.

The balance evolution from March 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, the decrease of credit assets and compulsory deposits at the Central Bank of Brazil, in a context of decreasing deposits.

The securities portfolio is distributed as follows: 58.2% (R$25,708.8 million) as "held to maturity", 18.9% (R$8,337.5 million) as interbank investments, 17.3% (R$7,642.5 million) as securities held for trading, 3.3% (R$1,457.6 million) as cash, 2.3% (R$1,012.4 million) as derivatives and R$2.5 million as "available for sale", totaling R$44,161.2 million. Federal government bonds account for 92.5% of treasury investments.

Graph 3: Securities and Derivatives[(1)] - R$ Million

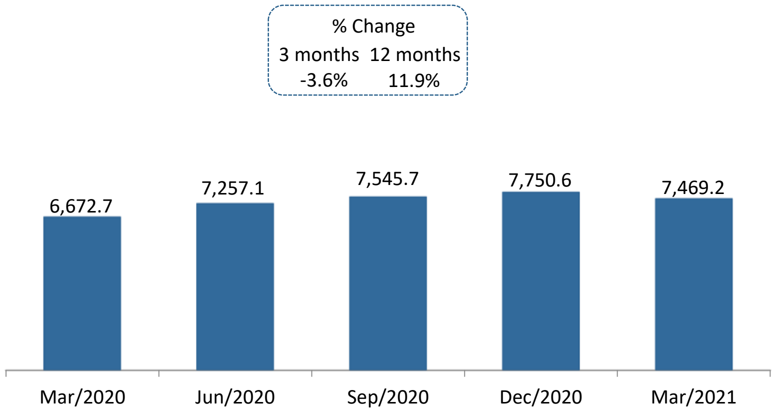


(1) Excluding repo transactions.

Compulsory Deposits placed at Central Bank of Brazil

The balance of compulsory deposits placed at Central Bank of Brazil amounted to R$7,469.2 million in March 2021, increasing 11.9% (R$796.5) since March 2020 and decreasing 3.6% (R$281.4 million) since December 2020.

Graph 4: Compulsory Deposits placed at Central Bank of Brazil - R$ Million



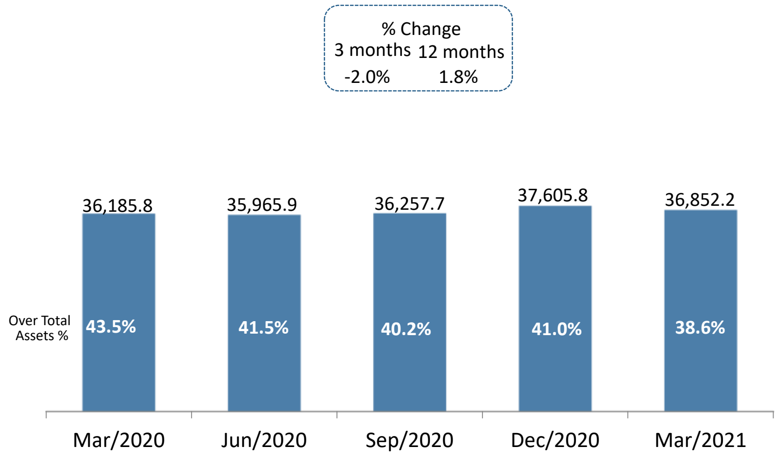
The decrease in compulsory deposits placed at Central Bank of Brazil in March 2021 from March 2020, was especially influenced by the increase of reserve requirements over time deposits, R$768.2 million, mostly impacted by the increase in such deposits.

From December 2020 to March 2021, the decrease was mainly driven by the decrease of reserve requirements over demand deposits, R$243.1 million, mostly impacted by the decrease in these deposits

Credit Operations

Banrisul's credit portfolio totaled R$36,852.2 million in March 2021, increasing 1.8% (R$666.4 million) over March 2020 and decrease of 2.0% (R$753.6 million) from December 2020. Expanded credit portfolio, which includes co-obligations and risks on granted guarantees, reached R$37,044.6 million in March 2021, increasing 1.6% (R$580.9 million) from March 2020 and decreasing 2.0% (R$757.1 million) from December 2020.

Graph 5: 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$746.8 million) and in non-earmarked credit (R$435.0 million), partially offset mainly by the decrease in foreign exchange portfolio (R$344.2 million), in long term credit (R$130.3 million) and in real state financing (R$30.8 million)

In comparison with December 2020, the credit portfolio balance was mainly influenced by the decrease in non-earmarked credit (R$751.2 million), mainly due to the decrease in working capital and personal loans lines.

Breakdown of Credit by Company Size

Credit to companies totaled R$8,579.2 million in March 2021, and represented 23.3% 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 1.5% (R$73.0 million), with credit to large-sized companies decreaseing 11.5% (R$461.9 million). In the last three months, credit to micro, small and medium-sized companies decreased 2.6% (R$134.0 million) and credit to large sized companies decreased 8.8% (R$342.6 million).

Table 11: Breakdown of Credit to Companies by Company Size - R$ Million

	Mar 2021			Dec 2020			Mar 2020			Mar 2021/ Mar 2020	Mar 2021/ Dec 2020
	Balance	% Company Portfolio	% Total Portfolio	Balance	% Company Portfolio	% Total Portfolio	Balance	% Company Portfolio	% Total Portfolio		
Large Companies	3,544.6	41.3%	9.6%	3,887.2	42.9%	10.3%	4,006.5	44.7%	11.1%	-11.5%	-8.8%
Total Middle/Small/Micro	5,034.6	58.7%	13.7%	5,168.6	57.1%	13.7%	4,961.6	55.3%	13.7%	1.5%	-2.6%
Middle Companies	3,012.9	35.1%	8.2%	3,024.6	33.4%	8.0%	3,079.3	34.3%	8.5%	-2.2%	-0.4%
Small Companies	1,615.4	18.8%	4.4%	1,756.5	19.4%	4.7%	1,424.6	15.9%	3.9%	13.4%	-8.0%
Micro-Companies	406.2	4.7%	1.1%	387.4	4.3%	1.0%	457.7	5.1%	1.3%	-11.2%	4.8%
Total Companies	**8,579.2**	**100.0%**	**23.3%**	**9,055.8**	**100.0%**	**24.1%**	**8,968.1**	**100.0%**	**24.8%**	**-4.3%**	**-5.3%**

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 12: Breakdown of Credit by Sector - R$ Million

	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Mar 2021/ Mar 2020	Mar 2021/ Dec 2020
Public Sector	**103.5**	**103.6**	**101.5**	**104.3**	**102.7**	**0.8%**	**-0.1%**
Public Management - Direct and Indirect	103.5	103.6	101.5	104.3	102.7	0.8%	-0.1%
Private Sector	**36,748.8**	**37,502.2**	**36,156.2**	**35,861.6**	**36,083.2**	**1.8%**	**-2.0%**
Corporate	8,475.8	8,952.2	8,836.9	8,966.6	8,865.4	-4.4%	-5.3%
Agricultural	251.6	272.6	159.9	168.3	229.5	9.7%	-7.7%
Food, beverage and smoke	1,104.0	1,146.4	1,194.7	1,241.6	1,143.5	-3.5%	-3.7%
Automotive	363.0	383.3	352.9	337.3	349.0	4.0%	-5.3%
Pulp, wood and furniture	155.8	185.0	202.1	198.2	190.1	-18.0%	-15.8%
Wholesale Food Business	562.0	535.0	552.1	626.9	475.5	18.2%	5.0%
Wholesale Business, except for food	539.7	559.9	506.3	512.8	472.0	14.4%	-3.6%
Retail Business - Others	748.8	784.3	720.0	612.2	663.9	12.8%	-4.5%
Construction and Real Estate	816.8	837.5	817.4	824.0	826.0	-1.1%	-2.5%
Education, Health and other Social Services	1,138.1	1,233.6	1,367.6	1,358.5	1,382.5	-17.7%	-7.7%
Electronics and Computing	272.1	313.8	312.6	313.4	341.0	-20.2%	-13.3%
Financials and Insurance	329.6	338.7	349.6	474.3	448.0	-26.4%	-2.7%
Machine and Equipment	236.1	239.2	216.9	215.1	209.5	12.7%	-1.3%
Metallurgy	214.8	230.3	198.3	214.2	187.2	14.8%	-6.7%
Infrastructure Works	30.0	31.4	136.2	134.4	147.5	-79.7%	-4.6%
Oil and Natural Gas	315.1	355.3	359.0	368.6	381.3	-17.4%	-11.3%
Chemical and Petrochemical	406.4	434.1	372.7	419.8	442.1	-8.1%	-6.4%
Private Services	212.7	219.6	215.1	199.5	203.2	4.7%	-3.1%
Textile, Confections and Leather	201.5	234.0	216.3	203.4	217.3	-7.3%	-13.9%
Transportation	295.6	314.7	286.0	285.9	298.8	-1.1%	-6.1%
Others	281.9	303.5	300.9	258.1	257.6	9.4%	-7.1%
Individuals	28,273.0	28,550.0	27,319.4	26,895.0	27,217.7	3.9%	-1.0%
Total	**36,852.2**	**37,605.8**	**36,257.7**	**35,965.9**	**36,185.8**	**1.8%**	**-2.0%**

Breakdown of Credit by Portfolio

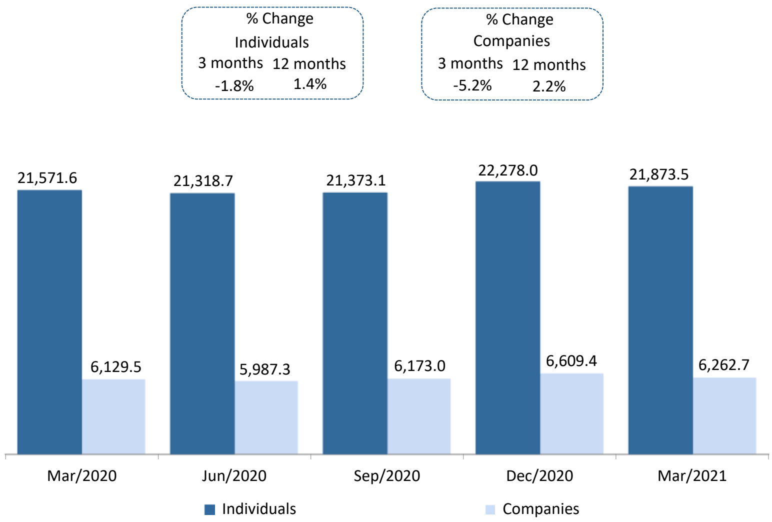
The breakdown of credit by portfolio presents both earmarked and non-earmarked loan assets. The non-earmarked portfolio, leasing and public sector are freely funded from time deposits and equity and comprised 76.7% of the total credit portfolio in March 2021. Development credit lines (long-term finance), agricultural, real estate finance and foreign exchange portfolios, which have specific funding sources and are used for mandatory credit allocation, represented 23.3% of total credit balance in March 2021.

Table 13: Breakdown of Credit by Portfolio - R$ Million

	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Mar 2021/ Mar 2020	Mar 2021/ Dec 2020
Private Sector	**36,748.8**	**37,502.2**	**36,156.2**	**35,861.6**	**36,083.2**	**1.8%**	**-2.0%**
Commercial	28,136.2	28,887.4	27,546.1	27,306.0	27,701.2	1.6%	-2.6%
Individuals	21,873.5	22,278.0	21,373.1	21,318.7	21,571.6	1.4%	-1.8%
Companies	6,262.7	6,609.4	6,173.0	5,987.3	6,129.5	2.2%	-5.2%
Leasing	4,104.9	4,125.6	4,122.9	4,148.8	4,135.7	-0.7%	-0.5%
Rural	3,459.3	3,392.2	3,178.9	2,902.4	2,712.6	27.5%	2.0%
Long Term Financing	530.2	569.1	616.4	654.6	660.5	-19.7%	-6.8%
Foreign Exchange	502.4	510.4	672.7	826.2	846.6	-40.7%	-1.6%
Agricultural Financing	15.7	17.6	19.2	23.6	26.6	-41.0%	-10.5%
Public Sector	**103.5**	**103.6**	**101.5**	**104.3**	**102.7**	**0.8%**	**-0.1%**
Total of Credit-like Transactions	**36,852.2**	**37,605.8**	**36,257.7**	**35,965.9**	**36,185.8**	**1.8%**	**-2.0%**
Co-obligation, sureties and guarantees	192.3	195.9	212.6	240.8	277.9	-30.8%	-1.8%
Total	**37,044.6**	**37,801.7**	**36,470.3**	**36,206.8**	**36,463.7**	**1.6%**	**-2.0%**

Making up 76.3% of Banrisul's total loan book, the balance of non-earmarked credit portfolio at the end of March 2021 reached R$28,136.2 million. Within the non-earmarked credit portfolio, credit to individuals corresponded to 77.7% of the balance of the non-earmarked portfolio and to 59.4% of the total loan book in March 2021. Credit to companies represented 22.3% of the balance of non-earmarked credit and 17.0% of the total stock of credit in the same month.

Graph 6: 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$4,104.9 million in March 2021, relatively stable, decreasing R$30.8 million from March 2020 and R$20.7 million from December 2020. Real estate finance lines represented 11.1% of the Bank's total credit portfolio in March 2021, including R$12.4 million related to an operation involving the sale of credit with recourse.

Rural loans totaled R$3,459.3 million in March 2021, increasing 27.5% (R$746.8 million) from March 2020 and 2.0% (R$67.1 million) from December 2020. Rural loans represented 9.4% of the loan portfolio in March 2021.

Long-term finance totaled R$530.2 million in March 2021, with decreases of 19.7% (R$130.3 million) from March 2020 and of 6.8% (R$38.9 million) from December 2020.

Foreign exchange portfolio totaled R$502.4 million in March 2021, decreasing 40.7% (R$344.2 million) from March 2020 and 1.6% (R$8.0 million) from December 2020.

Non-earmarked Credit

Composed by lower risk credit portfolios, non-earmarked credit to individuals reached R$21,873.5 million in March 2021, increasing 1.4% (R$301.9 million) from March 2020 and decreasing 1.8% (R$404.5 million) from December 2020. The non-earmarked portfolio is manly composed by payroll loans, which totaled R$16,943.5 million in March 2021, accounting for 77.5% of the non-direct lending to individuals and for 60.2% of the total non-earmarked portfolio. From the total amount of payroll loans, 63.2% (R$10,712.6 million) are credit operations originated at Banrisul's network, 36.2% (R$6,135.2 million) are credit operations originated at banking correspondents and 0.6% (R$95.6 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$860.6 million in payroll loans, especially INSS payroll loans, partially offset by the decrease of R$445.6 million in non-earmarked credit, facing specially the credit line anticipation of salary and of R$93.4 million in overdraft.

From December 2020, the decrease in non-earmarked credit came, mostly, from the decrease in personal loans (R$201.6 million), the decrease in credit and debit cards (R$173.0 million) and in payroll loans (R$113.6 million), partially offset by the increase in overdraft (R$75.0 million).

Non-earmarked credit to companies reached R$6,262.7 million in March 2021, increasing 2.2% (R$133.1 million) from March 2020, mostly driven by the increase of R$375.2 million in working capital lines, in particularly as relief credit granted in programs such as PEAC and Pronampe which reached R$1,363.6 million, trend partially minimized by the decreases of R$182.0 million in debtor accounts, and of R$62.6 million in anticipation of recevables.

From December 2020 to March 2021, non-earmarked credit to companies decreased 5.2% (R$346.7 million), mainly influenced by the decrease of R$346.0 million in working capital lines.

Table 14: Composition of Non-Earmarked Credit - Individuals and Companies - R$ Million

	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Mar 2021/ Mar 2020	Mar 2021/ Dec 2020
Individuals	**21,873.5**	**22,278.0**	**21,373.1**	**21,318.7**	**21,571.6**	**1.4%**	**-1.8%**
Credit and Debit Card (1)	2,021.6	2,194.6	1,969.5	1,875.6	2,038.9	-0.8%	-7.9%
Overdraft	424.7	349.8	397.2	442.2	518.1	-18.0%	21.4%
Payroll Loans	16,943.5	17,057.1	16,892.4	16,314.0	16,082.8	5.4%	-0.7%
Non Payroll Personal Loans	1,640.9	1,842.5	1,286.8	1,842.4	2,086.5	-21.4%	-10.9%
Other	842.8	834.0	827.1	844.4	845.3	-0.3%	1.1%
Companies	**6,262.7**	**6,609.4**	**6,173.0**	**5,987.3**	**6,129.5**	**2.2%**	**-5.2%**
Credit and Debit Cards (1)	132.0	147.0	141.8	137.2	142.4	-7.3%	-10.2%
Working Capital	4,527.8	4,873.7	4,493.0	4,207.6	4,152.5	9.0%	-7.1%
Debtor Accounts	352.3	294.1	346.0	428.2	534.3	-34.1%	19.8%
Compror/Vendor	18.7	13.2	12.2	14.0	12.6	48.9%	41.7%
Foreign Credit	89.5	98.6	112.8	130.3	133.3	-32.8%	-9.2%
Debt Instruments Discount	53.3	64.2	58.7	70.4	115.9	-54.0%	-17.1%
Other	1,089.1	1,118.5	1,008.5	999.6	1,038.6	4.9%	-2.6%
Total	**28,136.2**	**28,887.4**	**27,546.1**	**27,306.0**	**27,701.2**	**1.6%**	**-2.6%**

(1) Of the R$2,111.3million balance, R$308.8 million refers to revolving credit card lines.

Breakdown of Credit Disbursement

Total credit grant reached R$8,226.9 million in 1Q2021, decreasing 30.7% (R$3,646.9 million) in comparison to 1Q2020 and 27.5% (R$3,123.5 million) from 4Q2020.

From 1Q2020 to 1Q2021, the decrease in credit concessions was mainly due to the decrease of R$3,265.8 million in non-earmarked credit and of R$326.2 million in credit concessions in rural loans.

Quarter on quarter, the decrease in the volume of credit granted in 1Q2021 came mainly from the decrease of R$3,078.0 million in the volume of non earmarked loans concessions.

Table 15: Composition of Credit Grant Volumes by Credit Products - R$ Million

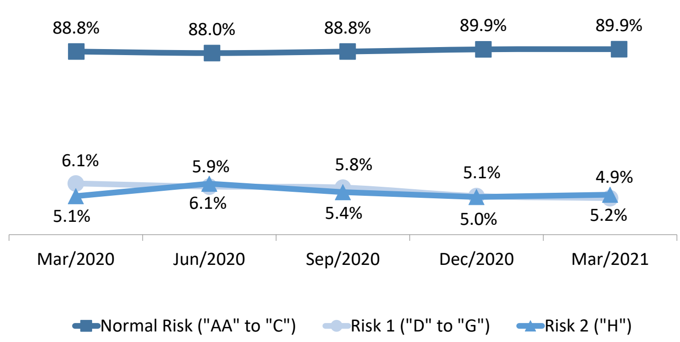
	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020	1Q2021/ 1Q2020	1Q2020/ 4Q2020
Foreign Exchange	247.3	347.7	247.3	135.0	172.4	202.4	347.7	-28.9%	83.1%
Non-earmarked (1)	7,183.0	10,448.8	7,183.0	10,261.0	11,595.3	9,320.5	10,448.8	-31.3%	-30.0%
Individuals	5,154.7	7,054.0	5,154.7	7,272.5	8,612.9	6,937.8	7,054.0	-26.9%	-29.1%
Companies	2,028.2	3,394.8	2,028.2	2,988.6	2,982.4	2,382.7	3,394.8	-40.3%	-32.1%
Leasing	-	1.2	-	-	0.1	-	1.2	-100.0%	-
Long-term Financing	50.9	39.1	50.9	44.5	39.4	107.4	39.1	30.1%	14.4%
Real Estate	218.3	183.3	218.3	220.9	170.7	117.0	183.3	19.1%	-1.2%
Agricultural	527.5	853.7	527.5	689.0	1,014.8	702.8	853.7	-38.2%	-23.4%
Total	**8,226.9**	**11,873.8**	**8,226.9**	**11,350.5**	**12,992.7**	**10,450.1**	**11,873.8**	**-30.7%**	**-27.5%**

(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 89.9% of the credit portfolio in March 2021, increasing 1.1 pp. from March 2020 and stable from December 2020.

Graph 7: Credit Portfolio by Risk Levels (%)



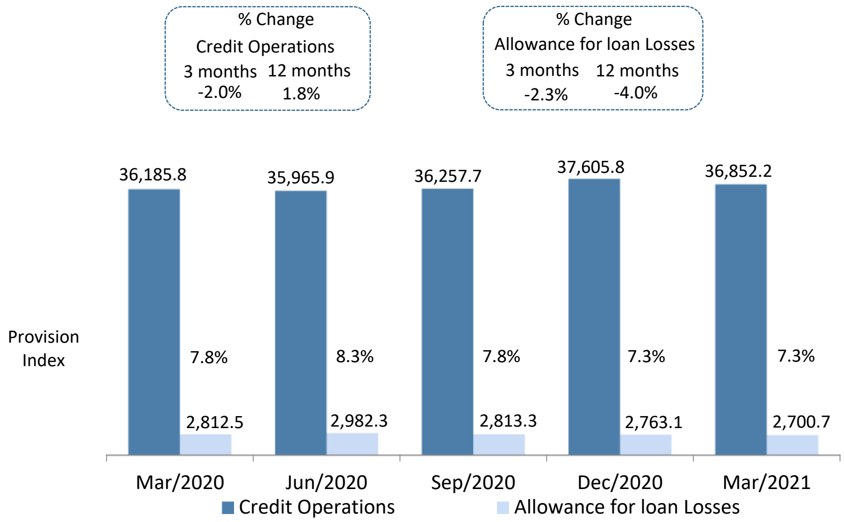
Allowance for Loan Losses

Representing 7.3% of the loan portfolio, allowance for loan losses totaled R$2,700.7 million in March 2021, decreasing 0.5 pp. from March 2020 and stable from December 2020.

Allowance for loan losses decreased 4.0% (R$111.7 million) from March 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 2.3% (R$62.4 million), reflecting the rollover of the portfolio by rating levels and write-offs greater than provision expenses, in a context of increasing overdue loans and decreasing credit portfolio.

Graph 8: Breakdown of Allowance for Loan Losses - R$ Million



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

(i) R$808.1 million for operations with installments 60 days overdue;

(ii) R$1,892.6 million for contracts due or less than 60 days overdue.

Table 16: Balance of Allowance for Loan Losses - R$ Million

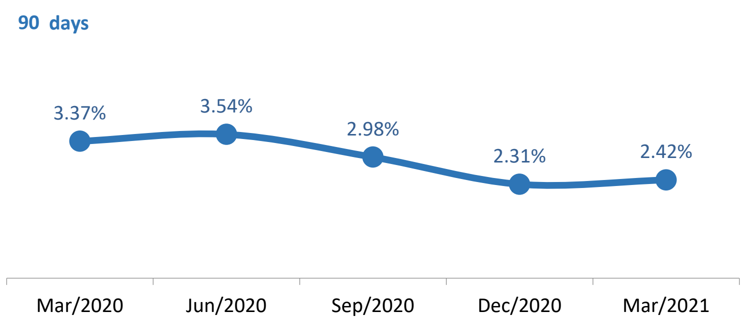
Risk Levels	Required Provision %	Portfolio	Relative Accumulated Share %	Past Due Credits	Receivable Credits	Minimum Provision		Total Provision	Provision Over Portfolio %
						Past Due	Receivables		
AA	-	4,906.7	13.31%	-	4,906.7	-	-	-	0.00%
A	0.5%	18,545.7	63.64%	-	18,545.7	-	92.7	92.7	0.50%
B	1.0%	7,996.6	85.34%	-	7,996.6	-	80.0	80.0	1.00%
C	3.0%	1,695.2	89.94%	53.0	1,642.2	1.6	49.3	50.9	3.00%
D	10.0%	864.7	92.28%	83.9	780.8	8.4	78.1	86.5	10.00%
E	30.0%	334.6	93.19%	76.7	257.9	23.0	77.4	100.4	30.00%
F	50.0%	214.9	93.78%	72.9	142.0	36.4	71.0	107.4	50.00%
G	70.0%	370.1	94.78%	89.6	280.5	62.7	196.4	259.1	70.00%
H	100.0%	1,923.8	100.00%	675.9	1,247.9	675.9	1,247.9	1,923.8	100.00%
Total		**36,852.2**		**1,052.0**	**35,800.2**	**808.1**	**1,892.6**	**2,700.7**	**7.33%**

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 2.42% of the loan book in March 2021, decreasing 0.95 pp. in twelve months and increasing 0.11 pp. from December 2020. 90-day plus overdue loans totaled R$891.2 million in March 2021, decreasing 27.0% (R$329.8 million) from March 2020 and increasing 2.5% (R$21.4 million) from December 2020.

Graph 9: Default Rate

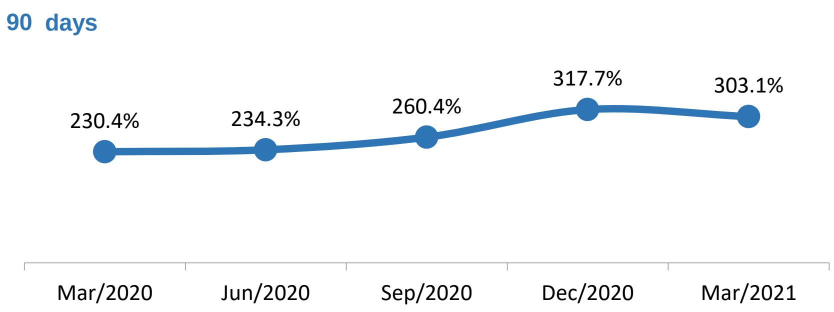


Coverage Ratio

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 March 2021, coverage ratio for 90-day overdue transactions reached 303.1%. The increase in the coverage ratio for 90-day in comparison to March 2020 reflects the decrease in overdue loans greater than the decrease in the balance of allowance for loan losses. In comparison to December 2020, the decrease in the coverage ratio reflects the increase in overdue loans and the decrease in the provision balance for credit losses.

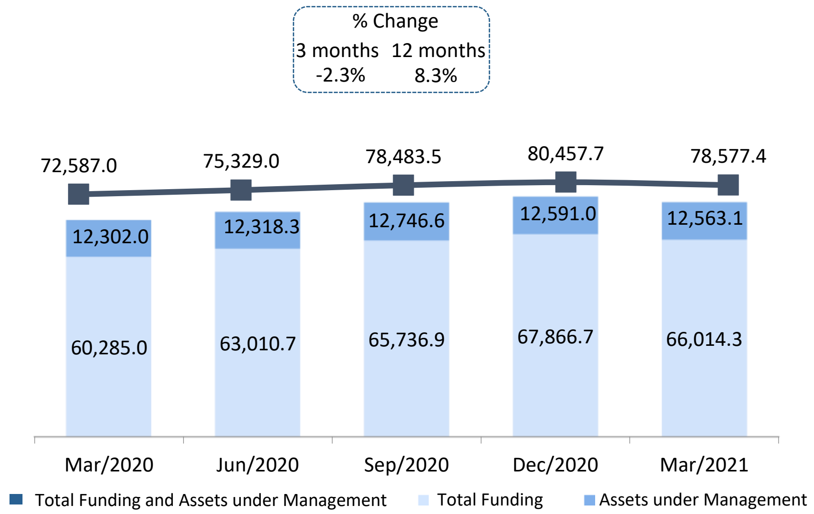
Graph 10: Coverage Ratio



FUNDING AND ASSETS UNDER MANAGEMENT

Consisting of deposits, bank notes and subordinated bond, funding and assets under management totaled R$78,577.4 million in March 2021, an increase of 8.3% (R$5,990.4 million) from March 2020 and decrease of 2.3% (R$1,880.4 million) from December 2020.

Graph 11: Funds Raised and Under Management - R$ Million



The increase from March 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 depositsand in bank notes, partially offset by the increase of subordinated debt.

Table 17: Funding Composition per Product- R$ Million

	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Mar 2021/ Mar 2020	Mar 2021/ Dec 2020
Total Deposits	60,966.5	62,446.5	59,892.7	56,719.0	53,933.8	13.0%	-2.4%
Demand Deposits	3,580.4	4,289.1	3,476.3	2,970.4	2,793.3	28.2%	-16.5%
Saving Deposits	11,110.9	11,065.6	10,705.2	10,282.0	9,705.6	14.5%	0.4%
Interbank Deposits	1,183.9	1,478.8	1,196.2	1,055.4	1,089.3	8.7%	-19.9%
Time Deposits	45,076.3	45,599.6	44,502.9	42,400.5	40,330.9	11.8%	-1.1%
Other Deposits	15.1	13.4	12.1	10.7	14.7	2.2%	12.6%
Resources from Notes (1)	1,919.8	2,440.5	2,663.9	3,083.4	3,351.2	-42.7%	-21.3%
Subordinated Debt	3,127.9	2,979.6	3,180.3	3,208.3	3,000.0	4.3%	5.0%
Total Funding	**66,014.3**	**67,866.7**	**65,736.9**	**63,010.7**	**60,285.0**	**9.5%**	**-2.7%**
Assets Under Management	12,563.1	12,591.0	12,746.6	12,318.3	12,302.0	2.1%	-0.2%
Total Funding and Assets Under Management	**78,577.4**	**80,457.7**	**78,483.5**	**75,329.0**	**72,587.0**	**8.3%**	**-2.3%**

(1) Bank Notes and Real Estate Notes.

Total Deposits

Total deposits reached R$60,966.5 million in March 2021, increasing 13.0% (R$7,032.7 million) from March 2020, mainly driven by the increase in time deposits and savings, and decreasing 2.4% (R$1,480.0 million) from December 2020, mainly due to the decrease of time and demand deposits.

Time Deposits

Banrisul's main funding vehicle, time deposits totaled R$45,076.3 million in March 2021, increasing 11.8% (R$4,745.4 million) from March 2020 and decreasing 1.1% (R$532.4 million) from December 2020.

Demand Deposits

In March 2021, demand deposits reached R$3,580.4 million, increasing 28.2% (R$787.1 million) from March 2020 and decreasing 16.5% (R$708.7 million) from December 2020.

Saving Deposits

Savings deposits totaled R$11,110.9 million in March 2021, increasing 14.5% (R$1,405.3 million) from March 2020 and mostly stable, increasing R$45.4 million from December 2020.

Resources from Notes

Bank and real estate notes reached R$1,919.8 million in March 2021, decreasing 42.7% (R$1,431.4 million) from March 2020 and 21.3% (R$520.7 million) from December 2020.

Subordinated Bond

The subordinate bond amounted to R$3,127.9 million in March 2021, increasing 4.3% (R$127.9 million) from March 2020 and 5.0% (R$148.3 million) from December 2020, 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.

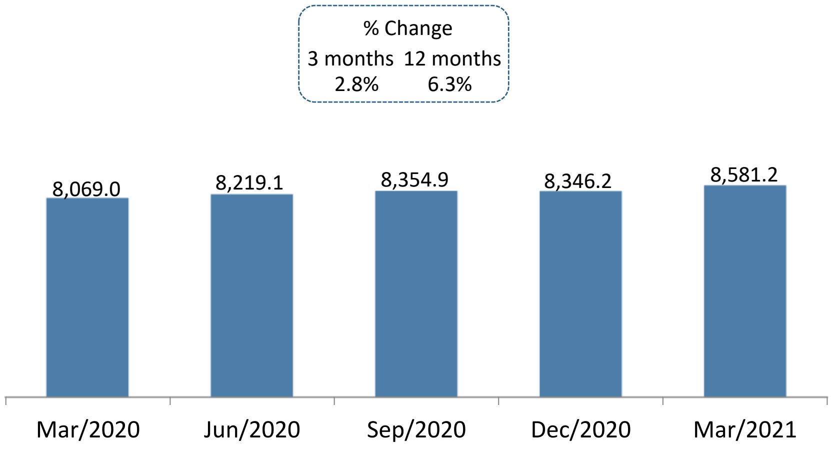
SHAREHOLDERS' EQUITY

Banrisul's shareholders' equity reached R$8,581.2 million at the end of March 2021, an increase of 6.3% (R$512.2 million) from March 2020 and 2.8% (R$235.0 million) from December 2020.

From March 2020, the evolution of shareholders' equity results from incorporating net income (after the payment/provision of interest 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$50.7 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 on equity, and the adjustments of R$51.2 million in equity participation in subsidiaries abroad impacted by foreign exchange rates.

Graph 12: Shareholders' Equity - R$ Million



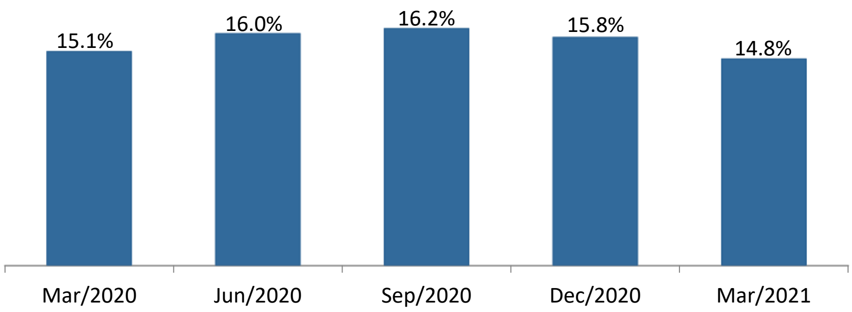
BASEL RATIO

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$6,694.2 million in March 2021, increasing R$147.6 million from March 2020, mostly by the increase of profit reserves in the period. From December 2020, the reference equity decreased R$127.0 million, 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.

The total exposure of Risk Weighted Assets (RWA_{TOTAL}) reached R$45,261.5 million in March 2021, increasing R$2,027.0 million in twelve months mainly due to the increase of R$2,187.1 million in market risk share (RWA_{MPAD}), mostly driven by the foreign exchange exposure (RWA_{CAM}), and the decrease of R$137.5 million in the operational risk share (RWA_{OPAD}) and of R$22.6 million in the credit risk share (RWA_{CPAD}). Risk-weighted assets increased R$2,126.9 million since December 2020, due to the increase of R$2,718.8 million in RWA_{MPAD}, and the decrease of R$392.0 million in RWA_{CPAD} and of R$199.9 million in RWA_{OPAD}.

Basel ratio reached 14.8% in March 2021, above regulatory limits, decreasing 0.3 pp. from March 2020 and decreasing 1.0 pp. from December 2020. The current minimum level for the Basel ratio in Brazil is 9.25%, in force from April 1, 2020, to March 31, 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 6.9% in March 2021, with the minimum set at 3.0%, in force since January 2018, as per CMN Resolution No. 4615/17.

Graph 13: Basel Ratio



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EVOLUTION OF INCOME STATEMENT ACCOUNTS

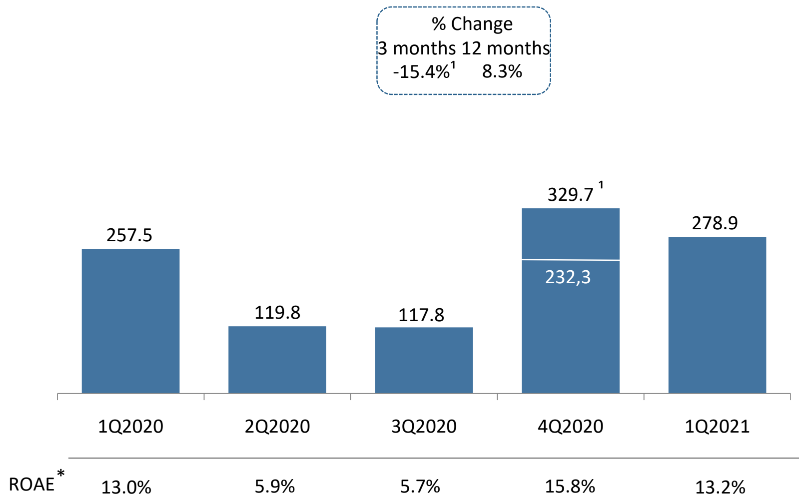
NET INCOME

Reported net income in 1Q2021 reached R$278.9 million, increasing 8.3% (R$21.4 million) from 1Q2020. It was mainly driven by lower allowance for loan loss expenses (R$166.9 million), lower financial margin (R$54.2 million), lower banking fees (R$25.7 million), lower administrative expenses (R$50.6 million), increase in other expense and income (R$70.9 million) and higher taxes on profit (R$45.0 million).

In comparison to the adjusted net income in 4Q2020, net income in 1Q2021 decreased 15.4% (R$50.7 million), mainly due to the decrease in financial margin (R$255.0 million), lower allowance for loan loss expenses (R$271.5 million), lower banking fees (R$42.7 million), lower adjusted administrative expenses (R$35.3 million), unfavorable trajectory of other income and expenses (R$70.6 million), and consequent lower taxes on profit (R$14.9 million).

Net income in 4Q2020 was impacted in R$97.3 million by the Voluntary Termination Plan, net of fiscal effects, treated as non recurring for the purposes of income statement.

Graph 14: Net Income - R$ Million



[1] Adjusted Net Income.
* Annualized and based on adjusted net income.

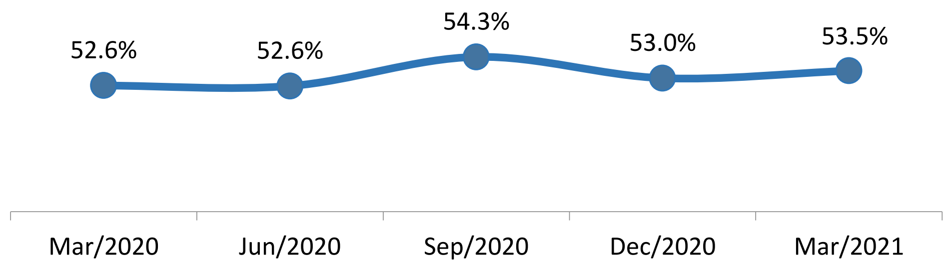
Return on Average Shareholders' Equity

Annualized return on average shareholders' equity reached 13.2% in 1Q2021, 0.2 pp. above 1Q2020, in an environment that combined: (i) decreasing expenses for allowance for loan losses; (ii) decreasing financial margins; (iii) decreasing banking fees, (iv) decreasing administrative expenses and (v) increasing other expenses.

Efficiency Ratio

The efficiency ratio reached 53.5% in the accumulated twelve moths up to March 2021, from 52.6% in the accumulated twelve moths up to March 2020. The unfavorable trend of efficiency ratio reflects the decrease in adjusted administrative expenses in greater proportion than the decrease of net interest income and banking fees and the increase of other expenses.

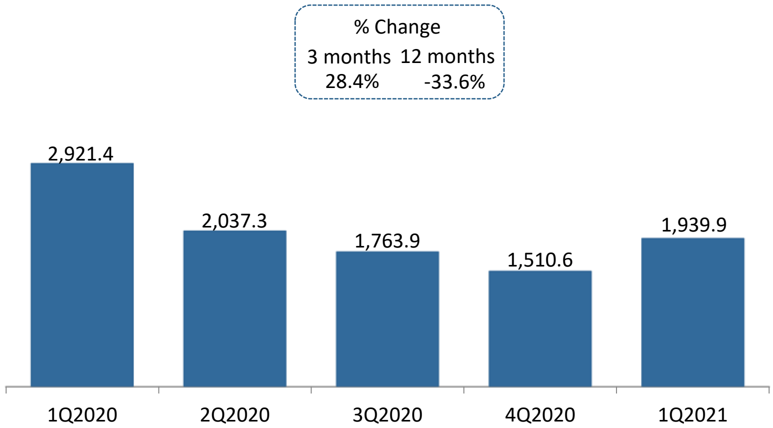
Graph 15: Adjusted Efficiency Ratio



Financial Income

Financial income reached R$1,939.9 million in 1Q2021, decreasing 33.6% (R$981.4 million) from 1Q2020 and increasing 28.4% (R$429.3 million) from 4Q2020. The trend of the Selic Rate and the exchange variation influenced financial intermediation revenues in those periods.

Graph 16: Financial Income - R$ Million



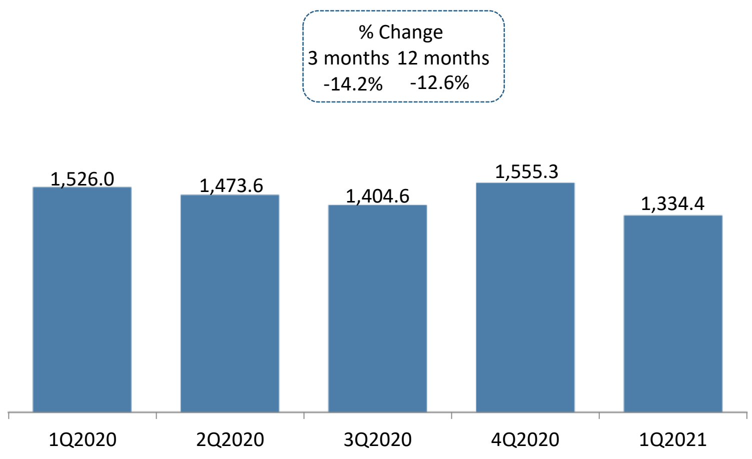
From 1Q2020 to 1Q2021, the trend in revenues from financial intermediation was mainly influenced by the decreases in revenues from securities and derivatives (R$525.0 million), in credit revenues (R$191.6 million), and in foreign exchange income (R$188.1 million).

From 4Q2020 to 1Q2021, the increase in revenues from financial intermediation was mostly influenced by the increase of R$537.8 million in revenues from securities and derivatives and of R$114.4 million in foreign exchange income, partially offset by the decrease of R$220.9 million in revenues from credit operations

Revenues from Credit Operations

Revenues from credit operations, including revenues from leases and other credits, totaled R$1,334.4 million in 1Q2021, decreasing 12.6% (R$191.6 million) from 1Q2020 and 14.2% (R$220.9 million) from 4Q2020.

Graph 17: Revenues from Credit Operations - R$ Million



The trend of revenues from credit operations from 1Q2020 to 1Q2021 was mainly driven by the decrease of R$154.0 million in revenues from non-earmarked credit, and lower flow of revenues of long term credit in R$38.0 million, partially offset by the increase of R$6.6 million in revenues from rural loans, motived by the balance increase.

The decrease in revenues from credit operations from 4Q2020 to 1Q2021 was mainly due to the decrease of R$242.0 million in write-off recoveries, due to the basis of comparison effect, partially offset by the increase of R$22.8 million in revenues from long-term finance, specially facing, revenues from foreign exchange loans, impacted by the exchange rate in the period.

Revenues from Non-Earmarked Credit - Individuals and Companies

In 1Q2021, total non-earmarked credit revenues reached R$1,125.3 million, decreasing 12.0% (R$154.0 million) from 1Q2020 and R$5.3 million from 4Q2020.

Table 18: Revenues from Non-Earmarked Credit - Individuals and Companies - R$ Million

	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020	1Q2021/ 1Q2020
Individuals	**963.1**	**1,051.0**	**963.1**	**965.9**	**1,003.3**	**1,055.2**	**1,051.0**	**-8.4%**
Credit Card (1)	41.4	47.9	41.4	36.8	38.1	46.1	47.9	-13.4%
Overdraft	100.2	116.1	100.2	93.5	98.5	112.1	116.1	-13.7%
Payroll Loan	674.8	705.1	674.8	696.6	708.9	717.1	705.1	-4.3%
Non Payroll Loan - Personal Credit	112.6	146.3	112.6	104.1	121.5	143.6	146.3	-23.1%
Other	34.1	35.6	34.1	35.0	36.3	36.2	35.6	-4.3%
Companies	**162.3**	**228.4**	**162.3**	**164.7**	**179.3**	**207.8**	**228.4**	**-29.0%**
Credit Card (1)	1.7	2.7	1.7	1.4	1.8	2.8	2.7	-35.8%
Working Capital	89.2	118.3	89.2	95.7	103.6	115.2	118.3	-24.5%
Debtor Accounts	45.8	71.6	45.8	41.1	46.6	60.1	71.6	-36.1%
Compror/Vendor	0.3	0.6	0.3	0.4	0.3	0.4	0.6	-45.2%
Foreign Credit	0.8	1.5	0.8	0.9	1.2	1.5	1.5	-45.3%
Discount of Receivables	3.1	8.1	3.1	3.5	3.7	5.4	8.1	-62.2%
Other	21.3	25.7	21.3	21.7	22.1	22.3	25.7	-16.8%
Total	**1,125.3**	**1,279.4**	**1,125.3**	**1,130.7**	**1,182.6**	**1,263.0**	**1,279.4**	**-12.0%**

(1) Refers to credit card revolving revenues.

Revenues from non-earmarked credit to individuals amounted to 85.6% of total non-earmarked credit revenues in 1Q2021 and decreased 8.4% (R$87.9 million) from 1Q2020 and mostly stable, decreasing R$2.8 million from 4Q2020.

From 1Q2020 to 1Q2021, the decrease in revenues from non-earmarked credit to individuals were mainly driven by the decrease of R$33.7 million revenues from personal loans, of R$30.3 million in revenues from payroll loans and of R$15.9 million in revenues from overdraft accounts. In comparison to 4Q2020, the trend of revenues from non-earmarked credit to individuals came, mostly, from the decrease of R$21.9 million in revenues from payroll loans, partially offset by the increase of R$8.5 million in revenues from personal loans, of R$6.7 million in revenues from overdraft accounts and of R$4.7 million in revenues from credit and debit cards.

Revenues from non-earmarked credit to companies reached R$162.3 million in 1Q2021, decreasing 29.0% (R$66.1 million) from 1Q2020, especially due to the decrease of R$29.0 million in revenues from working capital lines and of R$25.9 million in revenues from debtor accounts. From 4Q2020, revenues from non-earmarked credit to companies decreased 1.5% (R$2.5 million), mostly due the decrease fo R$6.4 million in working capital lines, partially offset by the increase of R$4.6 million in debtor accounts.

Table 19: Monthly Average Non-Earmarked Credit Rates - Individuals and Companies

	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020
Individuals	**1.65%**	**1.85%**	**1.65%**	**1.69%**	**1.76%**	**1.84%**	**1.85%**
Credit Card (1)	7.29%	7.64%	7.29%	6.62%	6.77%	7.54%	7.64%
Overdraft	7.86%	7.86%	7.86%	7.86%	7.88%	7.89%	7.86%
Payroll-Loan	1.37%	1.52%	1.37%	1.40%	1.46%	1.50%	1.52%
Payroll Loans - Own	1.37%	1.54%	1.37%	1.41%	1.47%	1.51%	1.54%
Payroll Loans - Acquired	0.88%	0.94%	0.88%	0.92%	0.93%	0.94%	0.94%
Non Payroll Loan - Personal Credit	2.11%	2.24%	2.11%	3.03%	2.69%	2.39%	2.24%
Other	1.28%	1.44%	1.28%	1.33%	1.40%	1.42%	1.44%
Companies	**0.92%**	**1.28%**	**0.92%**	**0.88%**	**1.01%**	**1.19%**	**1.28%**
Credit Card (1)	12.28%	12.05%	12.28%	11.96%	11.63%	11.67%	12.05%
Working Capital	0.73%	0.99%	0.73%	0.71%	0.79%	0.93%	0.99%
Debtor Accounts	4.68%	4.12%	4.68%	4.51%	4.35%	4.37%	4.12%
Compror/Vendor	0.65%	1.22%	0.65%	0.69%	0.87%	1.19%	1.22%
Discount of Receivables	1.31%	1.62%	1.31%	1.28%	1.47%	1.58%	1.62%
Other	0.53%	0.64%	0.53%	0.54%	0.61%	0.62%	0.64%
Total	**1.47%**	**1.72%**	**1.47%**	**1.49%**	**1.59%**	**1.69%**	**1.72%**

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

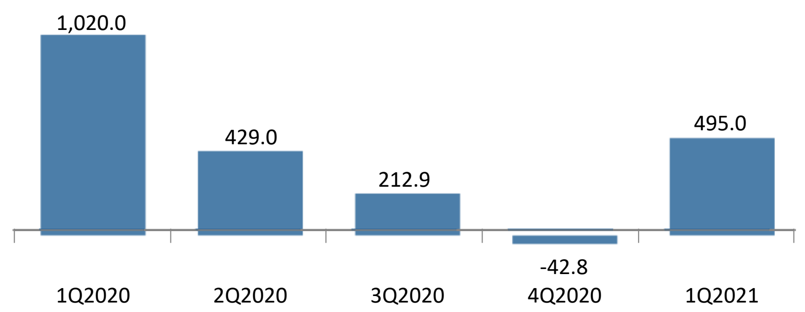
The monthly average interest rates charged on non-earmarked credit transactions decreased 0.25 pp. from 1Q2020 to 1Q2021. The monthly average interest rates charged in non-earmarked credit to individuals decreased 0.20 pp. from 1Q2020 to 1Q2021, and the monthly average interest rates charged in non-earmarked credit to companies decreased 0.36 pp. in the same period. From 4Q2020 to 1Q2021, the average monthly rates of non-earmarked credit decreased 0.02 pp., a similar trend of the average monthly rates of non-earmarked credit to individuals, which decreased 0.04 pp., while the average monthly rate of non-earmarked credit to companies increased 0.04 pp.

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 1Q2020 and increased from 4Q2020. 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$495.0 million in 1Q2021, 51.5% (R$525.0 million) below 1Q2020 and R$537.8 million above 4Q2020.

Graph 18: Revenues from Securities and Derivatives - R$ Million



The trend of treasury revenues from 1Q2020 to 1Q2021 resulted from the decrease of R$467.2 million in the income from financial derivative instruments, influenced by the exchange rate variation and the mark-to-market of the contracts in the period, and of R$57.8 million in income from securities, due to the reduction of the Selic rate that went from 1.01% in 1Q2020 to 0.48% in 1Q2021, in a context of increasing treasury balance.

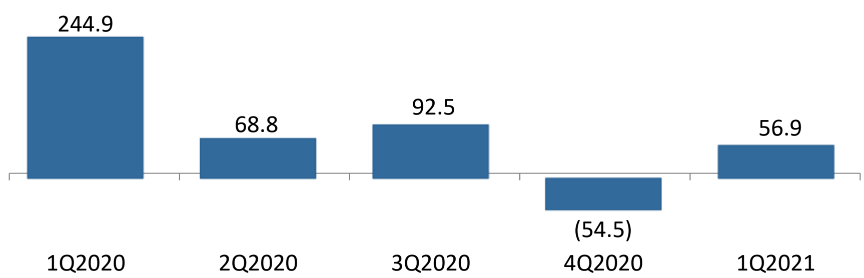
In comparison to 4Q2020, the revenues from securities in 1Q2021 were mainly driven by the increase of R$511.9 million in revenues from derivatives, due to exchange rate variations and the mark-to-market in the period.

Revenues from Foreign Exchange

Revenues from foreign exchange transactions totaled R$56.9 million in 1Q2021, 76.8% (R$188.1 million) below 1Q2020 and R$111.4 million above 4Q2020. 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 depreciation of 9.63% in 1Q2021 vis-à-vis the 28.98% currency depreciation in 1Q2020 and the 7.87% currency appreciation in 4Q2020.

Graph 19: Revenues from Foreign Exchange - R$ Million

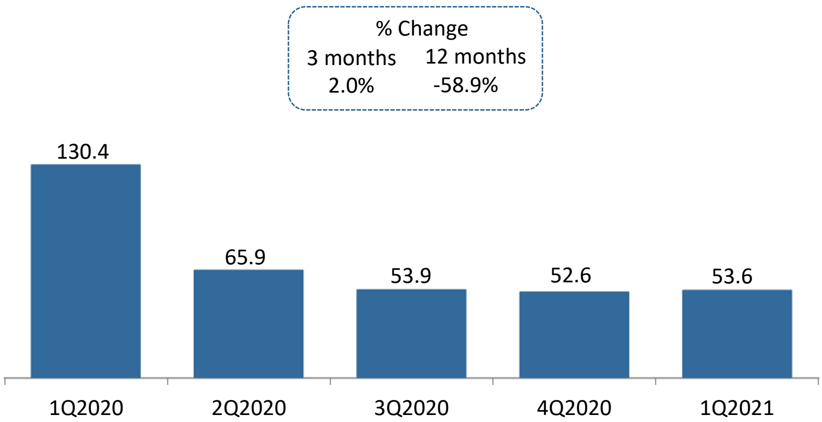


Revenues from Compulsory Deposits

Revenues from compulsory deposits reached R$53.6 million in 1Q2021, decreasing 58.9% (R$76.8 million) from 1Q2021 and increasing 2.0% (R$1.4 million) from 4Q2020.

The trend in revenues from compulsory deposits from 1Q2020 to 1Q2021 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 4Q2020, 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 0.01 pp. in the Selic Rate, in a context of stable balance of these deposits.

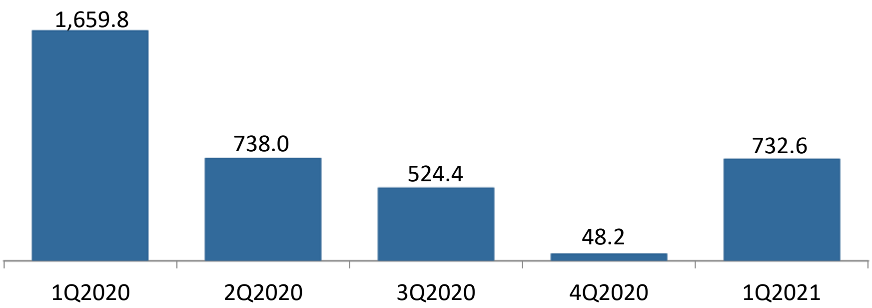
Graph 20: Revenues from Compulsory Deposits - R$ Million



FINANCIAL EXPENSES

Financial expenses totaled R$732.6 million in 1Q2021, decreasing 55.9% (R$927.2 million) from 1Q2020 and increasing R$684.3 million from 4Q2020. The trend of financial expenses was mostly affected by the trend of Selic rate and by the exchange variation rate.

Graph 21: Financial Expenses - R$ Million



The decrease in financial expenses from 1Q2020 to 1Q2021 was influenced by the decrease of R$711.7 million in market funding expenses, and of R$215.5 million in expenses with loans, assignments and onlendings.

From 4Q2020 to 1Q2021, the increase in financial expenses was driven by the increase of R$528.5 million in market funding expenses and of R$155.8 million in expenses with loans, assignments and onlendings.

EXPENSES WITH MARKET FUNDING OPERATIONS

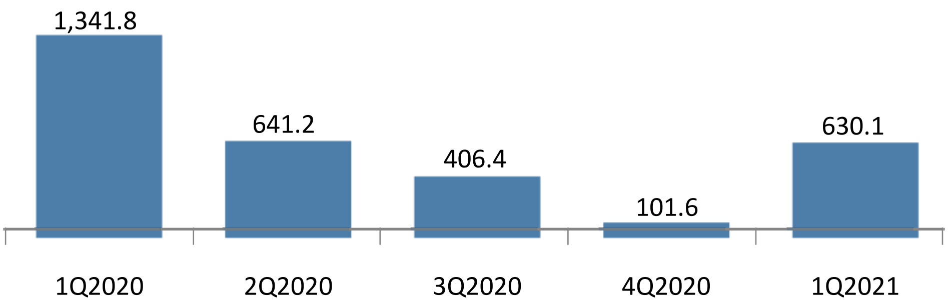
Expenses with market funding reached R$630.1 million in 1Q2021, 53.0% (R$711.7 million) below 1Q2020 and R$528.5 million above 4Q2020.

The decrease in funding expenses from 1Q2021 to 1Q2020 was mostly due to the decrease of R$523.5 million in expenses with subordinated debt, due to foreign exchange variation and the mark-to-market of the liability, and of R$172.4 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 4Q2020 to 1Q2021, the increase in expenses with market funding was mainly driven by the increase of R$469.4 million in expenses related to the subordinated debt, due to foreign exchange variation and mark-to-market.

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 22: 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 0.45% in 1Q2021 was lower than the average funding costs of 0.89% in 1Q2020 and higher than the average funding costs of 0.44% in 4Q2020, 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 92.18% of the Selic Rate in 1Q2021, increasing 4.07 pp. since 1Q2020 and decreasing 0.88 pp. since 4Q2021.

Accounting for 71.0% of the average balance of all funding items shown in the following table, the average cost of time deposits reached 0.42% in 1Q2021, decreasing 0.49 pp. from 1Q2020 and increasing 0.01 pp. from 4Q2020. The average cost with time deposits reached 87.52% of the Selic rate in 1Q2021, decreasing 2.25 pp. from 1Q2020 and increasing 0.76 pp. from 4Q2020.

Table 20: Funding Cost - R$ Million and %

	1Q2021			4Q2020			1Q2020		
	Average Balance	Accum. Expense	Average Cost	Average Balance	Accum. Expense	Average Cost	Average Balance	Accum. Expense	Average Cost
Time Deposits	45,417.1	(192.0)	0.42%	45,148.8	(184.8)	0.41%	40,179.8	(364.3)	0.91%
Saving Deposits	11,084.8	(61.3)	0.55%	10,869.5	(60.6)	0.56%	9,657.6	(86.7)	0.90%
Demand Deposits	3,851.6	-	0.00%	3,706.8	-	0.00%	2,889.8	-	0.00%
Interbank Deposits	1,346.5	(2.8)	0.21%	1,485.8	(4.5)	0.31%	691.8	(3.8)	0.54%
Other Deposits	14.2	-	0.00%	12.6	(0.0)	0.00%	14.1	(0.0)	0.00%
Bank Notes	1,341.0	(6.8)	0.50%	1,643.0	(8.2)	0.50%	2,546.4	(27.4)	1.08%
Real Estate Notes	878.7	(3.8)	0.43%	892.4	(3.8)	0.42%	946.7	(8.6)	0.91%
Credit Guarantee Fund Expenses	-	(18.0)	-	-	(18.0)	-	-	(15.8)	-
Total Average Balance / Total Expenses	**63,933.9**	**(284.6)**	**0.45%**	**63,759.0**	**(279.9)**	**0.44%**	**56,926.1**	**(506.6)**	**0.89%**
Selic			**0.48%**			**0.47%**			**1.01%**
Average Cost / Selic			**92.18%**			**93.06%**			**88.11%**
Cost of Time Deposits / Selic			**87.52%**			**86.76%**			**89.77%**

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

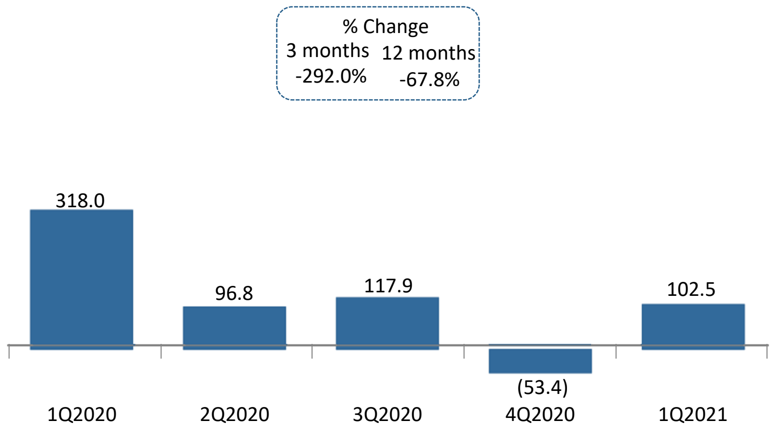
EXPENSES WITH BORROWINGS AND ONLENDINGS

Expenses with borrowings and onlendings totaled R$102.5 million in 1Q2021, 67.8% (R$215.5 million) below 1Q2020 and R$155.8 million above 4Q2020.

The lower flow of expenses with borrowings and onlendings from 1Q2020 to 1Q2021 was mainly driven by the decrease of R$207.2 million in foreign currency expenses due to exchange variation of the period.

In comparison to 4Q2020, the increase in expenses with borrowings and onlendings in 1Q2021 was mostly due to the increase of R$154.6 million in foreign currency expenses, due to exchange variation of the period and the increase of the balance, due to the external funding in January 2021.

Graph 23: Expenses with Borrowings and Onlendings - R$ Million



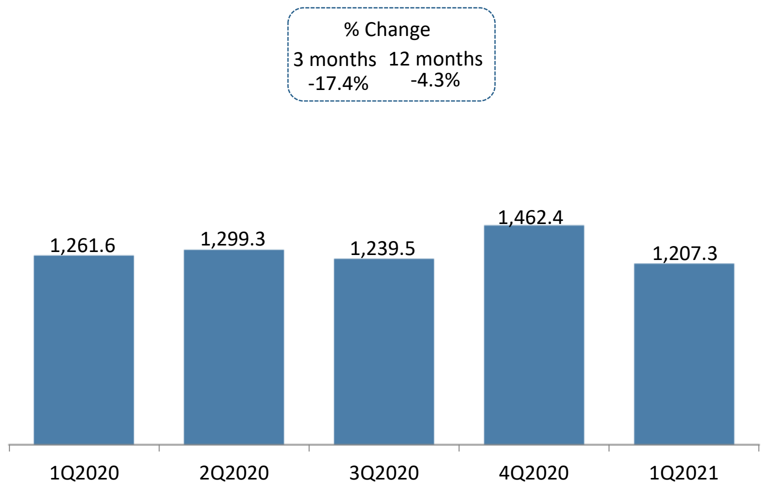
Financial Margin

Net interest income totaled R$1,207.3 million in 1Q2021, decreasing 4.3% (R$54.2 million) from 1Q2020 and 17.4% (R$255.0 million) from 4Q2020.

The decrease in financial margin from 1Q2020 to 1Q2021 reflects the decrease of interest income in greater proportion than the decrease of interest expenses, in a context of reduction in the interest rate on credit operations and decrease of the Selic Rate

The decrease in financial margin from 4Q2020 to 1Q2021 reflects the increase in interest expenses in a greater proportion than the increase in interest revenues, in an environment of exchange rate variation, lower volume of recovery of write off credit and increase of 0.01 pp. in the effective Selic Rate.

Graph 24: Financial Margin - R$ Million



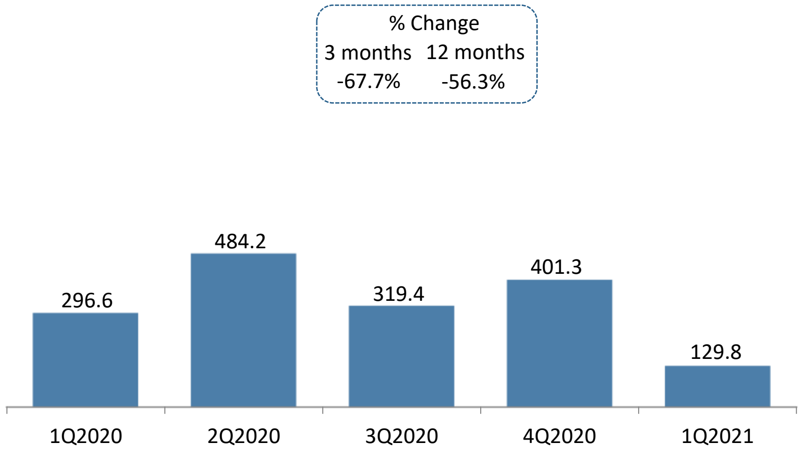
Allowance for Loan Losses

Expenses with allowance for loan losses totaled R$129.8 million in 1Q2021, decreasing 56.3% (R$166.9 million) from 1Q2020 and 67.7% (R$271.5 million) from 4Q2020.

The trend in provision expenses for loan operations from 1Q2020 to 1Q2021 reflects mostly the loan book rollover by risk rating, impacted by the current economic scenario, in a context of decreasing balance of overdue credit.

In comparison with 4Q2020, the decrease of allowance for loan losses mostly reflects the loan book rollover by risk rating and the lower volume of recovery of write-off credit fully provisioned, from corporate clients, due to the basis of comparison effect, in a context of decreasing loan portfolio.

Graph 25: Allowance for Loan Losses - R$ Million



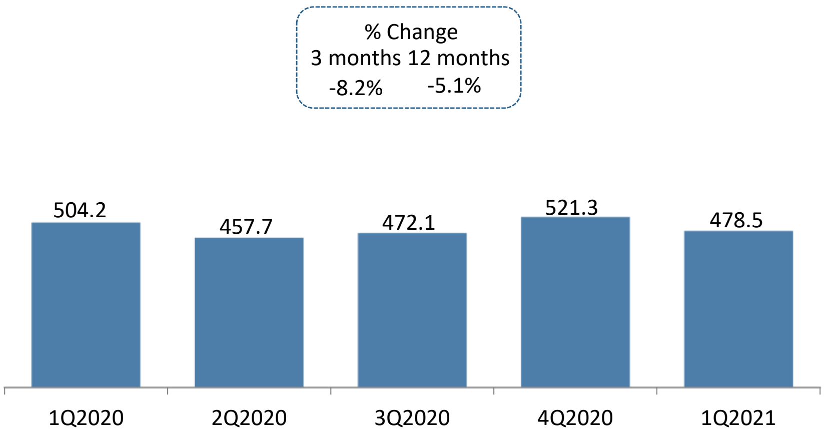
Revenues from Services and Banking Fees

Revenues from services and banking fees reached R$478.5 million in 1Q2021, 5.1% (R$25.7 million) below 1Q2020 and 8.2% (R$42.7 million) below 4Q2020.

The trend from 1Q2020 to 1Q2021 was especially influenced by the decrease of R$13.5 million in MDR fees due to the decrease in total portfolio volume especially impacted by customer support measures in connection to the economic impacts of the pandemic, the decrease of R$6.6 million in banking fees related to checking accounts and R$3.0 million in fund management fees.

From 4Q2020 to 1Q2021, revenues from services and banking fees were influenced by the decrease of R$24.8 million in MDR fees, due to year-end seasonality, of R$5.6 million in account debit fees, of R$2.7 million in checking account fees and of R$1.5 million in consortium management fees.

Graph 26: Revenues from Services and Banking Fees - R$ Million



ADJUSTED ADMINISTRATIVE EXPENSES

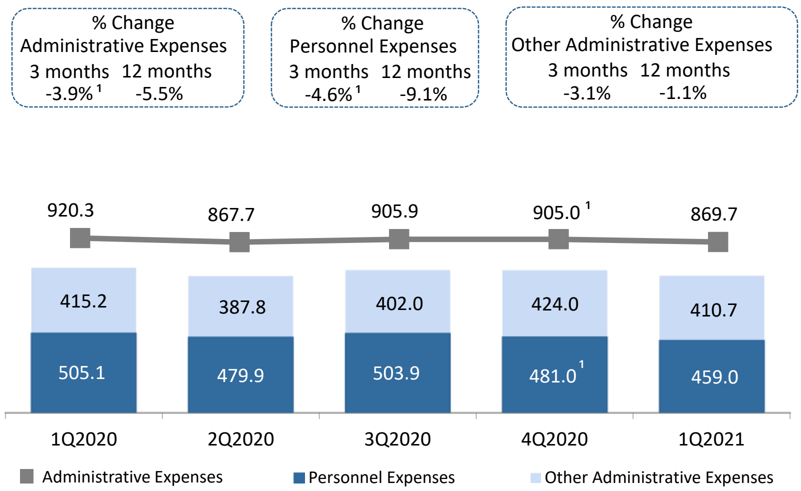
Administrative expenses totaled R$869.7 million in 1Q2021, decreasing 5.5% (R$50.6 million) from 1Q2020 and 3.9$ (R$35.3 million) from adjusted administrative expenses in 4Q2020.

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 March 2021, 96% (867 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$459.0 million in 1Q2021, decreasing 9.1% (R$46.1 million) from 1Q2020, impacted by the collective wage agreement and expenses related to the PDV Plan. Other administrative expenses reached R$410.7 million, stable from 1Q2020, decreasing R$4.5 million, mostly influenced by the decrease in expenses with surveillance, security and cash transportation services (R$5.4 million), expenses with outsourced services (R$5.0 million) and marketing expenses (R$4.0 million), partially offset by the increase in expenses with specialized technical services (R$6.9 million) and amortization and depreciation expenses (R$5.5 million).

From 4Q2020 to 1Q2021, adjusted personnel expenses decreased 4.6% (R$22.0 million). Other administrative expenses decreased 3.1% (R$13.3 million) from 4Q2020 to 1Q2021, mainly driven by the decrease in marketing expenses (R$7.8 million) and expenses with outsourced services (R$5.3 million).

Graph 27: Administrative Expenses - R$ Million



[1] Adjusted.

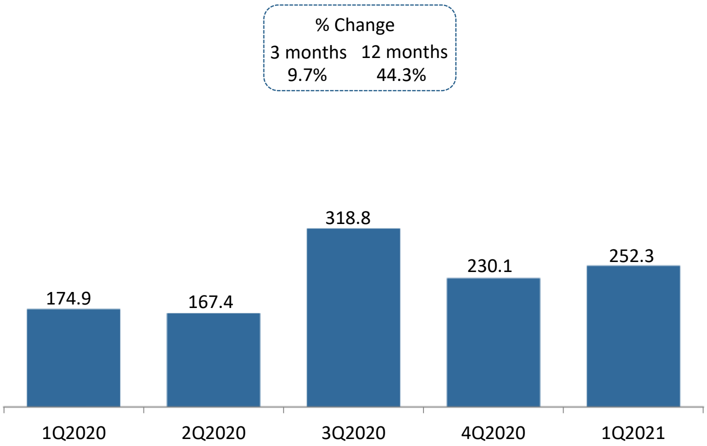
OTHER INCOME

In 1Q2021 other income reached R$99.8 million, increasing 7.0% (R$6.6 million) from 1Q2020 and decreasing 32.6% (R$48.3 million) from 4Q2020.

The increase in other adjusted income from 1Q2020 to 1Q2021 was especially due to the increase in revenues from rental of POS machines (R$8.0 million), revenues from reversal of operational provisions (R$4.4 million), revenues from reversal of provisions for payments pending settlement (R$4.2 million), partially offset by the decrease in revenues from fees and commission on insurance and capitalization (R$4.1 million), revenues from credit portability (R$2.6 million), other revenues from cards (R$2.0 million) and revenues from recovery of charges and expenses (R$1.6 million).

In comparison with 4Q2020, the decrease in other income in 1Q2021 mostly reflects the decrease of revenues from indexing of civil and tax judicial deposits, partially offset by the increase in revenues from reversal of provisions for payments pending settlement.

Graph 28: Other Adjusted Income - R$ Million



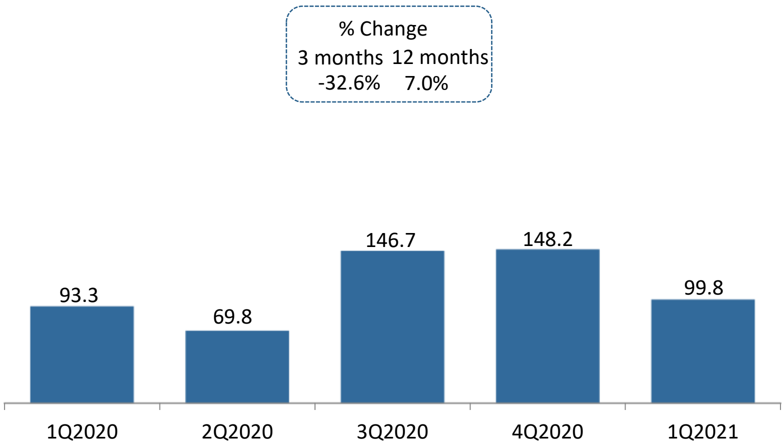
Other Expenses

Other expenses reached R$252.3 million in 1Q2021, increasing 44.3% (R$77.5 million) from 1Q2020 and 9.7% (R$22.3 million) from 4Q2020.

The increase of other adjusted expenses from 1Q2020 to 1Q2021 was particularly driven by the increase in labor lawsuits provision expenses (R$61.5 million), in expenses with INSS payroll agreements (R$17.4 million) and in civil lawsuits provision expenses (R$10.1 million), partially offset by the decrease in credit portability expenses (R$7.4 million) and in expenses with Banrisul de Vantgens credit card bonus program (R$5.5 million).

From 4Q2020 to 1Q2021, the increase in other expenses was mainly driven by the increase in labor lawsuits provision expenses (R$62.2 million), partially offset by the decrease in expenses with actuarial adjustments (CPC 33) (R$19.0 million), in expenses with losses with unpaid fees (R$11.4 million) and in credit portability expenses (R$8.2 million).

Graph 29: Other Adjusted Expenses - R$ Million



SUMMARY CONSOLIDATED PRO FORMA BALANCE SHEET

Table 21: Summary Consolidated Pro Forma Balance Sheet - R$ Thousand

Assets	Mar 2021	Dec 2020	Sep 2020	Jun 2020	Mar 2020	Mar 2021/ Mar 2020	Mar 2021/ Dec 2020
Cash	1.457.599	1.263.648	1.374.878	1.132.130	981.458	48.5%	15.3%
Financial Assets	91.171.064	88.011.432	85.987.882	83.204.573	79.929.948	14.1%	3.6%
Interbank Financial Investments	8.337.526	6.041.572	5.946.357	8.683.377	7.171.747	16.3%	38.0%
Compulsory Deposits at Central Bank of Brazil	7.469.218	7.750.609	7.545.727	7.257.069	6.672.669	11.9%	-3.6%
Securities and Derivatives	33.353.737	31.645.202	31.032.558	26.273.150	25.004.810	33.4%	5.4%
Financial Derivative Instruments	1.012.350	844.599	1.065.543	1.057.456	877.561	15.4%	19.9%
Credit Operations	34.397.499	34.860.941	33.567.407	33.203.826	33.193.366	3.6%	-1.3%
Other Financial Assets	6.583.149	6.848.904	6.808.784	6.703.568	6.980.437	-5.7%	-3.9%
Leasing Operations	17.585	19.605	21.506	26.127	29.358	-40.1%	-10.3%
Allowance for Loan Losses - associated to credit risk	(2.750.876)	(2.813.138)	(2.862.492)	(3.033.420)	(2.862.580)	-3.9%	-2.2%
Tax Assets	3.236.138	3.119.592	3.260.195	3.059.672	2.874.802	12.6%	3.7%
Other Assets	914.398	817.994	987.685	799.486	934.845	-2.2%	11.8%
Investments	156.275	177.951	160.481	154.563	140.209	11.5%	-12.2%
Property in Use	454.892	439.693	411.020	371.507	345.534	31.6%	3.5%
Intangible	792.563	805.729	847.574	894.285	925.790	-14.4%	-1.6%
Total Assets	**95.432.053**	**91.822.901**	**90.167.223**	**86.582.796**	**83.270.006**	**14.6%**	**3.9%**
Liabilities	**Mar 2021**	**Dec 2020**	**Sep 2020**	**Jun 2020**	**Mar 2020**	**Mar 2021/ Mar 2020**	**Mar 2021/ Dec 2020**
Deposits and Other Financial Liabilities	81,733,912	78,730,375	76,608,209	73,576,355	70,664,539	15.7%	3.8%
Deposits	60,966,517	62,446,503	59,892,651	56,718,962	53,933,796	13.0%	-2.4%
Repurchase Agreements	7,019,799	4,362,437	4,205,420	4,219,772	3,822,491	83.6%	60.9%
Funds from Acceptance and Issue of Securities	1,919,839	2,440,535	2,663,941	3,083,448	3,351,222	-42.7%	-21.3%
Borrowings and Onlendings	3,541,009	1,898,981	2,121,732	2,342,137	2,399,767	47.6%	86.5%
Derivatives	36,083	-	-	-	-	-	-
Other Financial Liabilities	8,250,665	7,581,919	7,724,465	7,212,036	7,157,263	15.3%	8.8%
Provisions	2,101,742	2,012,954	1,983,440	1,895,523	1,892,030	11.1%	4.4%
Tax Liabilities	643,674	561,565	916,601	803,205	557,302	75.8%	14.6%
Other Liabilities	2,371,483	2,171,792	2,034,065	2,088,592	2,087,088	4.1%	9.2%
Shareholders' Equity	**8,581,242**	**8,346,215**	**8,354,908**	**8,219,121**	**8,069,047**	**6.3%**	**2.8%**
Total Liabilities and Shareholders' Equity	**95,432,053**	**91,822,901**	**90,167,223**	**86,582,796**	**83,270,006**	**14.6%**	**3.9%**

ADJUSTED PRO FORMA CONSOLIDATED INCOME STATEMENT

Table 22: Pro Forma Consolidated Income Statement - R$ Thousand

	1Q2021	1Q2020	1Q2021	4Q2020	3Q2020	2Q2020	1Q2020	1Q2021/ 1Q2020	1Q2020/ 4Q2020
Financial Income	**1,939,918**	**2,921,366**	**1,939,918**	**1,510,605**	**1,763,854**	**2,037,345**	**2,921,366**	**-33.6%**	**28.4%**
Lending and Leasing Operations and Other Credits	1,334,427	1,526,007	1,334,427	1,555,280	1,404,559	1,473,619	1,526,007	-12.6%	-14.2%
Securities	204,021	261,824	204,021	178,174	147,179	249,121	261,824	-22.1%	14.5%
Derivatives	290,983	758,150	290,983	(220,943)	65,675	179,894	758,150	-61.6%	-231.7%
Foreign Exchange	56,892	244,947	56,892	(54,464)	92,511	68,793	244,947	-76.8%	-204.5%
Compulsory Investments	53,595	130,438	53,595	52,558	53,930	65,918	130,438	-58.9%	2.0%
Financial Expenses	**(732,577)**	**(1,659,802)**	**(732,577)**	**(48,229)**	**(524,368)**	**(738,018)**	**(1,659,802)**	**-55.9%**	**1,418.9%**
Funding Operations	(630,114)	(1,341,838)	(630,114)	(101,601)	(406,449)	(641,242)	(1,341,838)	-53.0%	520.2%
Borrowings Assignments and Onlendings	(102,463)	(317,964)	(102,463)	53,372	(117,919)	(96,776)	(317,964)	-67.8%	-292.0%
Profit from Financial Income	**1,207,341**	**1,261,564**	**1,207,341**	**1,462,376**	**1,239,486**	**1,299,327**	**1,261,564**	**-4.3%**	**-17.4%**
Allowance for Loan Losses	**(129,757)**	**(296,608)**	**(129,757)**	**(401,261)**	**(319,407)**	**(484,220)**	**(296,608)**	**-56.3%**	**-67.7%**
Other Adjusted Operational Income	**588,636**	**608,371**	**588,636**	**686,729**	**631,673**	**542,262**	**608,371**	**-3.2%**	**-14.3%**
Fees and Services	478,544	504,236	478,544	521,271	472,146	457,746	504,236	-5.1%	-8.2%
Equity in Subsidiaries	10,251	10,849	10,251	17,281	12,811	14,750	10,849	-5.5%	-40.7%
Other Adjusted Income	99,841	93,286	99,841	148,177	146,716	69,766	93,286	7.0%	-32.6%
Other Adjusted Operating Expenses	**(1,239,985)**	**(1,214,361)**	**(1,239,985)**	**(1,256,150)**	**(1,339,916)**	**(1,147,488)**	**(1,214,361)**	**2.1%**	**-1.3%**
Adjusted Personnel Expenses	(459,009)	(505,100)	(459,009)	(480,999)	(503,883)	(479,878)	(505,100)	-9.1%	-4.6%
Other Administrative Expenses	(410,701)	(415,249)	(410,701)	(424,050)	(401,994)	(387,803)	(415,249)	-1.1%	-3.1%
Tax Expenses	(117,941)	(119,160)	(117,941)	(121,045)	(115,288)	(112,433)	(119,160)	-1.0%	-2.6%
Other Adjusted Expenses	(252,334)	(174,852)	(252,334)	(230,056)	(318,751)	(167,374)	(174,852)	44.3%	9.7%
Income from Adjusted Operations	**426,235**	**358,966**	**426,235**	**491,694**	**211,836**	**209,881**	**358,966**	**18.7%**	**-13.3%**
Income Before Income Taxes	**426,235**	**358,966**	**426,235**	**491,694**	**211,836**	**209,881**	**358,966**	**18.7%**	**-13.3%**
Income Tax and Social Contribution	**(114,310)**	**(69,268)**	**(114,310)**	**(129,243)**	**(69,948)**	**(63,138)**	**(69,268)**	**65.0%**	**-11.6%**
Employee Profit Sharing	**(32,918)**	**(32,130)**	**(32,918)**	**(32,711)**	**(24,013)**	**(26,924)**	**(32,130)**	**2.5%**	**0.6%**
Non-Controlling Minority Interest	**(72)**	**(46)**	**(72)**	**(67)**	**(47)**	**(42)**	**(46)**	**56.5%**	**7.5%**
Adjusted Net Income	**278,935**	**257,522**	**278,935**	**329,673**	**117,828**	**119,777**	**257,522**	**8.3%**	**-15.4%**
Voluntary Termination Plan - PDV	-	-	-	(176,952)	-	-	-	-	-
Restructuring of Pension Plans	-	-	-	-	-	-	-	-	-
Labor Provision	-	-	-	-	-	-	-	-	-
Civil Provision	-	-	-	-	-	-	-	-	-
Tax Effects	-	-	-	79,628	-	-	-	-	-
Tax Credits - CSLL EC 103/2019	-	-	-	-	-	-	-	-	-
Net Income	**278,935**	**257,522**	**278,935**	**232,349**	**117,828**	**119,777**	**257,522**	**8.3%**	**20.1%**

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 quarter of 2021, prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

ECONOMIC SCENARIO

The first quarter of 2021 was characterized by a high degree of uncertainties related to the consequences of the Coronavirus pandemic. Although in several regions, most notably in the United States (USA), there was a clear advance in the population's vaccination process, the heterogeneous evolution of the immunization process worldwide ended up affecting moods in the international economic scenario. In this context, the debate on the risks of return of inflation has resurfaced, in view of the wide and lasting monetary stimuli that have received the reinforcement of significant fiscal impulses, notably, in developed economies.

One of the highlights in the fight against the pandemic and, later, in the pace of economic recovery, China saw a slight moderation in the expansion of activity throughout the first quarter of this year. However, due to the weak basis of comparison in the first quarter of 2020, it should reach a good growth rate, above double digits in the first three months of 2021. In turn, the rise in prices, particularly in producer prices, appears as risk factor in the beginning of the year in China, as well as in several economies. The March producer price index, for example, recorded a 4.4% increase compared to March 2020, accelerating in relation to the 1.7% variation registered in February. In the euro zone, on the other hand, the characteristics of the economic moment are somewhat different, with inflation still at low levels and the recovery of disparate activity between countries, reflecting the difficulties in the homogeneous advance of vaccination within the zone and its surroundings. Still, in the USA, the pace of large-scale vaccination has shown good results, with the country's activity indicators at a more intense pace than its peers. In addition, there was a deepening of fiscal impulses, so that, at the same time as it was welcomed by the market, it opened up the economic debate about the risks of return from inflation, which has increased the pressure on the interest rates of the bonds long-term sovereigns at the global level.

In Brazil, amid the increase in the number of new cases and deaths resulting from the advance of the pandemic and the difficulties in expanding the immunization program, economic activity registered a timid, irregular and more dependent recovery from new government impulses. These factors, combined with the already known difficulties in the fiscal area, resulted in an increase in the perception of risk, reflected in the devaluation of the domestic currency and in the increase in risk premiums in fixed income securities. In this sense, the price of the dollar saw a strong rise against the real, with a variation of more than 10% only in the first quarter of 2021, while the IPCA accumulated a variation of 6.1% in 12 months up to March and of little more 2% only in the first three months of the year. In this scenario, the monetary authority, after almost 6 years, returned to raise the basic interest rate of the Brazilian economy, the Selic, from 2.0% to 2.75% per year, reflecting the concern with inflation. Concomitantly, the high level of uncertainties keeps the recovery restricted, sustaining the unemployment rate at historically high levels.

In Rio Grande do Sul, the pandemic showed its worst moment in this first quarter of 2021, with repercussions on new movements of social restriction, which in turn impacted the economic dynamics. Repeating the behavior of the previous quarters, the services sector was the most penalized, although the foreign trade in Rio Grande do Sul has its performance favored by the rise of the American currency, that is, although the total volume exported in the first quarter of 2021 was 2.5 % below that observed in the same period a year earlier, when adjusted in dollars, this was 6.5% higher.

CORPORATE AND BUSINESS STRATEGY

Banrisul is a retail bank whose Mission is to be the most important financial agent within Rio Grande do Sul, helping promote the economic and social development of the State. Taking not only its Mission into consideration, but also the Vision of being a profitable, solid and competitive public Bank, fully integrated with the communities and providing services with excellence, the Company's strategy is structuredbased on five pillars that drive its efforts. Following the pillars are presented, as well as the main actions taken to reach them:

Essence: reinforce the **commitment to its essence** of being a retail bank, with a focus on Rio Grande do Sul, from actions of sustainable development. To do this, in 2021, Banrisul heavily invests in financial products as working capital lines to promote economic activities for micro, small and medium-size companies, as well as payroll loans to public servants and INSS beneficiares and real estate loans to individuals, besides funding to projects related to generation of renewable energies, both for individuals and legal entities. In relation to the agricultural sector, which is the basis of the economic development of the state, Banrisul continues to invest in improvements in the agricultural credit contracting systems, in addition to maintaining its focus on expanding financing for the entire agro production chain, with credit lines aimed at investments, funding, marketing and industrialization. In the area of sustainability, it created a specific management to consolidate all the Bank's initiatives in this regard, which works with the objective of mitigating the emission of greenhouse gases in all its activities and establishing the company's supply with only renewable energy sources.

Employees: for Banrisul, the **strength of its employees** is key to achieve organizational success. To this end, the Bank is developing a challenging, agile environment, fostering the engagement and improving the management of employees. In the first quarter of 2021, Banrisul reinforced guidelines and actions aimed at reducing the impacts of the Covid-19 pandemic on employees, keeping a consultancy from the Hospital Moinhos de Vento, which helped in the construction of the necessary protocols for the prevention of Coronavirus, and also providing remote medical care. Banrisul kept paying special attention to employees belonging to the risk group, making it possible to withdraw from face-to-face activities and making teleworking work available, as well as extending it to other employees, without prejudice to activities. Finally, continues to advance in the work with the specialized consultancy hired in order to improve the people management processes.

Efficiency: the Institution focuses 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. Regarding to efficiency, it is worth highlighting the continuity of the process of optimization of on-site service points, following the changes and technological advances in the financial market, however not diminishing its scope of operations, higher than 98% of the population of the State of Rio Grande do Sul and 98% of the state's GDP.

Transformation: following the **path of transformation**, through the implementation of new business models and new technologies, to maintain Banrisul's competitiveness. Several actions were taken related to this topic, such as: expansion of payroll loans available for hiring through Banrisul Digital App, the availability of PIX to customers through new channels, initiatives related to Open Banking and the continuity of the Banritech project through the startup acceleration program - Hub.Startup, where the evaluations of the Fintechs registered through a public notice took place. In addition to the aforementioned actions, the efforts to implement new structures and work models also stand out, including the initiative regarding the formalization of remote work.

Customer: 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. Several actions were carried out aiming to serve the Customer, the main ones referring to digital channels, since they have become even more important in maintaining the relationship between the customer and the company. They are: This way, we can highlight continuous improvements in the investment journey, university account opening journey, agribusiness costing journey and in the Vero Wallet App. Regarding the digital experience, there were general improvements in communication processes, navigability and functionalities.

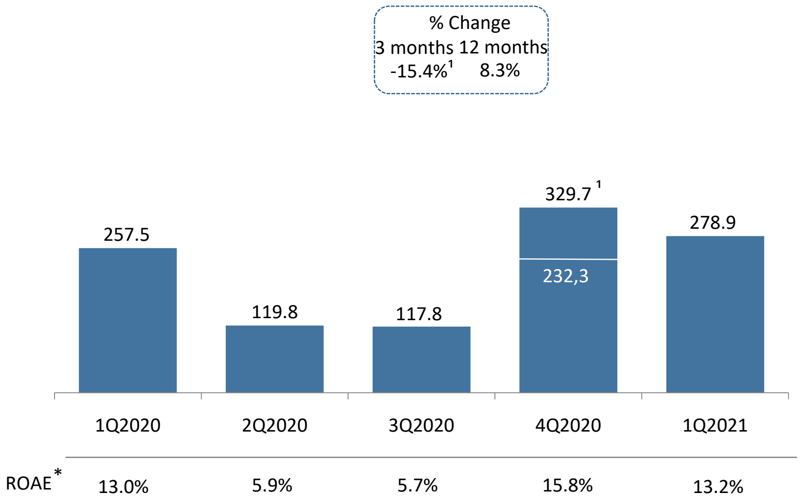
NET INCOME

Banrisul reported net income of R$278.9 million in 1Q21, 8.3% (R$21.4 million) higher than 1Q20, with annualized ROAE reaching 13.2%. The increase reflects mainly: (i) decrease in allowance for loan losses, (ii) decrease in financial margin, (iii) the decrease in fees revenues, (iv) the decrease in administrative expenses, (v) the increase in of other expenses and revenues, and (vi) the consequent higher volume in taxes over profit.

Net income for the fourth quarter of 2020 was impacted by the Voluntary Dismissal Program - PDV, which produced a net effect of R $ 97.3 million in the result for the period, an event that was treated, for purposes of result analysis, as non-recurring.

Measured by the concept of added value, Banrisul generated revenues of R$1,033.7 million in 1Q21, of which 41.5% (R$429.1 million) were used for payroll, 28.5% (R$295.1 million) for taxes, fees and contributions, 3.0% (R$30.5 million) for the payment of third party capital and 27.0% (R$279.0 million) for return on equity.

Graph 30: Net Income - R$ Million

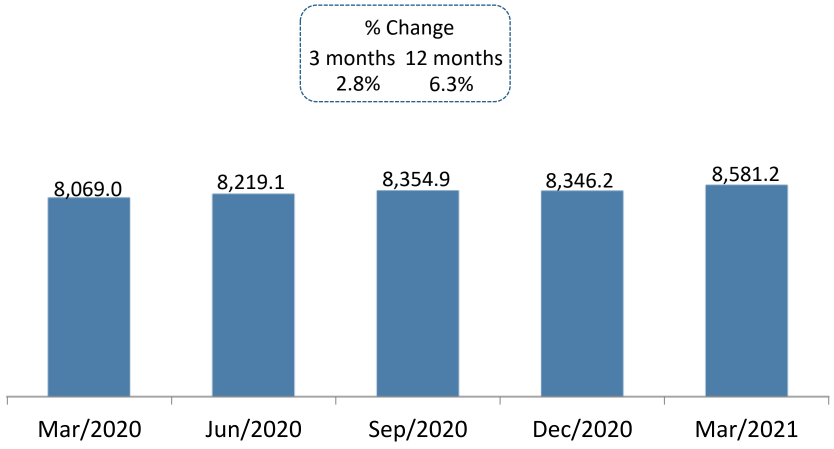


¹ Adjusted Net Income.
* Annualized and based on adjusted net income.

SHAREHOLDERS´ EQUITY

Banrisul shareholders´ equity reached R$8,581.2 million as of March 2021. The growth of 6.3% (R$512.2 million) in twelve months originated from the incorporation of results, the payment of interest on capital, the reassessment of actuarial liabilities related to the post-employment benefits (CPC 33 - R1) and the exchange rate adjustments upon the shareholders´ equity accounts of branches abroad.

Graph 31: Shareholders´ Equity - R$ Million



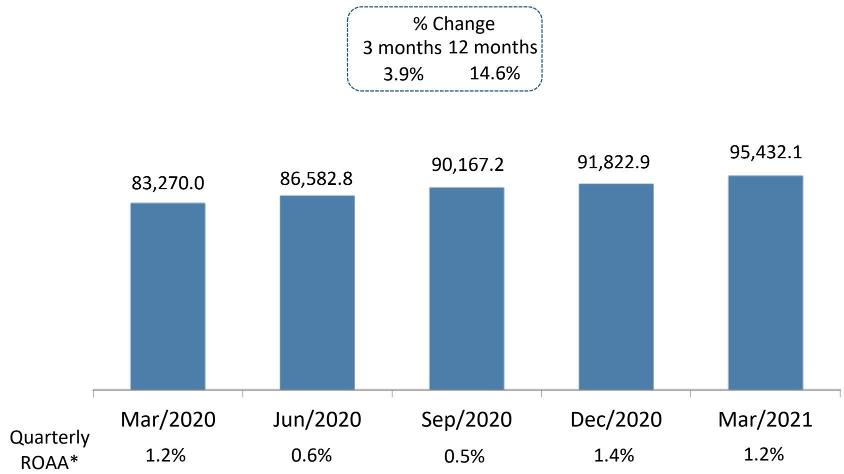
TOTAL ASSETS

Total assets reached R$95,432.1 million at the end of March 2021, an increase of 14.6% over the R$83,270.0 million in the end of March 2020, mostly from the growth in deposits. Total assets are broken down into securities, interbank investments and cash (46.3% of total assets), credit assets (38.6%), compulsory deposits (7.8%) and other assets (7.3%).

The portfolio of securities, including derivatives, interbank investments and cash, reached R$44,161.2 million at the end of March 2021, an increase of 29.8% (R$10,125.6 million) from March 2020, driven by the increase in deposits and the funding abroad carried out in January 2021, in a context of increase in compulsory deposits placed at Bacen and lower growth in credit portfolio.

As internal technical studies confirm, Banrisul is financially capable of and intends to hold until maturity the securities classified as “held-to-maturity”, pursuant to Article 8 of the Central Bank of Brazil Circular Letter No. 3068/01.

Graph 32: Total Assets - R$ Million



*Annualized and based on adjusted net income.

PRODUCTS AND SERVICES

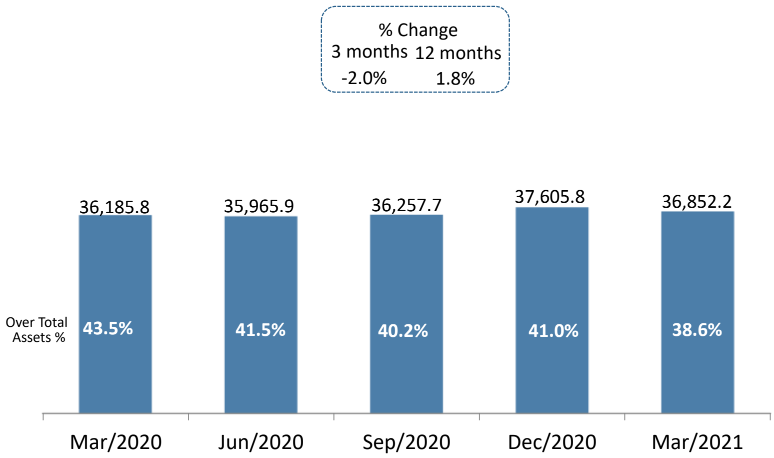
LOANS

Expanded loan portfolio, which includes sureties and guarantees, reached R$37,044.6 million in March 2021, including co-obligation and risk factors. Sureties and guarantees excluded, the balance of credit operations totaled R$36,852.2 million in March 2021, increasing 1.8% (R$666.4 million) in the last twelve months mainly due to the performance of rural loans, with a balance of R$3,459.3 million, increasing 27.5% (R$746.8 million) in one year.

Facing the crisis provoked by the Covid-19 pandemic, Banrisul, as public controlled bank, has an important role in the offering of credit to individuals (mostly payroll loans) and SME. Focusing on that, Banrisul has developed a portfolio of products focusing on the negotiation of short-term debts (named REPAC), which were offered until July 2020 enabling the extension of debt maturities of existing credit operations and the readjustment of customers' cash flow. The main lines were on commercial credit, real estate), rural loans, long-term credit lines and overdrafts accounts.

The credit portfolio is classified by risk levels in accordance to procedures set forth by National Monetary Council (CMN) Resolution No. 2682/99. At the end of March 2021, Normal Risk operations, which include risk levels from AA to C, totaled R$33,144.1 million, representing 89.9% of the total portfolio. Operations classified as Risk 1, which include risk levels from D to G, totaled R$1,784.3 million and corresponded to 5.0% of the portfolio. Consisting exclusively of risk H credit operations, Risk 2 portfolio reached R$1,923.8 million or 5.1% of the total loan book.

Graph 33: Loans - R$ Million



Individuals and Corporate Non-Earmarked Loans

Non-earmarked loans to individuals reflected the Company's business strategy, growing 1.4% (R$301.9 million) in the last twelve months and totaling R$21,873.5 million in March 2021, and include asset transfers recorded as credits linked to acquired portfolio pursuant to Circular Letter No. 3543/12 of the Central Bank of Brazil. The performance was especially influenced by the growth of payroll loans, which reached R$16,943.5 million in March 2021, of which R$10,712.6 million of own origination (transactions with customers), R$6,135.2 million of transactions produced by payroll loan correspondents and R$95.6 million related to portfolios acquired from other institutions. Non-earmarked corporate loans amounted to R$6,262.7 million in March 2021, increasing 2.2% (R$133.1 million) from March 2020 in working capital lines, mainly due to offering of relief credit lines such as Pronampe and PEAC.

Banrisul, with the objective of providing security, agility and convenience to its customers, especially in the face of the social distance scenario, expanded the functionalities available in the Banrisul Digital and Home Banking application, making it possible to contract payroll loans to INSS retirees and pensioners. and for 32 more municipal and state agreements through these service channels.

Agricultural Loans

In 1Q21, Banrisul held its increasing share in the agricultural sector within the state of Rio Grande do Sul, and intensified activities to leverage business with farmers, medium- and large-sized farming companies, cooperatives, agro-industries and other agribusiness companies, offering technological solutions and credit for investment, cost financing, commercialization and industrialization, in accordance with the needs of each and every one of them, observing the guidelines set by the State Government for the sector and in line with the financial system.

At the 2020/2021 harvest season, the Bank reinforced its commitment to finance agribusiness in Rio Grande do Sul and provided R$4.1 billion in resources for rural credit, during the harvest period, a volume 26% higher than that made available in the previous period. In line with the positive moment of agribusiness, the Bank has been structuring more and more actions aimed at the sector, among which, in the first quarter, the contracting of costing operations related to the winter harvest 2020/2021 stands out, the anticipation of contracting operations for pre-funding for the summer harvest 2021/2022 and the availability of credit lines for investments with equalized resources directly with the National Treasury.

In this first quarter of 2021, some actions to get closer to entities, technical assistance companies and agricultural machinery resellers were intensified, virtual meetings were held with the 12 regional offices of Emater and also with the main cooperatives of rural producers in the State and technical assistance companies associated with Banrisul, to align the internal procedures aimed at streamlining the processes for contracting credit operations. rural. Resellers of agricultural machinery are receiving special attention at this time through virtual meetings, including the appointment of a professional dedicated exclusively to meeting the demands of the main brands in the segment.

Due to the worsening of the limitations imposed by the Covid-19 Pandemic, Banrisul had to restrict its traditional face-to-face participation in events and fairs that would take place during this period. However, the Bank continued to guarantee its participation, albeit in a virtual way, in programs such as meetings with Emater and cooperatives, agricultural machinery fairs, animal auctions and events to publicize machinery and equipment.

In 1Q21, 3,307 new operations were granted, amounting to R$531.8 million. Of these, 3,128 operations (R$320.0 million) are individuals operations and 179 (R$211.8 million) are companies operations. The rural loan portfolio reached R$3,459.3 million in March 2021, increasing 27.5% (R$746.8 million) in comparison to March 2020.

Real Estate Loans

Real estate loans totaled R$4,104.9 million in March 2021, mostly stable from 2020. Of this amount, R$3,685.1 million refers to the individuals' portfolio. In the period, 723 real estate financing operations were contracted, at the amount of R$203.9 million.

Microcredit and Development

The long-term credit portfolio reached R$530.2 million in March 2021, a reduction of 19.7% (R$130.3 million) in relation to March 2020.

In the first quarter of 2021, Banrisul acted to promote, in a sustainable manner, the economic, social and technological development of its region of operation, enabling the maintenance and growth of companies and the consequent generation of jobs and income. For this, at this time of pandemic, it launched new lines of microcredit aimed at micro, small companies and individual entrepreneurs, and incorporated new credit transfer lines from FINEP aimed at technological innovation into the credit portfolio.

In addition to the aforementioned lines, Banrisul acts as a transfer agent for the BNDES Finame lines, for the purchase of machines, equipment, buses, trucks and photovoltaic cells, BNDES Automático, for installation and expansion projects for companies and industries, as well as the construction of storage silos and INOVACRED 4.0, for innovation, among others. It also operates with two lines of own resources: Banrisul Fomento, for investment projects and the acquisition of machinery, equipment, buses and trucks, and Banrisul Special Financing - FEB, aimed at financing the public sector. And, in order to encourage the use of clean energy by individual and corporate consumers, it has specific lines designed to meet the demand for Renewable Energy solutions: the CDC Sustainability own resources line, and the BNDES Finame onlending lines. Low Carbon and BNDES Climate Fund Program. The CDC Sustainability line is a financing solution for the purchase of solar energy equipment (plates, batteries, inverters) and wind power (small stations), manufactured domestically or imported, it allows financing up to 100% of the value of the asset and is available for individuals and companies in general.

Exchange

Pre-shipping (ACC) and post-shipping (ACE) foreign exchange contracts reached R$502.4 million in March 2021, decreasing 40.7% (R$344.2 million) over March 2020.

Funds Raised and Under Management

In March 2021, funds raised and under management totaled R$78,577.4 million, an increase of 8.3% (R$5,990.4 million) from the same period in 2020. This resources are composed, mainly by time deposits (share of 57.4%), assets under management (share of 16.0%) and savings deposits (share of 14.1%).

Total deposits reached R$60,966.5 million at the end of March 2021, increasing 13.0% (R$7,032.7 million) over March 2020. Time deposits reached R$45,076.3 million in March 2021, increasing 11.8% (R$4,745.4 million) in twelve months; savings deposits increased 14.5% (R$1,405.3 million) over March 2020, reaching R$11,110.9 million in March 2021, and demand deposits increased 28.2% (R$787.1 million), totaling R$3,580.4 million at the end of March 2021.

With balance of R$3,127.9 million in March 2021, the subordinated debt increased 4.3% (R$127.9 million) over March 2020, influenced by the exchange rate and mark-to-market of the debt. Funds from bank notes and real estate bonds reached R$1,919.8 million in March 2021, decreasing 42.7% (R$1,431.4 million) in twelve months.

On January 28, 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 maturity, 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. The balance of this issue is recorded in Obligations for Loans Abroad.

Funds under management increased 2.1% (R$261.1 million) in the last twelve months, amounting to R$12,563.1 million in March 2021.

Vero Acquiring Network

In the first quarter of 2021, Vero implemented the following innovations: (i) changes in the model of QR codes generated for salespeople, adopting the 'BR Code' standard; and (ii) implementation of the 'Onde tem Vero' functionality, allowing Vero Wallet users to find establishments to use the digital wallet.

Vero ended 1Q21 with 139.5 thousand active accredited establishments (with transactions in the last twelve months). In 1Q21, 80.9 million transactions were captured, of which 57.3 million with debit cards (stable year-on-year) and 23.7 million with credit cards (decrease of 5.6% from the previous year). The total financial volume produced by the acquired transactions reached R$7.9 billion, increasing 7.7% from 1Q20. Of this amount, R$4.5 billion came from transactions with debit cards and R$3.3 billion came from transactions with credit cards.

In 1Q21, due to the pandemic, Vero's customer support and preservation measures were extended, such as exemption of maintenance fees and MDR freezing, maintaining previously negotiated commercial conditions, and extension of the additional POS monthly fee exemption for companies operating with delivery.

Banricard Benefit and Business Cards

BanriCard ended March 2021 with 6.2 thousand active customers. Billing revenues in 1Q21 reached R$324.4 million, decreasing 5.3% from the same period in 2020. In view of the Covid-19 pandemic, the Company kept measures to support and preserve customers with payment extensions and special conditions to negotiate the due amounts granted for post payment agreements.

Banricompras

Banricompras is a zero-cost product for the sole use of Banrisul's customers, who may use checking account cards to pay for purchases at merchant stores affiliated to Banrisul. The payments can be debited at sight or on a future due date (pre-dated or in installments payment), with no annual fee, taxes or interest rate. In 1Q21, Banricompras reached R$3.5 billion in financial volume distributed over 37.8 million transactions, increasing 1.7% from the same period in 2020.

Credit Cards

Aware of the agility and speed, in an increasingly fast pace, of the payment means market, Banrisul offers several tools to facilitate the daily life of credit card users, constantly improving technologies and the search for innovations.

Within the scope of actions focused on sustainability, Banrisul continues with the effort to discontinue the sending of physical invoices. To this end, it encourages migration with the offer of cashback or punctuation in the Banriclube benefits program for selected customers who made the change in the way of sending it to e-mail and / or accessing it through digital platforms.

Aiming to increase the availability of credit card use safely, in the context of a pandemic, in the first quarter of 2021 Banrisul started offering its payment bracelet, BanriFast, also for users of additional cards. The order can be placed through the Credit Cards tool, within the Banrisul Digital application.

During this period, the opening hours of the Banrisul Cards Call Center were also extended via chat. Now, both telephone and chat services are available to customers at any time: 24 hours a day, seven days a week. Through the Banrisul Card Service Center, it is possible to unblock credit cards, report loss or theft and consult information on the balance, limit and expiration of the invoice. These services are also available at any time on the Credit Cards icon of the Banrisul Digital application.

Finally, the new Mastercard Platinum and Mastercard Black cards, ordered in the first half of 2021, offer 12 months of annual fee exemption. All other forms of the Mastercard banner maintain a six-month exemption for new cards. For cards that are already part of its base, Banrisul offers an exclusive program of progressive discount of the annuity according to the use, being valid for the Mastercard and Visa banners in certain modalities.

Banrisul ended March 2021 with 1.2 million MasterCard and Visa credit cards issued, similar to the registered in the first quarter of 2020. In the same period, the cards issued by Banrisul produced a financial turnover of R$1.7 billion, with 19.5 million transactions, similar from 1Q20. Revenues from credit and credit card fees and BNDES cards totaled R$95.9 million in 1Q21.

Insurance

Banrisul provides its customers with a broad portfolio of security products, with personal insurance, property insurance, capitalization bonds and supplementary pension plans. Seeking for solutions that meet the needs of customers, the first quarter of 2021 was marked by the expansion of products made available remotely, facing the greater social distance observed in the period.

The period was also marked by the entry into operation of Banrisul Corretora de Seguros S.A. (Corretora) which will gradually absorb Banrisul's insurance operation. In this context, the collection of insurance premiums, social security contributions and capitalization reached, in the first three months of 2021, R$ 580.2 million. Total revenues reached R$ 63.7 million in the first quarter of 2021.

Public Sector Relations

In 1Q21, Banrisul's commercial strategy for the public sector focused in renewing agreements for tax collection services, billing collection services, payable accounts and funding.

At the municipal level, in continuity with the negotiation guidelines for the acquisition of payroll agreements from public servants, which began in 2016, Banrisul had a contract with 310 municipalities that made it possible the relation between the Bank's commercial and business actions with this sector.

SERVICE AND CONNECTIVITY

SERVICE

During the last 12 months, Banrisul has been finding alternatives that minimize the impacts that measures to face Covid-19 have caused in Brazil, especially in the lives of customers and employees, adopting. measures not to jeopardize providing service to customers.

In a scenario of so many uncertainties and unprecedented challenges, Banrisul has endeavored to ensure continuity of service, in its most diverse channels available, with the agility and care that the moment requires. In a short period of time, the Institution developed numerous solutions to meet new customer demands, and reinforced the importance of the non-face-to-face solutions it has, avoiding the flow of people in the branch network as much as possible. To contribute to the maintenance of economic activity, Banrisul offers several customer service options, such as:

Service Network

Focusing on the southern region of Brazil, Banrisul's service network was comprised of 1,084 service points in March 2021, of which 502 branches (479 in the state of Rio Grande do Sul, 17 in Santa Catarina, 4 in the other states of Brazil and 2 abroad), 156 service stations and 426 electronic service stations.

Online scheduling

Banrisul provided the option of scheduling in person attendance at the branch network through the website www.banrisul.com.br and through the Banrisul Digital application. In both options, it is necessary for the customer to fill in the available Scheduling Form, informing their personal and contact details, the day (s) of the week and the desired shift (s) for attendance, as well as the demand intended.

Self service

Banrisul also offers its customers self-service terminals in other places of convenience and easy access. The addresses of these electronic service points can be found on the Banrisul Digital app or on the website www.banrisul.com.br, under the option “Where has Banrisul”. Account holders can also use the ATMs of the Saque e Pague and Banco 24 Horas networks, making withdrawals and other services at no additional cost.

Telephonic service

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. Personalized Service is open from 8 am to 8 pm, Monday to Friday. The Electronic Service is available 24 hours, every day of the week.

WhatsApp

In order to expand the service channels and provide an increasingly agile communication to its customers and users, Banrisul started to offer service through an Official WhatsApp Account.

Banriponto

Banrisul also has on the correspondent Banriponto, commercial establishments able to receive bill payments, deposits, transfers, withdrawals, among other banking services, which provide customers with benefits such as flexibility in schedules, convenience, freedom and practicality to choose one nearest establishment. In relation to the agreements, the Bank operates mainly in the training, support and management of Banripontos. At the end of March 2021, Banrisul had 1,093 active Banriponto correspondents, which carried out 12.1 million transactions. 195 smart safes are installed, which aim to increase security in establishments, increase control over accountability, mitigate risks and decrease the agency's BackOffice.

Digital Channels

Banrisul keeps continuous improvement on its digital channels, expanding services available and optimizing the journey and experience for its customers and users. Banrisul's digital channels usage keeps growing, representing 63.2% of all transactions carried out by the Company in 1Q21, considering all available channels (digitals, POS, ATM, correspondents, cashes and Banrifone - a phone channel for tendering clients -), from 58.8% registered in the same period last year.

In 1Q21, Internet Banking (Home and Office Banking) and Mobile Banking (*Minha Conta*, *Afinidade* and *Office app*, accessed through Banrisul Digital) had 97.7 million accesses, 20.7% higher than in the same period of 2020, equivalent to an average of 1.1 million daily accesses. The total number of operations carried out in these channels decreased by 6.0%. Among these, financial transactions and financial turnover increased 16.8% and 2.4%, respectively, from 2020.

Digital channels were even more relevant considering the Covid-19 pandemic, representing the main contact points for maintaining the customer-Company relationship, being the focus of several improvements. In 1Q21, considering its relevance, it was implemented several improvements on PIX: provision of PIX payment and receipt in Office Banking, with the generation of QRCode, increase and possibility to customize the limit for PIX operations at Banrisul Digital, according to the client's needs. With regard to investment services through the Banrisul Digital application, a new initial screen was implemented, a push was sent to renew the CDB investment and a statement was made available to monitor investments. In addition, with due regard for transparency and communication, it was implemented in the app to send notices directed to the customer's profile and with an appointment to read the message. In the evaluation of application stores, Banrisul Digital achieved a score of 3.9 in the Play Store and 3.1 in the Apple Store (scales from 1 to 5).

SUBSIDIARIES AND AFFILIATES

Banrisul Cartões S.A.

Banrisul Cartões S.A. manages Vero acquiring network and issues BanriCard benefits and corporate cards, with 139.5 thousand active establishments accredited and 6.2 thousand active agreements, respectively, in March 2021. In 1Q21, gross operating revenues totaled R$134.1 million, 6.3% lower than the same period last year. Among these, R$132.8 million were revenues from the acquiring network, decreasing 6.2% from the same period last year.

The cost of services provided totaled R$36.0 million, whereas net administrative expenses, composed by personnel and other administrative expenses, totaled R$17.0 million. Financial revenues totaled R$28.7 million, of which 91.5% came from the discount of sales receivables. The anticipation of sales receivables amounted to R$1.1 billion in 1Q21, representing 32.4% of the total financial product of captured transactions, a 6.7% increased from the same period last year. Banrisul Cartões net income of R$59.2 million in 1Q21 was 8.8% lower than the net income of the same period last year.

During the period, customer support and maintenance measures were extended and the most appropriate projects were prioritized in the face of the pandemic scenario, covering companies accredited by Vero and Banricard partners, as well as the well-being and health of employees with the extension of home office.

Banrisul S.A. Administradora de Consórcios

Banrisul SA Administradora de Consórcios manages sales pool groups for the acquisition of automotive goods, real estate properties and services, seeking to offer customers alternatives for the acquisition of assets, adequate to the new social behavior imposed by the Covid-19 pandemic.

In the real estate segment, letters of credit can be used for the acquisition of new properties, housing construction, remodeling and enlargement, with terms of up to 200 months. In the automotive goods segment, letters of credit allow for the acquisition of cars, trucks, motorcycles, machines and farming implements, with terms of up to 80 months. In the service segment, the approved letters of credit can be used for services of any kind, such as home renovations, trips, courses, parties, cosmetic surgery, among others, with terms of up to 36 months.

In March 2021, Banrisul Consórcios managed 153 groups and had 69.9 thousand active customers, totaling R$4.5 billion in outstanding letters of credit. In the period, 2.8 thousand customers obtained purchases certificates at the equivalent amount of R$155.6 million for the acquisition of consumer goods. Net Income reached R$11.2 million in 1Q21.

Banrisul S.A. Corretora de Valores Mobiliários e Câmbio

The broker company operates with stocks, options, forward and future markets, private and public issued (treasury direct - for the trading of market offered federal securities and bonds) fixed income products, and is responsible for the administration and management of the Banrisul's Assets Under Management portfolios, offering investment solutions and assets with quality and security, providing technical support to customers, helping them identify the best capital market opportunities.

In 1Q21, Banrisul Corretora brokered R$1.4 billion in B3 S.A. - Brasil, Bolsa, Balcão, a 45.2% decrease over 1Q20. In 1Q21, assets under management reached R$12.6 billion. Net income in 1Q21 was R$1.9 million.

Banrisul Armazéns Gerais S.A.

Banrisul Armazéns Gerais S.A. is a subsidiary which operates as dry dock (Grantee of the Brazilian federal revenue service, providing storage and logistics services to the public in general), general warehouse facility and in Electronic Document Management, Storage and Scanning.

Leveraged by the storage contract revenue from a special operation with a customer from abroad, Bagergs achieved in the first quarter of 2021 an increase in gross operating revenue of 193.0% in comparison with the same period of the previous year. Added to the austerity policy in costs and expenses, it achieved a net margin of 32.8% in the quarter. Net income recorded in the first quarter of 2021 was R$3.3 million.

Banrisul Seguridade Participações S.A.

In January 2021, continuing the restructuring of the insurance business, the company Banrisul Corretora de Seguros SA went into operation, which is a wholly-owned subsidiary of the holding company Banrisul Seguridade Participações S.A., or Banrisul Seguridade, whose capital is wholly owned by Banrisul. As a result of this restructuring, revenues from fees for the sale of insurance, private pension plans and capitalization bonds will be paid, by partner insurers, directly to Banrisul Corretora de Seguros. This action is in line with the strategy of revenue diversification and business optimization related to the sale of security products. Banrisul Seguridade's brokerage revenues reached R$21.1 million and net profit was R$11.9 million.

Banrisul Icatu Participações S.A.

Banrisul holds a stake of 49.9% of Banrisul Icatu Participações S.A. - BIPAR - holding company in partnership with Icatu Seguros SA. Through its subsidiaries, BIPAR sells life insurance, private pension plans products and savings bonds. Rio Grande Seguros e Previdência S.A. and Rio Grande Capitalização S.A. operate exclusively in the sale of Individual Insurance, Private Pension Plans and Saving Bonds in Banrisul's channels. BIPAR reached net income of R$12.7 million in 1Q21.

Rio Grande Seguros e Previdência S.A. produced revenues of R$453.9 million in 1Q21, na increase of 19.6% from 1Q20. With a strong presence in Rio Grande do Sul, the insurance company has a market share of 14.3% within the Individuals Insurance market in the State, being the leader among insurers headquartered in the State.

Rio Grande Capitalização ended the first quarter of 2021 with a collection of capitalization bonds of R$ 126.9 million and a total of R$ 933.0 million in reserves.

BEM PROMOTORA DE VENDAS E SERVIÇOS S.A.

Bem Promotora de Vendas e Serviços, of which Banrisul owns 49.9% of the capital, acts as originator of payroll loans offered to INSS retirees and pensioners and federal civil servants. The balance of Banrisul's credit transactions originated through Bem's payroll loan platform reached R$6,135.2 million in March 2021. Bem Promotora ended the first quarter of 2021 with a net income of R$9.8 million.

CORPORATE GOVERNANCE

Listed on B3 S.A. - Brasil, Bolsa, Balcão (Brazilian Securities and Derivatives Stock Exchange) Corporate Governance Level 1, Banrisul fully meets the requirements of its listing level and other corporate governance's requirements as well, in line with best market practices, on behalf of greater transparency, fairness and proper accountability, while enhancing credibility of investors and customers.

Pursuant to CVM (Brazilian Securities and Exchange Commission) Instruction No. 381/2003, Banrisul informs that Deloitte Touche Tohmatsu Independentes was hired in 2021 as the result of a bidding process (Public Bid 449/20), as established by the Public Procurement Law No. 13.303/2016, provided services related to independent audit during the first quarter of 2021.

OWNERSHIP STRUCTURE

Banrisul has higher ownership dispersion than that required 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 March 2021, Banrisul's ownership structure is presented as follows:

Table: Ownership Structure

Shareholders	Total Shares	% Voting Capital	% Total Capital
State of Estado do Rio Grande do Sul	201,976,838	98.13%	49.39%
Management, Board of Directors and Committee Members	13,787	0.00%	0.00%
Others (*free float*)	206,983,852	1.87%	50.61%
Total	**408,974,477**	**100.00%**	**100.00%**

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 March 2021, R$87.4 million were paid out as interests on equity, net of taxes.

INTERNAL CONTROLS AND COMPLIANCE

Banrisul adopts continuous procedures to manage and mitigate the risks to which the institution is subject, as stated in the guidelines established in its Internal Controls and Compliance Policy. Banrisul has available a corporate tool, focused on improving the management of internal controls and compliance activities was implemented, enabling a unified view of their processes and respective risks, assisting in documenting controls and following-up action plans to comply with regulatory entities, independent auditors, internal audit, ombudsman and Controls and Compliance Unit, ensuring greater interaction and integration among the three lines of defense, in compliance to current legislation.

In the scope of the Policy for Preventing and Combating Money Laundering and Financing of Terrorism, constantly, ongoing actions to improve processes have been maintained, always aiming at monitoring, detecting, analyzing and reporting to the Financial Activities Control Council (COAF). To this end, it has been used the tool for monitoring evidences based on rules set forth by the Central Bank of Brazil, as well as functionalities to filter restrained lists and risk classification of money laundering. Besides that, in order to keep employees updated about the subject, it is constantly and permanently available online training on Banrisul's distance learning platform. Also, Banrisul maintains a team exclusively dedicated to carrying out activities that focus on preventing money laundering, carrying out daily monitoring of regulations and developing training programs to all the Company's staff.

Information Security and Privacy

The General Law for the Protection of Personal Data - LGPD brought to companies a new look at the importance of governance and data protection for their customers, the so-called data subjects. Accordingly, in line with the principle of data quality provided for in the LGPD, Banrisul established, through its governance program, a methodology to improve the quality, reliability, uniqueness, traceability and consistency of corporate data. In addition, through educational actions, it has been disseminating the culture of data protection and the importance of the uses and treatments of personal data being guided by the principles brought in art. 6th of the LGPD.

In the first quarter of 2021, Banrisul finalized the inventory and registration of Operations with the Processing of Personal Data, framing them in the cases provided for in articles 7 and 11 of the LGPD and the review of access to corporate systems, which was based on the principle of the lowest privilege, reinforcing the guidelines so that access to personal data is adequate for the purposes and performance of activities.

CAPITAL AND RISK MANAGEMENT

INTEGRATED MANAGEMENT STRUCTURE

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

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 1Q21, Banrisul expanded internal discussions about the need to develop an Internal Model for the risk of interest rates in the bank portfolio - IRRBB. Discussions were also deepen on the new market risk calculation model – FRTB, in partnership with Febraban. 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.

In Brazil, the first steps were carried out through the publication of a public consultation notice nº 81/20, which brought proposals for changes, with the objective of providing the criteria for the classification of financial instruments in trading and banking portfolios, the inclusion of trading desks in the market risk management structure and the conditions necessary for the recognition of internal risk transfers in determining minimum requirements. It is also worth mentioning, in the period, the participation of the managers of the Risk Management Unit in a meeting with the Central Bank of Brazil and other financial institutions in the S2 segment, to which Banrisul belongs, where the criteria for supervision in the institutions were presented. risk of interest rates in the banking portfolio, with the possibility of additional capital in specific situations defined by the regulator in its routine of banking supervision practices.

Liquidity Risk

In 1Q21, the liquidity risk monitoring processes did not report the occurrence of liquidity crisis events, even facing scenarios imposed by the Covid-19 pandemic. New monitoring procedures and new scenarios have been used for the projected cash flow result of operations did not indicate relevant liquidity risk, as well as there was no materialization of any projected stress scenario in the positions, and risk indicators remain at adequate levels, in accordance with the risk policy and the limits set forth in the Risk Appetite Statement.

Operational Risk

In 1Q21, projects and activities are still being 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 actions 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 clients and employees to contagion, without jeopardizing activities. The actions adopted are detailed in Note 31 (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.

BASEL RATIO

As put forth by National Monetary Council Resolutions No. 4192/13 and No. 4193/13, regulatory capital and risk-weighted assets are calculated for the Prudential Conglomerate. In March 2021, reference equity reached R$6,694.2 million, increasing R$147.6 million in relation to March 2020, mainly due to the increase in profit reserves in the period.

The total exposure of risk-weighted assets (RWA_{TOTAL}) reached R$45,261.5 million in March 2021, increasing R$2,027.0 million in comparison to March 2020, mainly due to the growth of R$2,187.1 million in market risk (RWA_{MPAD}), mainly impacted by foreign exchange risk (RWA_{CAM}) and by the decrease of R$137.5 million in operational risk (RWA_{OPAD}) and of R$22.6 million in credit risk (RWA_{CPAD}).

Taking into account the values of reference equity and of risk-weighted assets, Basel ratio reached 14.8% in March 2021, decreasing 0.3 pp. from March 2020. Core capital and Tier I Capital equaled the Basel Ratio due to the total deduction of subordinated debt recorded at Level II, according to the Basel III schedule for operations carried out based on norms prior to CMN Resolution No. 4,192 / 13, remaining both above minimum requirements. Leverage ratio calculated for the same month was 6.9%, with a minimum defined in 3.0% in force since January of 2018 according to National Monetary Council Resolution No. 4615/17.

TECHNOLOGICAL MODERNIZATION

Technological modernization is embedded in Banrisul's DNA, the result of a wide and constant investment in the sector. In 1Q21, R$ 98.6 million was 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.

TECHNOLOGICAL STRUCTURE AND MODERNIZATION

In the first quarter of 2021, the corporate access network solution was contracted, which will enable the modernization of assets and services, integrating Wi-fi technology (wireless fidelity) and the local network of the headquarters building of the Headquarter (DG), and attached buildings - corporate network. The implementation of the new network, more modern and robust, will meet the demands arising from digital transformation, with capacity, connectivity and performance in line with the agility necessary for the new digital age.

Regarding the actions related to the IT infrastructure, the beginning of the implementation process of the IP Telephony solution, acquired in December 2020 for DG, stands out. The functionality will provide availability, cost reduction, security and scalability in departmental communication, compatible with mobile devices and prepared for the home-office.

With regard to the digital transformation of the Bank's business models, the application of the principles that guide the construction of solutions with a focus on the customer's vision and needs remained assured, in order to leverage results by integrating UX, business and technology with the use of agile methods. In the model in which each work team focuses its efforts on one customer journey at a time, incremental deliveries were followed during the period.

Service Digitalization

Banrisul has evolved the customer experience and onboarding journey in the Banrisul Digital app, adding new features and services. Customized notices were added and directed to the profile of each account holder, the reconfiguration in DDA functionalities, the automated publication of banners facilitating communication with customers and also the provision of consultation to check images.

Following the most disruptive trends of innovative players in the financial market, the journey for opening an account for the university public on the app added the possibility of uploading the client's registration documents in PDF. Several improvements were also made to the flow and usability of the product, always with a focus on a better user experience.

During Banrisul Digital's investment journey, a new home was published, with the possibility of renewing CDBs, push communication and viewing the investment statement, providing an easy and intuitive experience for customers.

On the Vero Wallet app, onboarding was updated with the inclusion of new features, such as the generation of the Vero Wallet QR Code in the Bacen - BR Code model. The resource "Onde tem Vero" was also included, to facilitate the experience and the location of the customers, leaving them at their disposal to find establishments able to use their digital wallet.

In the digital transformation in the agribusiness sector, important investments were also made in the day of financing to cost. The Bank expanded its portfolio, now offering the opening of the "matrix retention" modality, as well as the contracting of pre-funding, with MCR6.3 resources.

Information Security

In the first quarter of 2021, Banrisul continued to improve its security mechanisms. The PCI - PIN Security Certification, which ensures that the institution remains in the market for capturing means of payment transactions on the Vero network, was renewed.

There was also a major awareness campaign focused on disseminating tips on safe behavior due to the increased number of scams during the pandemic. The action took place in the week of February 9 (Safe Internet Day), and was widely disseminated to internal and external public, including the Bank's social media.

Also as a front to reinforce the Bank's security systems, the monitoring process by the Anti-Fraud System was improved, at the moment when a virtual card is activated or promoted.

Banritech

In this first quarter of 2021, Banrisul published the announcement for the launch of BanriTech's startup acceleration cycle - one of BanriHub's initiatives, the Bank's broad innovation project. The program, carried out in partnership with Tecnopuc, selected startups with innovative proposals related to the following themes: financial services, relationship with customers and companies, operational efficiency, agribusiness, information security and governments.

To address the doubts of interested entrepreneurs and publicize the Bank's initiative to the community, for about 45 days, a communication plan with lives, press and marketing materials was structured. More than 70 companies signed up for the selection process and, of these, 30 were selected to participate in the acceleration program. The evaluation panel was composed of members of the project, superintendents of the vertical areas, representatives of Tecnopuc and the State Government. The program is scheduled to start in April, 2021.

Open Banking

Open Banking arises from the transformation of the current financial system, from the bilateral relationship with partners to an open structure that encompasses the entire financial ecosystem at the national level. In this context, the movement can be better understood as “standardized sharing of data and services through the opening and integration of systems”, as provided in Bacen's Joint Resolution No. 1.

Banrisul, as a pioneer in several technological innovations proposed by the market or by the regulator, has been active in the governance of the implementation of Open Banking in Brazil, composed of Bacen, Febraban, ABBC, ABFINTECH, ABECS, among others, participating in all technical forums and business. In addition, the Bank has been developing technological solutions to operate in this ecosystem, structuring its integration platform with business partners, always assessing the impacts and adopting measures for the adequacy and compliance of the current rules.

Regarding to new business solutions and to comply with legislation, in January 2021, phase 1 of Open Banking was implemented referring to the sharing of institutional data from Customer Service Channels, available products and services (Current Account, Credit Cards , Microcredit, General Credit, Real Estate Credit and respective guarantees).

Currently, the Bank is working on the development of phase 2, which refers to the sharing of transactional data from clients and the construction of the entire framework for extracting information and Client Consent to recipients to access their data and operations at Banrisul.

To accompany this whole process and develop the necessary solutions, Banrisul has the active participation of different teams, with the representation of different units in the Open Banking Technical Groups of the Bacen and Febraban Convention, delivering evolutionarily several digital solutions for the operation in this new technological and business scenario.

HUMAN RESOURCES

PEOPLE

Banrisul ended 1Q21 with 9,224 employees and 1,801 interns. In the month the International Women's Day is celebrated, the Institution had 4,132 female employees, representing 45% of the workforce. This representativeness is also observed in leadership positions, in which women occupy 39% of the company's management positions.

Banrisul hired the Health Advisory of Hospital Moinhos de Vento, Porto Alegre, to assist in the definition and monitoring of protocols for the prevention of Coronavirus, as well as to assist, through telemedicine, employees who presented suspicion or confirmation of contamination. by the Coronavirus. The protocols adopted by Banrisul were widely disclosed through administrative instructions and in a specific area on the intranet.

Since 2Q20, with the objective of providing support to assist in the definition and monitoring of protocols for the prevention of Coronavirus, as well as to assist, through telemedicine, employees who present suspicion or confirmation of Coronavirus infection, Banrisul has hired the Health Advisory at Hospital Moinhos de Vento - HMV, Porto Alegre. In addition, Personal Protective equipment was distributed to employees in person and, for those who serve the public, the Bank offers acrylic masks and face shields, as well as, all service desks were provided with acrylic shields. Weekly, the number of employees in the branches is reviewed to always meet the limitations imposed by the distance control system defined by the State Government.

CORPORATIVE EDUCATION

In 1Q21, Banrisul made available to employees, through its Corporate University, 693 training and improvement courses, registering 8,200 participations, which totaled 39,600 hours of training. Banrisul also encourages the qualification of employees through partial subsidies for undergraduate, postgraduate, master's and doctorate courses, in the quarter the amount invested was R$94.8 thousand. In the period, the total investment in corporate education was R$ 827.7 thousand, focused on employee development and qualification actions, in line with the Bank's strategy.

Remote Learning, online classes and thematic seminars continue to be the tools used for training and qualification of employees at Banrisul, having become essential during the pandemic period, since the qualifications in the face-to-face model were suspended. In this way, through the Moodle platform, the Bank continues to offer free courses with different skills: financial market regulations, qualification in service, concepts of products and services and credit offer. Currently, 141 courses are being offered at EAD Banrisul.

Currently, the offer of courses in the distance learning mode is already something consolidated within the Institution, given the capillarity in serving 100% of the branches and business units. In the distance learning mode alone, in the first three months of 2021, 7,767 enrollments were registered. Online courses and seminars are being held on the virtual platform, meeting the need for professional training to enter commissioned functions and training to offer products and services, with the development of negotiation skills and quality in face-to-face and digital service. In addition, we emphasize that it is always possible to connect the offer of courses to the Bank's interests and strategies, such as publicizing campaigns, new products and/or complying with specific laws.

SUSTAINABILITY

Pandemic Context

In view of the global Coronavirus pandemic scenario, the adoption of ESG - Environmental, Social and Governance actions (in Portuguese, ASG – *Ambiental, Social e Governança*) has never been more necessary and required by society as a whole. Banrisul, as a financial institution, is aware of its essential role in this context and has directed its efforts to guarantee service to customers and non-customers, invested in improvements and technological adaptations, necessary for its staff to continue providing quality and safe service. All this effort undertaken seeks to maintain the health of as many people as possible, because in a vital moment of the pandemic, solidarity and collective attitude makes the difference to face this great challenge that is before everyone.

Business Sustainability

Assuming its **commitment to sustainable development**, Banrisul is attentive to the growing demands and requirements of the financial market in socio-environmental aspects. In its product portfolio, the Bank has specific lines designed to meet the demand for Renewable Energy solutions, with the objective of encouraging the use of clean energy by individual and corporate consumers, such as the CDC Sustainability and credit lines with onlending. BNDES Finame Low Carbon and BNDES Climate Fund Program. In the same sense, the Bank 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 equalized directly by the Treasury National.

Banrisul works on socio-environmental issues with the integration of the areas of **risk management, business and services** to ensure improvements in processes, as well as in the management of socio-environmental risk. The review of the strategic sustainability planning, based on the ESG pillars, defines the path for the journey that the Bank is taking in order to strengthen and boost actions in line with the Institution's guidelines and business strategies. In the first quarter of 2021, some actions related to climate change, to **boost a low carbon economy**, were carried out as part of the Brazilian GHG Protocol Program and the beginning of the realization of the project for the consumption of renewable energy.

Banrisul, as a **signatory to the United Nations Global Compact**, since 2013, and adhering to most of the Sustainable Development Goals - ODS, it acts in several actions to continuously improve the integration of these principles in its business practices, with emphasis on the institution's participation in interinstitutional commissions , state programs and committees, which promote environmental preservation and sustainable agriculture, in addition to the commitment to fight corruption.

Actions and Socio-environmental Programs

It is worth mentioning **Banrisul Seeds Program**, which aims to help in this moment of pandemic and social and economic vulnerability in the State, strengthening family sovereignty of several families. In the first quarter of 2021, the program served six projects, with the distribution of seeds to farmers and schools. Around R$30.6 thousand were invested and distributed around 5.5 million seeds, to an audience of 1,169 families benefited in several different regions of the State of RS. During the period, seeds were delivered to a school project, which is part of the partnership signed by Banrisul with the State Education Secretariat and Emater / RS, aimed at serving communities with students in socially vulnerable situations, however there was a decrease in requests for school networks due to the closure of most schools in the state. As of March, there was an increase in the demand for projects with large groups of family farmers, in greater vulnerability, due to the drought at the beginning of the year and, more intensely, succeeded by the Covid-19 pandemic, evidencing an increase when ordering vegetable seeds as food supplement.

Focusing on reducing the effects of **climate change**, Banrisul has a **Waste Management Plan** - PRGS, which guarantees the proper destination of solid waste, avoiding negative environmental impacts. Among the actions, we highlight the donation of not used furniture to public entities, such as public schools and public security agencies, allowing better use of the donated property. In the same way, the Bank participates in the Steering Committee of the Sustentare Program, from Government of RS, which aims to promote the proper routing of waste electronics and assist in social inclusion, through the use of prison labor. In addition, the Bank also participates in the Environmental Education Committee contributing to environmental sustainability in the State. Among the socioenvironmental actions, it is also worth mentioning the **Lid Collector project**, which allocates funds for recycling plastic caps for the acquisition of walking sticks for people with visual impairments. In the corporate environment, the Bank offers **EAD courses in Waste Management**, which provides guidance on the correct separation of waste and encourages conscious consumption and **Corporate Sustainability**, which addresses sustainability principles in the financial sector and in the Institution.

Banrisul Pescar Project, which annually offers to 20 young people between 16 and 19 years, the Professional Initiation Course in Administrative Services, taught by volunteer instructors from Banrisul, started its 18th class in March 2021. The Bank also contemplates the Young Apprentice Program in which, currently, more than 300 young people fulfill quotas by the Bank in the Training Institutions or in public bodies in the area of Justice. These young people have the opportunity to experience in practice the learning offered at Banrisul's partner training institutions. During this pandemic period, face-to-face activities were suspended. Young people are receiving activities from the Institutions and carrying out practical laboratories, when possible. Banrisul, through its Corporate University, developed an online training program with young people who, due to the pandemic, were unable to carry out practical activities in person at the Institution.

In March 2021, Banrisul integrated the global financial education campaign for young people Global Money Week - GMW, conducted by the Brazilian Securities and Exchange Commission - CVM. GMW is an awareness project on the importance of ensuring that young people acquire the knowledge, skills, attitudes and behaviors necessary to make strong financial decisions and achieve financial well-being. In addition to these materials, two webinars were held especially for trainees from the Banrisul, transmitted in a virtual way. The meeting addressed the theme “Economic Scenario: planning the future” and “Financial Organization”, and was attended by 420 young people, including participants in the Pescar Project and Banrisul interns from different regions of the State of RS.

Community Support

The Bank recognizes its role as **a fostering agent in the social development of the communities** in which it operates and promotes, through support and sponsorship, several projects in the capital and in the interior of the State as a sponsor, being **present at fairs, exhibitions, cultural and sporting events, social, sustainability and health and education benefits**, and part of these projects were sponsored with the use of tax benefits granted by federal laws to encourage culture and sport.

Due to the pandemic, several traditional events were canceled in 2021, such as Expodireto and Expoagro Afubra. Thus, some traditional sponsorships could not be carried out. However, some important projects for the community were signed, such as the renewal of sponsorship for Sogipa, which includes judo, athletics and artistic gymnastics, and the resumption of sponsorship for Caxias do Sul Basquete, club that disputes the NBB . It also signed the Banrisul em Campo Program, which includes sponsoring the teams from Rio Grande do Sul participating in the 2021 Brazilian Championship. In addition, a partnership was established with Cais

Embarcadero, a space that will soon be opened in Porto Alegre and will be an important development tool. economic recovery for the city.

Banrisul's presence as a supporter of events, cultural and social projects reinforces the institution's identity with the community.

Communication

In 1Q21, Aiming the **external public,** the institutional campaign "*Nossa Casa*" (Our Home) was continued, broadcasting the materials produced for television, newspapers and radio, with the aim of perpetuating with society the actions taken due to the pandemic. With a focus on the health care needed for the moment, pieces were created to encourage customers to use the Banrisul Digital application during the summer, in an attempt to decrease the demand for physical agencies during the period, in addition to promoting pieces reinforcing the need for scheduling in the branches.

A project of great importance that started in the first quarter was BanriTech, Banrisul's startup acceleration program, in partnership with TecnoPuc, which aims to support innovative entrepreneurship, connected to the role of regional socioeconomic development. The announcement of the start-up selection notice was carried out on the Institution's social networks, spaces in newspapers, radio and sponsored portals, in addition to investment in digital media.

An important **internal communication** channel, the corporate intranet, provides Banrisul employees with quick and easy access to all content related to business and services, operating systems, institutional information and regulatory and commercial guidelines. In the first quarter of 2021, Banrisul made available on the intranet, to all employees, the update of the revision of its Strategic Planning 2021-2025, with emphasis on the inclusion of a new strategic objective related to sustainable development, in the Essence Pillar, and another related to the new models and work structures, in the Transformation Pillar. When accessing the Strategic Planning page, the employee navigates through the pages of the pillars and strategic objectives, also having access to the President's Message presenting the Institution's guidelines.

AWARDS

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

Banrisul won first place, among investment fund managers, in the Fixed Income Specialist category, in the survey conducted by Fundação Getulio Vargas - FGV. The result was announced during the launch of the FGV Investment Funds Guide. The Bank also received prominence in the categories of investment funds in General Specialist, in the eighth place; and Stock Specialist, in ninth place.

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

ACKNOWLEDGMENT

In the first three months of 2021, the scenario presented itself, at the same time, challenging in the face of the advance of the pandemic; and optimistic about the start of vaccination against Covid-19. In this context, Banrisul remained alongside its thousands of customers, streamlining service through digital channels and offering the necessary resources to strengthen the economy.

Our thanks to customers, investors and employees; that form the solid base on which the Institution is founded to be inducer of the development of society.

Board of Executive Officers

INTERIM FINANCIAL STATEMENTS

BALANCE SHEET

(In Thousands of Reais)

ASSETS	Nota	Parent Company 03/31/2021	Parent Company 12/31/2020	Consolidated 03/31/2021	Consolidated 12/31/2020
Cash	4	1,457,540	1,263,595	1,457,599	1,263,648
Financial Instruments		89,381,068	86,163,895	91,171,064	88,011,432
Interbank Lending Market Investments	5	8,335,935	6,040,268	8,337,526	6,041,572
Compulsory Deposits of Central Bank of Brazil	6	7,469,218	7,750,609	7,469,218	7,750,609
Securities	7	33,236,025	31,550,155	33,353,737	31,645,202
Derivative Financial Instruments	8	1,012,350	844,599	1,012,350	844,599
Loans	9	34,397,499	34,860,941	34,397,499	34,860,941
Other Financial Instruments	10	4,912,456	5,097,718	6,583,149	6,848,904
Leases	9	17,585	19,605	17,585	19,605
(Provisions for Expected Losses Associated with Credit Risk)	9e	(2,749,376)	(2,811,892)	(2,750,876)	(2,813,138)
(Loans)		(2,543,413)	(2,590,995)	(2,543,413)	(2,590,995)
(Leases)		(6,029)	(6,587)	(6,029)	(6,587)
(Other Credits)		(199,934)	(214,310)	(201,434)	(215,556)
Tax Assets		3,206,914	3,113,232	3,236,138	3,119,592
Current		117,492	47,304	142,227	49,021
Deferred	11	3,089,422	3,065,928	3,093,911	3,070,571
Other Assets	12	982,333	888,145	914,398	817,994
Investments		1,991,679	1,919,646	156,275	177,951
Investments in Associates and Subsidiaries	13	1,984,335	1,912,302	148,931	170,607
Other Investments		7,344	7,344	7,344	7,344
Property and Equipment	14	348,039	333,015	454,892	439,693
Property and Equipment		945,878	924,030	1,093,129	1,068,140
(Accumulated Depreciation)		(597,839)	(591,015)	(638,237)	(628,447)
Intangible Assets	15	792,449	805,606	792,563	805,729
Intangible Assets		1,673,966	1,639,318	1,676,404	1,641,756
(Accumulated Amortization)		(881,517)	(833,712)	(883,841)	(836,027)
TOTAL ASSETS		**95,410,646**	**91,675,242**	**95,432,053**	**91,822,901**

LIABILITIES	Note	Parent Company 03/31/2021	Parent Company 12/31/2020	Consolidated 03/31/2021	Consolidated 12/31/2020
Deposits and Other Financial Instruments		81,868,486	78,756,045	81,733,912	78,730,375
Deposits	16	61,387,514	62,820,455	60,966,517	62,446,503
Repurchase Agreements	16	7,197,099	4,573,384	7,019,799	4,362,437
Funds from Acceptance and Issuance of Securities	16	2,208,115	2,727,755	1,919,839	2,440,535
Borrowings	17	2,112,485	425,868	2,112,485	425,868
Onlendings	18	1,428,524	1,473,113	1,428,524	1,473,113
Derivative Financial Instruments	8	36,083	-	36,083	-
Other Financial Liabilities	19	7,498,666	6,735,470	8,250,665	7,581,919
Provisions	20	2,096,124	2,007,316	2,101,742	2,012,954
Tax Liabilities		582,187	494,784	643,674	561,565
Current		193,047	88,122	253,795	154,135
Deferred	11b	389,140	406,662	389,879	407,430
Other Liabilities	21	2,284,835	2,073,035	2,371,483	2,171,792
TOTAL LIABILITIES		**86,831,632**	**83,331,180**	**86,850,811**	**83,476,686**
EQUITY	**22**	**8,579,014**	**8,344,062**	**8,581,242**	**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		3,411,250	3,411,250	3,411,250	3,411,250
Income		(224,083)	(271,699)	(224,083)	(271,699)
Accumulated Profits		187,336	-	187,336	-
Non-controlling Interest		-	-	2,228	2,153
TOTAL LIABILITIES AND EQUITY		**95,410,646**	**91,675,242**	**95,432,053**	**91,822,901**

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

INCOME STATEMENT

(In Thousands of Reais, except Earnings per Share)

	Note	Parent Company		Consolidated	
		01/01 to 03/31/2021	01/01 to 03/31/2020	01/01 to 03/31/2021	01/01 to 03/31/2020
Income from Financial Intermediation		**1,938,994**	**2,916,979**	**1,939,918**	**2,921,366**
Loans, Leases and Other Credits		1,334,369	1,526,007	1,334,427	1,526,007
Securities		203,155	257,437	204,021	261,824
Derivative Financial Instruments		290,983	758,150	290,983	758,150
Foreign Exchange		56,892	244,947	56,892	244,947
Compulsory Investments		53,595	130,438	53,595	130,438
Expenses from Financial Intermediation		**(736,015)**	**(1,663,341)**	**(732,577)**	**(1,659,802)**
Deposits and Securities Sold Under Repurchase Agreements		(633,552)	(1,345,377)	(630,114)	(1,341,838)
Borrowings, Assignments and Onlendings		(102,463)	(317,964)	(102,463)	(317,964)
Net Income from Financial Intermediation		**1,202,979**	**1,253,638**	**1,207,341**	**1,261,564**
Provisions for Expected Losses Associated with Credit Risk		**(129,497)**	**(296,292)**	**(129,757)**	**(296,608)**
Other Operating Income		**476,710**	**509,331**	**588,636**	**608,371**
Income from Services Rendered and Bank Fees	23a	275,474	318,283	478,544	504,236
Result of Participation in Associates and Subsidiaries	13	99,096	88,618	10,251	10,849
Other Income	23b	102,140	102,430	99,841	93,286
Other Operating Expenses		**(1,169,838)**	**(1,148,160)**	**(1,239,985)**	**(1,214,361)**
Personnel Expenses	24a	(454,156)	(500,671)	(459,009)	(505,100)
Other Administrative Expenses	24b	(385,303)	(389,145)	(410,701)	(415,249)
Tax Expenses		(90,939)	(94,308)	(117,941)	(119,160)
Other Expenses	24c	(239,440)	(164,036)	(252,334)	(174,852)
Net Operating Income		**380,354**	**318,517**	**426,235**	**358,966**
Income Before Income Tax and Profit Sharing		**380,354**	**318,517**	**426,235**	**358,966**
Income Tax and Social Contribution	**25**	**(68,503)**	**(28,856)**	**(114,310)**	**(69,268)**
Current		(110,707)	(35,075)	(156,394)	(76,301)
Deferred		42,204	6,219	42,084	7,033
Employee Profit Sharing		**(32,916)**	**(32,139)**	**(32,918)**	**(32,130)**
Non-controlling Interest		**-**	**-**	**(72)**	**(46)**
Net Income		**278,935**	**257,522**	**278,935**	**257,522**
Earnings per Share					
Basic and Diluted Earnings per Share (in Reais - R$)					
Common Shares		0.68	0.63	0.68	0.63
Preferred Shares A		0.68	0.63	0.68	0.63
Preferred Shares B		0.68	0.63	0.68	0.63

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

STATEMENT OF COMPREHENSIVE INCOME

(IN THOUSANDS OF REAIS)

	Parent Company		Consolidated	
	01/01 to 03/31/2021	01/01 to 03/31/2020	01/01 to 03/31/2021	01/01 to 03/31/2020
Net Income	**278,935**	**257,522**	**278,935**	**257,522**
Non-controlling Interest	-	-	72	46
Net Income for the Period Attributable to Shareholders	**278,935**	**257,522**	**279,007**	**257,568**
Items That May Be Reclassified Into the Income Statement	**47,616**	**116,548**	**47,616**	**116,548**
Securities available for sale	(3,581)	(1,060)	(3,581)	(1,060)
Change in Fair Value	(5,969)	(1,408)	(5,969)	(1,408)
Tax Effect	2,388	348	2,388	348
Foreign Exchange Variations on Investments Abroad	51,197	117,608	51,197	117,608
Total Adjustments Not Included in Net Income	**47,616**	**116,548**	**47,616**	**116,548**
Total Comprehensive Income for the Period, Net of Tax Income and Social Contribution	**326,551**	**374,070**	**326,623**	**374,116**
Comprehensive Income Attributable to Controlling interests	326,551	374,070	326,551	374,070
Comprehensive Income Attributable to Non-controlling interests	-	-	72	46

The accompanying notes are an integral part of these intermediary 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		-	-	-	-	-	-	(1,060)	-	(1,060)	-	(1,060)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	-	117,608	-	117,608	-	117,608
Change in Non-controlling Interest		-	-	-	-	-	-	-	-	-	44	44
Reclassification of Results for Future Years		-	-	-	-	-	-	-	1,538	1,538	-	1,538
Net Income		-	-	-	-	-	-	-	257,522	257,522	-	257,522
Allocation of Net Income	22c											
Interest on Equity		-	-	-	-	-	-	-	(100,967)	(100,967)	-	(100,967)
Balance as of March 31, 2020		**5,200,000**	**4,511**	**596,276**	**2,069,074**	**207,501**	**-**	**(168,447)**	**158,093**	**8,067,008**	**2,039**	**8,069,047**
Balance as of March 01, 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		-	-	-	-	-	-	(3,581)	-	(3,581)	-	(3,581)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	-	51,197	-	51,197	-	51,197
Change in Non-controlling Interest		-	-	-	-	-	-	-	-	-	75	75
Reclassification of Results for Future Years		-	-	-	-	-	-	-	1,451	1,451	-	1,451
Net Income		-	-	-	-	-	-	-	278,935	278,935	-	278,935
Allocation of Net Income	22c											
Interest on Equity		-	-	-	-	-	-	-	(93,050)	(93,050)	-	(93,050)
Balance as of March 31, 2021		**5,200,000**	**4,511**	**632,650**	**2,250,943**	**504,458**	**23,199**	**(224,083)**	**187,336**	**8,579,014**	**2,228**	**8,581,242**

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

CASH FLOW STATEMENT

(IN THOUSANDS OF REAIS)

	Parent Company		Consolidated	
	01/01 to 03/31/2021	01/01 to 03/31/2020	01/01 to 03/31/2021	01/01 to 03/31/2020
Cash Flow from Operating Activities				
Income Before Taxes on Income and Employee Profit Sharing	**380,354**	**318,517**	**426,235**	**358,966**
Adjustments to Income Before Income Tax and Employee Profit Sharing				
Depreciation and Amortization	55,881	52,222	59,784	54,282
Share of Profit of Equity Accounted Investees	(99,096)	(88,618)	(10,251)	(10,849)
Deferred Taxes	(42,204)	(6,219)	(42,084)	(7,033)
Income from Subordinated Debt	268,734	792,222	268,734	792,222
Provisions for Expected Losses Associated with Credit Risk	129,497	296,292	129,757	296,608
Provision for Legal and Administrative Proceedings	161,511	89,029	161,924	89,206
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(15,315)	-	(15,315)	-
Adjusted Income Before Taxes on Income and Employee Profit Sharing	**839,362**	**1,453,445**	**978,784**	**1,573,402**
Changes in Assets and Liabilities	**2,475,043**	**4,791,776**	**2,334,972**	**4,680,365**
(Increase) Decrease in Interbank Deposits	(153,406)	-	(153,406)	-
Decrease in Central Bank Compulsory Deposits	281,391	5,513,422	281,391	5,513,422
(Increase) in Trading Securities	(964,606)	(47,516)	(987,197)	(19,308)
(Increase) Decrease in Derivative Financial Instruments	(131,668)	(746,252)	(131,668)	(746,252)
(Increase) in Loans	307,685	(460,378)	307,685	(460,378)
(Increase) Decrease in Leases	2,016	(1,414)	2,016	(1,414)
Decrease in Other Financial Assets	178,601	41,227	259,079	192,099
(Increase) Decrease in Current and Deferred Tax Assets	(69,001)	(68,044)	(91,785)	(67,734)
(Increase) in Other Assets	(94,042)	(199,225)	(96,395)	(225,699)
Increase in Deposits	(1,438,983)	293,115	(1,486,028)	293,712
Increase (Decrease) in Repurchase Agreements (Repos)	2,623,715	490,399	2,657,362	431,048
Decrease in Funds from Acceptance and Issuance of Securities	(519,640)	(236,186)	(520,696)	(208,944)
Increase in Borrowings	1,642,028	139,681	1,642,028	139,615
Increase (Decrease) in Other Liabilities	614,898	55,641	520,448	(121,994)
(Decrease) in Provisions	(72,703)	(133,186)	(73,136)	(133,216)
Increase in Deferred Tax Liabilities	172,064	62,924	172,431	61,583
Increase in Other Liabilities	163,832	153,265	105,842	105,404
Income Tax and Social Contribution Paid	(67,138)	(65,697)	(72,999)	(71,579)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**3,314,405**	**6,245,221**	**3,313,756**	**6,253,767**
CASH FLOW FROM INVESTING ACTIVITIES				
Dividends Received from Associates and Subsidiaries	27,400	31,500	27,400	31,500
Decrease in Securities Available for Sale	(3,583)	(1,062)	(3,577)	(507)
(Increase) in Securities Held to Maturity	(721,262)	(185,829)	(721,342)	(185,928)
Disposal of Investments in Associates and Subsidiaries	3,637	1,083	3,637	1,083
Disposal of Property and Equipment	85	48	1,916	991
Acquisition of Investments in Associates and Subsidiaries	(5,056)	(297)	(46)	(2,730)
Acquisition of Property and Equipment	(22,247)	(26,687)	(28,147)	(34,231)
Acquisition of Intangible Assets	(34,650)	(8,296)	(34,650)	(8,296)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(755,676)**	**(189,540)**	**(754,809)**	**(198,118)**
CASH FLOW FROM FINANCING ACTIVITIES				
Payment of Interest on Subordinated Debt	(120,436)	(93,277)	(120,436)	(93,277)
Interest on Equity Paid	(145,050)	(100,967)	(145,050)	(100,967)
Change in Non-controlling Interest	-	-	75	44
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**(265,486)**	**(194,244)**	**(265,411)**	**(194,200)**
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	-	117,608	-	117,608
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,336,206**	**5,979,045**	**2,336,499**	**5,979,057**
Cash and Cash Equivalents at the Beginning of the Period	6,978,798	2,172,860	6,980,155	2,174,148
Efeito da Variação das Taxas de Câmbio sobre o Caixa e Equivalentes a Caixa	42,963	-	42,963	-
Cash and Cash Equivalents at the End of the Period	9,315,004	8,151,905	9,316,654	8,153,205

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

STATEMENT OF ADDED VALUE
(In Thousands of Reais)

	Parent Company		Consolidated	
	01/01 to 03/31/2021	01/01 to 03/31/2020	01/01 to 03/31/2021	01/01 to 03/31/2020
INCOME (a)	**2,187,111**	**3,041,400**	**2,388,546**	**3,222,280**
Financial Income	1,938,994	2,916,979	1,939,918	2,921,366
Services Rendered and Bank Fees Income	275,474	318,283	478,544	504,236
Provisions for Expected Losses Associated with Credit Risk	(129,497)	(296,292)	(129,757)	(296,608)
Other	102,140	102,430	99,841	93,286
FINANCIAL INTERMEDIATION EXPENSES (b)	**(736,015)**	**(1,663,341)**	**(732,577)**	**(1,659,802)**
INPUTS ACQUIRED FROM THIRD PARTIES (c)	**(538,416)**	**(471,905)**	**(572,738)**	**(507,135)**
Supplies, Energy and Other	(386,195)	(327,034)	(413,534)	(349,842)
Third-party Services	(152,221)	(144,871)	(159,204)	(157,293)
GROSS ADDED VALUE (d=a-b-c)	**912,680**	**906,154**	**1,083,231**	**1,055,343**
DEPRECIATION AND AMORTIZATION (e)	**(55,881)**	**(52,222)**	**(59,784)**	**(54,282)**
PRODUCED BY THE COMPANY (f=d-e)	**856,799**	**853,932**	**1,023,447**	**1,001,061**
ADDED VALUE RECEIVED IN TRANSFER (g)	**99,096**	**88,618**	**10,251**	**10,849**
Equity in earnings (losses) in investees	99,096	88,618	10,251	10,849
ADDED VALUE FOR DISTRIBUTION (h=f+g)	**955,895**	**942,550**	**1,033,698**	**1,011,910**
DISTRIBUTION OF ADDED VALUE	**955,895**	**942,550**	**1,033,698**	**1,011,910**
Personnel	**424,605**	**463,077**	**429,066**	**467,119**
Salaries	322,534	351,091	326,023	354,365
Benefits	82,504	90,474	83,092	90,953
FGTS	19,567	21,512	19,951	21,801
Taxes, Fees and Contributions	**221,909**	**192,897**	**295,112**	**258,539**
Federal	206,565	174,779	271,387	232,456
State	5	5	39	11
Local	15,339	18,113	23,686	26,072
Remuneration on Third Party Capital	**30,446**	**29,054**	**30,513**	**28,684**
Rentals	30,446	29,054	30,513	28,684
Equity Remuneration	**278,935**	**257,522**	**279,007**	**257,568**
Interest on Equity	93,050	100,967	93,050	100,967
Retained Earnings	185,885	156,555	185,885	156,555
Non-controlling Interests	-	-	72	46

The accompanying notes are an integral part of these intermediary 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 intermediary financial statements of Banco do Estado do Rio Grande do Sul S.A. (Banrisul), amounts expressed in thousands of Reais (unless otherwise indicated).

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 INTERMEDIARY FINANCIAL STATEMENTS

(a) The individual and consolidated intermediary 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 intermediary 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 intermediary 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 intermediary 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 intermediary 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 intermediary individual financial statements include Banrisul’s Brazilian operations as well as the operations of its foreign branches (Miami and Grand Cayman). The sum of assets and liabilities, income and expenses reported by foreign branches, before eliminations, are summarized as follows:

Assets	03/31/2021	12/31/2020
Loans	**358,221**	**376,736**
Loans in Brazil	268,688	278,167
Other Lending activities	89,533	98,569
Other Assets	**318,225**	**305,705**
Property and Equipment	**24**	**28**
Total Assets	**676,470**	**682,469**
Liabilities and Equity	**03/31/2021**	**12/31/2020**
Deposits	**73,147**	**124,039**
Deposits in Brazil	28,052	79,040
Other Deposits	45,095	44,999
Other Obligations	**60**	**381**
Other Liabilities	**20,284**	**26,949**
Equity	**582,979**	**531,100**
Total Liabilities and Equity	**676,470**	**682,469**
Income Statement	**01/01 to 03/31/2021**	**01/01 to 03/31/2020**
Financial Intermediation Income	2,567	5,557
Financial Intermediation Expenses	(391)	(604)
Other Income (Expenses)	(1,494)	(1,145)
Net Income	**682**	**3,808**

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$51,197 (12/03/2020 - R$117,608).

(c) The consolidated intermediary 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 intermediary financial statements:

		Ownership Interest	
	Activity	**12/31/2021**	**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 intermediary financial statements prepared for the reported period were approved by the Board of Directors on May 05, 2021.

NOTE 03 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparing the consolidated intermediary 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 19) and as a hedge of fair value 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, described in Note 17 and 19

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 60^{th} 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

Investments in subsidiaries and associates are accounted for using the equity method, based on the equity value of the subsidiary or affiliate, observing the same accounting practices of the controller, that is, accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Brazilian central bank.

Goodwill corresponds to the excess amount paid in the acquisition of investments resulting from the expectation of generating future economic gains, and is annually tested for impairment of assets (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	8

Acquisition of Payroll Services

Public Sector - refers to agreements to obtain exclusive rights for the tendering of payroll services to the State of Rio Grande do Sul, 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, from eightyears.

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 intermediary 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 intermediary financial statements are registred 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, 17 and 18.

(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 intermediary 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 intermediary 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%.

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 25.

(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	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Cash	**1.457.540**	**1.263.595**	**1.457.599**	**1.263.648**
In Local Currency	975.410	811.354	975.469	811.407
In Foreign Currency	482.130	452.241	482.130	452.241
Interbank Investments(1)	**7.857.464**	**5.715.203**	**7.859.055**	**5.716.507**
Reverse Repurchase Agreements	7.857.464	5.704.808	7.859.055	5.706.112
Investments in Interbank Deposits	-	10.395	-	10.395
Total	**9.315.004**	**6.978.798**	**9.316.654**	**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	Above 1 year	03/31/2021	12/31/2020
Reverse Purchase Agreements	**7,857,464**	**-**	**-**	**7,857,464**	**5,704,808**
Repo Agreements - Own Portfolio					
Financial Treasury Letter – LFT	2,707,464	-	-	2,707,464	4,404,770
National Treasury Letter – LTN	1,100,001	-	-	1,100,001	1,300,038
National Treasury Notes – NTN	4,049,999	-	-	4,049,999	-
Interbank Deposits	**-**	**337,964**	**140,507**	**478,471**	**335,460**
Interbank Deposits	-	337,964	140,507	478,471	335,460
Total as of 12/31/2021	**7,857,464**	**337,964**	**140,507**	**8,335,935**	
Total as of 12/31/2020	**5,715,203**	**325,065**	**-**		**6,040,268**

					Consolidated
	Up to 3 months	3 to 12 months	Above 1 year	03/31/2021	12/31/2020
Reverse Purchase Agreements	**7,859,055**	**-**	**-**	**7,859,055**	**5,706,112**
Repo Agreements - Own Portfolio					
Financial Treasury Letter – LFT	2,707,464	-	-	2,707,464	4,404,770
National Treasury Letter – LTN	1,100,001	-	-	1,100,001	1,300,038
National Treasury Notes – NTN	4,049,999	-	-	4,049,999	-
Bank Deposit Certificates	1,591	-	-	1,591	1,304
Interbank Deposits	**-**	**337,964**	**140,507**	**478,471**	**335,460**
Interbank Deposits	-	337,964	140,507	478,471	335,460
Total as of 12/31/2021	**7,859,055**	**337,964**	**140,507**	**8,337,526**	
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**	**03/31/2021**	**12/31/2020**
Demand deposits and other resources	No Remuneration	504,609	743,129
Savings Deposits	Savings rate	1,912,588	1,912,085
Other Deposits	No Remuneration	51,950	55,135
Time Deposits	SELIC	5,000,071	5,040,260
Total		**7,469,218**	**7,750,609**

NOTE 07 - PORTFOLIO OF SECURITIES

Breakdown of the portfolio of securities:

	Parent Company		Consolidated	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Trading Securities	7,537,134	6,572,528	7,642,496	6,655,299
Available-for-sale Securities	178	176	2,454	2,459
Held-to-Maturity Securities	25,698,713	24,977,451	25,708,787	24,987,444
Total	**33,236,025**	**31,550,155**	**33,353,737**	**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 average 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:

	Fair Value						03/31/2021		12/31/2020	Parent Company
	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	-	-	1,836,766	1,396,014	4,066,478	213,102	7,512,360	7,551,348	6,562,124	6,594,036
Shares of Publicly-Held Companies	20,767	-	-	-	-	-	20,767	2,063	6,978	2,063
Investment Fund Shares	4,007	-	-	-	-	-	4,007	4,007	3,426	3,426
Total as of 03/31/2021	**24,774**	**-**	**1,836,766**	**1,396,014**	**4,066,478**	**213,102**	**7,537,134**	**7,557,418**		
Total as of 12/31/2020	**10,404**	**906,229**	**-**	**961,038**	**3,846,492**	**848,365**			**6,572,528**	**6,599,525**

	Fair Value						03/31/2021		12/31/2020	Consolidated
	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	-	-	1,836,766	1,404,038	4,066,478	213,102	7,520,384	7,559,413	6,570,116	6,602,063
Shares of Publicly-Held Companies	20,767	-	-	-	-	-	20,767	2,063	6,978	2,063
Investment Fund Shares	101,345	-	-	-	-	-	101,345	101,345	78,205	78,205
Total as of 03/31/2021	**122,112**	**-**	**1,836,766**	**1,404,038**	**4,066,478**	**213,102**	**7,642,496**	**7,662,821**		
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				
		03/31/2021		12/31/2020			03/31/2021		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	178	178	178	176	176	2,441	2,441	2,441	2,447	2,074
Privatization Certificates	-	-	-	-	-	13	13	13	12	12
Total as of 03/31/2021	**178**	**178**	**178**			**2,454**	**2,454**	**2,454**		
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					03/31/2021		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	-	937,227	7,767,332	10,282,314	3,612,760	22,599,633	22,483,204	21,419,481	21,318,989
National Treasury Notes - NTN	-	-	-	-	-	-	-	471,927	471,922
National Treasury Letter – LTN	2,799,764	-	-	-	-	2,799,764	2,799,764	2,785,396	2,676,846
Federal Bonds - CVS	-	-	-	-	69,434	69,434	65,476	72,235	72,910
Time Deposits with Special Collaterals - DPGE	-	-	226,571	-	-	226,571	229,285	224,941	228,243
Certificate of Real Estate Receivables - CRI	-	-	-	-	3,311	3,311	3,281	3,471	3,492
Total as of 03/31/2021	**2,799,764**	**937,227**	**7,993,903**	**10,282,314**	**3,685,505**	**25,698,713**	**25,581,010**		
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					03/31/2021		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	-	937.227	7.767.332	10.286.982	3.618.166	22.609.707	22.493.176	21.429.474	21.328.981
National Treasury Notes - NTN	-	-	-	-	-	-	-	471.927	471.922
National Treasury Letter – LTN	2.799.764	-	-	-	-	2.799.764	2.799.764	2.785.396	2.676.846
Federal Bonds - CVS	-	-	-	-	69.434	69.434	65.476	72.235	72.910
Time Deposits with Special Collaterals - DPGE	-	-	226.571	-	-	226.571	229.285	224.941	228.243
Certificate of Real Estate Receivables - CRI	-	-	-	-	3.311	3.311	3.281	3.471	3.492
Total as of 03/31/2021	**2.799.764**	**937.227**	**7.993.903**	**10.286.982**	**3.690.911**	**25.708.787**	**25.590.982**		
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 19, in the form of a rate swap to CDI.

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	
				03/31/2021	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	958,486	17,781	976,267	844,599
Foreign Currency (USD)	3,813,908	958,486	17,781	976,267	844,599
Hedged Item					
Subordinated Debt	2,546,665	4,796,284	18,560	4,814,844	2,968,537
Foreign Currency (USD)	2,546,665	4,796,284	18,560	4,814,844	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) + Fixed Rate	3,813,908	968,062	17,862	985,924
Liabilities				
% of Interbank Deposit Rate (CDI) + Fixed Rate	(3,813,908)	(9,576)	(81)	(9,657)
Net Adjustment as of 03/31/2021		**958,486**	**17,781**	**976,267**
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	985,924	-	1,019,524	(3,500)	(30,100)
Liabilities						
% of Interbank Deposit Rate (CDI) + Fixed Rate	(3,813,908)	(9,657)	-	(8,792)	(161)	(704)
Net Adjustment as of 03/31/2021		**976,267**	**-**	**1,010,732**	**(3,661)**	**(30,804)**
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 received by Banrisul as guarantee in operations involving derivatives consists of Interbank deposits in the amount of R$367.056 and by National Treasury Notes series F, in the amount of R$679,791.

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	03/31/2021	12/31/2020
Loans and Discounted Receivables	339,002	14,861,254	6,697,648	1,034,272	641,386	242,280	180,223	170,884	1,750,022	25,916,971	26,427,501
Financing	116,540	359,282	133,883	131,581	31,174	10,311	900	10,483	20,676	814,830	814,254
Rural and Agro-Industrial Financing	1,295,095	1,371,305	405,622	185,788	78,887	25,236	21,613	14,596	61,087	3,459,229	3,392,123
Real Estate Financing	2,983,362	587,667	198,382	172,735	18,316	6,426	906	73,557	51,141	4,092,492	4,112,283
Loans Assigned with Recourse (1)	7,922	4,140	239	83	-	-	-	-	-	12,384	13,280
Infrastructure and Development Financing	1,124	46,706	5,365	48,398	-	-	-	-	-	101,593	101,500
Subtotal Loans	**4,743,045**	**17,230,354**	**7,441,139**	**1,572,857**	**769,763**	**284,253**	**203,642**	**269,520**	**1,882,926**	**34,397,499**	**34,860,941**
Lease Operations	353	4,017	2,068	1,740	727	653	136	7,636	255	17,585	19,605
Advances on Foreign Exchange Contracts (2)	10,252	78,162	140,170	39,380	65,915	44,174	9,249	91,739	21,736	500,777	503,739
Other Receivables (3)	57,366	1,233,124	413,225	81,219	28,300	5,501	1,861	1,236	18,884	1,840,716	2,083,453
Acquired Portfolio with Recourse (Note 10)	95,649	-	-	-	-	-	-	-	-	95,649	138,066
Total Credit Portfolio	**4,906,665**	**18,545,657**	**7,996,602**	**1,695,196**	**864,705**	**334,581**	**214,888**	**370,131**	**1,923,801**	**36,852,226**	**37,605,804**
Recourse and Guarantees Granted (4)	121,484	19,485	12,371	307	-	28,982	-	-	9,716	192,345	195,892
Total as of 03/31/2021	**5,028,149**	**18,565,142**	**8,008,973**	**1,695,503**	**864,705**	**363,563**	**214,888**	**370,131**	**1,933,517**	**37,044,571**	**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 19.

(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	03/31/2021	12/31/2020
Falling Due	**4,906,103**	**18,536,300**	**7,786,149**	**1,514,787**	**704,300**	**222,336**	**127,743**	**239,408**	**1,107,246**	**35,144,372**	**36,166,058**
01 to 30 days	145,791	1,249,017	534,059	162,959	74,678	13,391	12,917	4,795	30,025	2,227,632	2,306,022
31 to 60 days	158,714	809,293	400,021	87,152	53,868	11,734	5,046	5,851	17,776	1,549,455	1,772,031
61 to 90 days	309,965	923,710	344,647	100,030	49,554	28,606	6,248	9,329	31,883	1,803,972	1,291,451
91 to 180 days	322,682	1,877,697	705,885	185,536	88,998	21,504	14,047	60,386	63,639	3,340,374	3,473,013
181 to 360 days	333,504	2,691,216	887,319	216,069	103,393	45,945	29,575	65,933	88,814	4,461,768	4,984,440
Over 360 days	3,635,447	10,985,367	4,914,218	763,041	333,809	101,156	59,910	93,114	875,109	21,761,171	22,339,101
Past Due	**562**	**9,357**	**5,536**	**3,976**	**4,259**	**2,108**	**553**	**711**	**2,126**	**29,188**	**48,626**
Up to 14 days	562	9,357	5,536	3,976	4,259	2,108	553	711	2,126	29,188	48,626
Subtotal	**4,906,665**	**18,545,657**	**7,791,685**	**1,518,763**	**708,559**	**224,444**	**128,296**	**240,119**	**1,109,372**	**35,173,560**	**36,214,684**
						Non-Performing Contracts (1)					
Falling Due	**-**	**-**	**188,357**	**145,433**	**113,447**	**75,969**	**58,785**	**102,298**	**512,860**	**1,197,149**	**1,001,600**
01 to 30 days	-	-	4,539	5,236	5,685	3,262	1,921	2,395	19,925	42,963	34,402
31 to 60 days	-	-	3,719	4,080	3,655	2,379	1,621	2,110	18,352	35,916	31,978
61 to 90 days	-	-	3,540	3,739	3,414	2,349	1,637	2,608	17,417	34,704	29,380
91 to 180 days	-	-	9,478	10,275	9,376	6,300	4,323	7,629	48,892	96,273	83,461
181 to 360 days	-	-	17,167	17,707	16,424	12,027	7,945	16,873	90,906	179,049	156,210
Over 360 days	-	-	149,914	104,396	74,893	49,652	41,338	70,683	317,368	808,244	666,169
Past Due	**-**	**-**	**16,560**	**31,000**	**42,699**	**34,168**	**27,807**	**27,714**	**301,569**	**481,517**	**389,520**
01 to 14 days	-	-	641	774	687	828	339	687	5,811	9,767	5,685
15 to 30 days	-	-	14,230	8,613	8,012	5,707	2,520	2,805	15,586	57,473	50,011
31 to 60 days	-	-	1,689	20,348	9,556	7,793	3,256	3,623	43,772	90,037	46,296
61 to 90 days	-	-	-	967	22,919	5,231	5,965	3,365	16,038	54,485	41,812
91 to 180 days	-	-	-	298	1,525	14,010	14,135	15,240	66,091	111,299	145,887
181 to 360 days	-	-	-	-	-	599	1,592	1,994	140,118	144,303	87,230
Over 360 days	-	-	-	-	-	-	-	-	14,153	14,153	12,599
Subtotal	**-**	**-**	**204,917**	**176,433**	**156,146**	**110,137**	**86,592**	**130,012**	**814,429**	**1,678,666**	**1,391,120**
Total as of 03/31/2021	**4,906,665**	**18,545,657**	**7,996,602**	**1,695,196**	**864,705**	**334,581**	**214,888**	**370,131**	**1,923,801**	**36,852,226**	
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	
	03/31/2021	12/31/2020
Public Sector	**103,465**	**103,555**
Government - Direct and Indirect Administration	103,465	103,555
Private Sector	**36,748,761**	**37,502,249**
Companies	8,475,767	8,952,228
Rural	251,643	272,623
Food, Beverages and Tobacco	1,103,997	1,146,432
Automotive	363,011	383,325
Cellulose, Wood and Furniture	155,791	184,977
Food Wholesale Trade	561,986	535,013
Wholesale Trade (except food)	539,715	559,942
Retail Trade - Other	748,788	784,292
Construction and Real Estate	816,846	837,525
Education, Health and other Social Services	1,138,125	1,233,619
Electrical and Electronics	272,118	313,780
Financial and Insurance	329,592	338,687
Machines and equipment	236,104	239,159
Metallurgy	214,762	230,281
Infrastructure Works	29,978	31,411
Oil and Natural Gas	315,071	355,341
Chemical and Petrochemical	406,431	434,053
Private Services	212,735	219,573
Textile, Clothing and Leather	201,508	234,007
Transportation	295,631	314,693
Others	281,935	303,495
Individuals	28,272,994	28,550,021
Total Loans	**36,852,226**	**37,605,804**

(d) Loan Concentration

	Parent Company and Consolidated			
	03/31/2021		12/31/2020	
	Value	% of Portfolio	Value	% of Portfolio
Largest Debtor	164,998	0.45	163,451	0.43
Next 10 Largest Debtors	938,190	2.55	995,815	2.65
Next 20 Largest Debtors	1,134,976	3.08	1,185,353	3.15
Next 50 Largest Debtors	1,413,105	3.83	1,472,171	3.91
Next 100 Largest Debtors	1,235,467	3.35	1,304,015	3.47

(e) Changes in Allowances

The Allowance for Expected Losses in the amount of R$2,749,376 (Consolidated R$2,750,876) is shown below:

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

	Parent Company and Consolidated	
	01/01 to 03/31/2021	01/01 to 03/31/2020
Opening Balance	**2,763,101**	**2,764,335**
Allowance Recorded in the Period	129,563	296,389
Write-Offs	(191,933)	(248,263)
Ending Balance	**2,700,731**	**2,812,461**
Allowance for Loan Losses	2,543,413	2,551,977
Allowance for Doubtful Lease Receivables	6,029	3,534
Allowance for Losses on Other Receivables with Lending Characteristics (1)	151,289	256,950

(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 03/31/2021	01/01 to 03/31/2020	01/01 to 03/31/2021	01/01 to 03/31/2020
Opening Balance	**48,791**	**47,719**	**50,037**	**49,579**
Allowance/(Reversal) Recorded in the Period	(66)	(97)	194	540
Write-Offs	(80)	-	(86)	-
Final Balance	**48,645**	**47,622**	**50,145**	**50,119**

(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	4,906,665	0.00%	-
A	18,545,657	0.50%	92,728
B	7,996,602	1.00%	79,966
C	1,695,196	3.00%	50,856
D	864,705	10.00%	86,471
E	334,581	30.00%	100,374
F	214,888	50.00%	107,444
G	370,131	70.00%	259,091
H	1,923,801	100.00%	1,923,801
Total as of 03/31/2021	**36,852,226**		**2,700,731**
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
		03/31/2021		12/31/2020
Rating	Asset	Provision	Asset	Provision
AA	-	-	59	-
A	56,322	42	61,544	46
B	352	1	52	-
C	111	1	6	-
D	604	9	-	-
E	402	18	-	-
F	117	8	43	3
G	-	-	-	-
H	101	15	-	-
Total	**58,009**	**94**	**61,704**	**49**

For the B and C ratings, the provision for 12/31/2020 was R$77.80 and R$26.40 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$48,513 (1Q2020- R$52,379).

The balance of renegotiated loans during the period amounted to R$59,321 (1Q2020 - R$107,715). 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 03/31/2021	Up to 12 Months	Over 12 Months	Total as of 12/31/2020
Interbank Accounts	139,865	1,149,867	1,289,732	10,881	1,134,635	1,145,516
Credits with the National Housing System (1)	-	1,149,867	1,149,867	-	1,134,635	1,134,635
Outstanding Payments and Receipts	130,365	-	130,365	2,594	-	2,594
Others	9,500	-	9,500	8,287	-	8,287
Interbranch Accounts	3,274	-	3,274	73,101	-	73,101
Foreign Exchange Portfolio	560,971	30,290	591,261	551,923	20,680	572,603
Income Receivable	90,080	-	90,080	99,839	-	99,839
Guarantee Deposit	-	650,305	650,305	-	629,179	629,179
Payments to Reimburse	66,021	-	66,021	61,667	-	61,667
Securities and Receivables (2)	1,867,695	236,669	2,104,364	2,117,962	235,155	2,353,117
Credits Linked to Acquired Operations with Recorurse (Note 09 (a))	56,871	38,778	95,649	85,424	52,642	138,066
Others	21,770	-	21,770	24,630	-	24,630
Total	**2,806,547**	**2,105,909**	**4,912,456**	**3,025,427**	**2,072,291**	**5,097,718**

						Consolidated
	Up to 12 Months	Over 12 Months	Total as of 03/31/2021	Up to 12 Months	Over 12 Months	Total as of 12/31/2020
Interbank Accounts	1,703,283	1,149,867	2,853,150	1,672,441	1,134,635	2,807,076
Credits with the National Housing System (1)	-	1,149,867	1,149,867	-	1,134,635	1,134,635
Outstanding Payments and Receipts	1,693,783	-	1,693,783	1,664,154	-	1,664,154
Others	9,500	-	9,500	8,287	-	8,287
Interbranch Accounts	3,274	-	3,274	73,101	-	73,101
Foreign Exchange Portfolio	560,971	30,290	591,261	551,923	20,680	572,603
Income Receivable	109,255	-	109,255	108,086	-	108,086
Trading and Intermediation of Values	31,234	-	31,234	3,693	-	3,693
Guarantee Deposit	-	660,448	660,448	-	639,497	639,497
Reimbursable Payments	66,338	-	66,338	62,542	-	62,542
Securities and Receivables (2)	1,912,291	237,594	2,149,885	2,182,660	236,081	2,418,741
Credits Linked to Acquired Operations with Recourse (Note 09 (a))	56,871	38,778	95,649	85,424	52,642	138,066
Others	22,655	-	22,655	25,499	-	25,499
Total	**4,466,172**	**2,116,977**	**6,583,149**	**4,765,369**	**2,083,535**	**6,848,904**

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

(a) R$161,312 (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$985,755 (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$2,800 (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 March 31, 2021, the receivables were stated at the acquisition cost including interest accrued at the rate used to determine the purchase price, amounting to R$1,147,067 (12/31/2020 - R$1,131,866). The face value is R$1,183,248 (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 March 31, 2021, these judicial deposits amount to R$182,069 (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$56,938 (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 March 31, 2021, totaled R$1,829,980 (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$40,020 (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 03/31/2021
Allowance for Loan Losses	1,521,577	55,340	(71,450)	1,505,467
Provision for Labor Risks	466,933	53,511	(18,564)	501,880
Provision for Tax Risks	157,658	2,519	(2,060)	158,117
Fair Value Adjustments	87,286	24,155	(45,751)	65,690
Other Temporary Provisions	832,500	30,044	(4,250)	858,294
Total Deferred Tax Assets on Temporary Differences	**3,065,954**	**165,569**	**(142,075)**	**3,089,448**
Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3,065,928**	**165,569**	**(142,075)**	**3,089,422**
Deferred Tax Liabilities	(406,662)	(1,851)	19,373	(389,140)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2,659,266**	**163,718**	**(122,702)**	**2,700,282**

				Consolidated
	Balance as of 12/31/2020	Constitution	Realization	Balance as of 03/31/2021
Allowance for Loan Losses	1,522,072	55,613	(71,450)	1,506,235
Provision for Labor Risks	468,651	53,523	(19,288)	502,886
Provision for Tax Risks	158,522	2,580	(2,081)	159,021
Fair Value Adjustments	87,286	24,155	(45,751)	65,690
Other Temporary Provisions	834,066	30,596	(4,557)	860,105
Total Deferred Tax Assets on Temporary Differences	**3,070,597**	**166,467**	**(143,127)**	**3,093,937**
Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3,070,571**	**166,467**	**(143,127)**	**3,093,911**
Deferred Tax Liabilities	(407,430)	(1,851)	19,402	(389,879)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2,663,141**	**164,616**	**(123,725)**	**2,704,032**

The expectation of realizing these deferred tax assetsis as follows:

				Parent Company	Consolidated
		Temporary Differences			
Year	Income tax	Social contribution	Total	Registered Totals	Registered Totals
2021	164,830	134,391	299,221	299,221	299,498
2022	275,653	220,522	496,175	496,175	496,545
2023	382,475	305,980	688,455	688,455	688,824
2024	478,467	382,774	861,241	861,241	861,611
2025	130,292	104,234	234,526	234,526	235,690
2026 to 2028	152,673	122,138	274,811	274,811	275,919
2029 to 2030	130,552	104,441	234,993	234,993	235,824
2031	14	12	26	-	-
Total as of 03/31/2021	**1,714,956**	**1,374,492**	**3,089,448**	**3,089,422**	**3,093,911**
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$2,425,466, 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	
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Excess Depreciation	8,111	8,661	8,111	8,661
Own Available-for-Sale Securities	3	-	3	-
Fair Value Adjustment of Trading Securities	56,462	75,283	57,019	75,869
Renegotiated Operations Law No, 12,715/12	219,182	217,334	219,182	217,334
Actuarial Surplus	105,382	105,384	105,564	105,566
Total	**389,140**	**406,662**	**389,879**	**407,430**

NOTE 12 - OTHER ASSETS

	Parent Company			Consolidated
	Total as of 03/31/2021	Total as of 12/31/2020	Total as of 03/31/2021	Total as of 12/31/2020
Advances to Employees	18,901	10,823	19,180	11,146
Post-employment Benefit Plans (Note 28)	228,387	228,387	228,917	228,917
Other Receivables - Domestic	202,174	166,848	199,661	166,473
Non-use Assets Net of Devaluation Provision	215,176	228,712	218,515	230,131
Prepaid Expenses	242,946	178,983	246,484	179,897
Other	74,749	74,392	1,641	1,430
Total	**982,333**	**888,145**	**914,398**	**817,994**

NOTE 13 - INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES AND GOODWILL

	Parent Company			Consolidated
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Investments in Domestic Subsidiaries and associates	**1,980,904**	**1,907,935**	**145,500**	**166,240**
ıvestments in Subsidiaries	1,837,540	1,744,734	-	-
ıvestments in Associates	143,364	163,201	145,500	166,240
Goodwill from Investment Acquisitions (1)	**3,431**	**4,367**	**3,431**	**4,367**
Total	**1,984,335**	**1,912,302**	**148,931**	**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
	Adjusted Equity 03/31/2021	Participation in Capital (%) 03/31/2021	Investment 03/31/2021	Net Income 1Q2021	Equity Results 1Q2021
Subsidiaries	**1,842,685**		**1,837,540**	**87,527**	**87,943**
Banrisul Armazéns Gerais S. A.	62,413	99.50	62,100	3,315	3,915
Banrisul S. A. Corretora de Valores Mobiliários e Câmbio	90,800	98.98	89,877	1,949	1,929
Banrisul S. A. Administradora de Consórcios	312,876	99.68	311,884	11,160	11,124
Banrisul Cartões S. A.	1,354,724	99.78	1,351,807	59,231	59,103
Banrisul Seguridade Participações S.A.	21,872	100.00	21,872	11,872	11,872
Associates	**291,152**		**143,364**	**21,355**	**11,153**
Bem Promotora de Vendas e Serviços S. A.	52,270	49.90	26,083	9,830	4,905
Banrisul Icatu Participações S. A.	234,027	49.99	116,990	12,745	6,371
VG8JV Tecnologia S. A.	4,855	6.00	291	(1,220)	(123)

					Consolidated
	Adjusted Equity 03/31/2021	Participation in Capital (%) 03/31/2021	Investment 03/31/2021	Net Income 1Q2021	Equity Results 1Q2021
Associates	**291,152**		**145,500**	**21,355**	**10,251**
Bem Promotora de Vendas e Serviços S. A.	52,270	49.90	26,083	9,830	4,905
Banrisul Icatu Participações S. A.	234,027	49.99	116,990	12,745	6,371
VG8JV Tecnologia S. A.	4,855	49.99	2,427	(1,220)	(1,025)

					Parent Company
	Adjusted Equity 12/31/2020	Participation in Capital (%) 12/31/2020	Investment 12/31/2020	Net Income 1Q2020	Equity Results 1Q2020
Subsidiaries	**1,749,677**		**1,744,734**	**76,550**	**76,365**
Banrisul Armazéns Gerais S. A.	58,626	99.50	58,332	65	65
Banrisul S. A. Corretora de Valores Mobiliários e Câmbio	88,850	98.98	87,948	1,265	1,252
Banrisul S. A. Administradora de Consórcios	301,708	99.68	300,751	10,274	10,241
Banrisul Cartões S. A.	1,295,493	99.78	1,292,703	64,946	64,807
Banrisul Seguridade Participações S.A.	5,000	100.00	5,000	-	-
Associates	**332,829**		**163,201**	**21,283**	**12,253**
Bem Promotora de Vendas e Serviços S. A.	54,526	49.90	27,209	6,375	3,181
Banrisul Icatu Participações S. A.	271,211	49.99	135,578	18,531	9,264
VG8JV Tecnologia S. A.	7,092	5.84	414	(3,623)	(192)

					Consolidated
	Adjusted Equity 12/31/2020	Participation in Capital (%) 12/31/2020	Investment 12/31/2020	Net Income 1Q2020	Equity Results 1Q2020
Associates	**332,829**		**166,240**	**21,283**	**10,849**
Bem Promotora de Vendas e Serviços S. A.	54,526	49.90	27,209	6,375	3,181
Banrisul Icatu Participações S. A.	271,211	49.99	135,578	18,531	9,264
VG8JV Tecnologia S. A.	7,092	48.69	3,453	(3,623)	(1,596)

NOTE 14 - PROPERTY AND EQUIPMENT

	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Software	Others	Total
							Parent Company
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	2,908	213	1,706	5,224	12,069	127	22,247
Disposals - Cost	-	-	-	(391)	-	(10)	(401)
Disposals - Accumulated Depreciation	-	-	-	306	-	10	316
Depreciation	(299)	-	(1,417)	(1,577)	(3,821)	(24)	(7,138)
Net Transfers - Cost	-	(216)	-	653	(148)	(287)	2
Net Transfers - Accumulated Depreciation	-	-	-	(241)	107	132	(2)
Net Change	**2,609**	**(3)**	**289**	**3,974**	**8,207**	**(52)**	**15,024**
As of March 31, 2021							
Original Cost	177,898	1,304	240,957	147,635	354,463	23,621	945,878
Accumulated Depreciation	(96,861)		(135,008)	(85,964)	(261,597)	(18,409)	(597,839)
Net Balance as of March 31, 2021	**81,037**	**1,304**	**105,949**	**61,671**	**92,866**	**5,212**	**348,039**

	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Software	Others	Total
							Consolidated
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	3,004	5,980	1,710	5,226	12,101	126	28,147
Disposals - Cost	-	(1,820)	-	(391)	(29)	(10)	(2,250)
Disposals - Accumulated Depreciation	-	-	-	305	19	10	334
Depreciation	(344)	-	(1,550)	(1,703)	(7,368)	(67)	(11,032)
Net Transfers - Cost	3	(6,883)	(965)	794	6,512	(369)	(908)
Net Transfers - Accumulated Depreciation	410	-	965	(798)	108	223	908
Net Change	**3,073**	**(2,723)**	**160**	**3,433**	**11,343**	**(87)**	**15,199**
As of March 31, 2021							
Original Cost	194,740	36,023	249,588	154,265	432,345	26,168	1,093,129
Accumulated Depreciation	(101,587)		(139,719)	(91,187)	(285,247)	(20,497)	(638,237)
Net Balance as of March 31, 2021	**93,153**	**36,023**	**109,869**	**63,078**	**147,098**	**5,671**	**454,892**

NOTE 15 - INTANGIBLE ASSETS

	Software Use Rights	Right from Acquisition of Payroll operations [1]	Others	Total
				Parent Company
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	34,650	-	-	34,650
Amortization	(5,350)	(42,457)	-	(47,807)
Cost Net Transfers	(2)	-	-	(2)
Amortization Net Transfers	2	-	-	2
Net Change	**29,300**	**(42,457)**	**-**	**(13,157)**
As of March 31, 2021				
Original Cost	193,171	1,479,077	1,718	1,673,966
Accumulated Depreciation	(104,452)	(776,397)	(668)	(881,517)
Net Balance as of March 31, 2021	**88,719**	**702,680**	**1,050**	**792,449**

				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	34,650	-	-	34,650
Amortization	(5,359)	(42,457)		(47,816)
Cost Net Transfers	(2)	-	-	(2)
Amortization Net Transfers	2	-	-	2
Net Change	**29,291**	**(42,457)**	**-**	**(13,166)**
As of March 31, 2021				
Original Cost	195,373	1,479,077	1,954	1,676,404
Accumulated Depreciation	(106,559)	(776,397)	(885)	(883,841)
Net Balance as of March 31, 2021	**88,814**	**702,680**	**1,069**	**792,563**

(1) The net balance of R$702,680 (12/31/2020 - R$745,137) is comprised of:

a) R$646,163 (12/31/2020- R$677,429) 429 related to the contract signed regarding the assignment of services related to the payroll through the onerous granting of exclusive rights with the State of Rio Grande do Sul, its direct, autarchic administration and foundational, for a period of ten years. Internal and expert studies were carried out and no evidence of impairment related to this asset was identified;

b) R$6,400 (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$45,287 (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$4,830 (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	03/31/2021	12/31/2020
Deposits						
Demand Deposits (1)	3,588,599	-	-	-	3,588,599	4,300,573
Savings Deposits (1)	11,110,911	-	-	-	11,110,911	11,065,557
Interbank Deposits	-	373,341	810,537	-	1,183,878	1,478,828
Time Deposits (2)	-	3,986,825	6,247,114	35,257,098	45,491,037	45,957,109
Other Deposits	13,089	-	-	-	13,089	18,388
Total	**14,712,599**	**4,360,166**	**7,057,651**	**35,257,098**	**61,387,514**	**62,820,455**
Repurchase Agreements (Repos)						
Own Portfolio (3)	-	7,197,099	-	-	7,197,099	4,573,384
Total	**-**	**7,197,099**	**-**	**-**	**7,197,099**	**4,573,384**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	320,814	740,158	1,147,143	2,208,115	2,727,755
Total	**-**	**320,814**	**740,158**	**1,147,143**	**2,208,115**	**2,727,755**

						Consolidated
	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	03/31/2021	12/31/2020
Deposits						
Demand Deposits (1)	3,580,404	-	-	-	3,580,404	4,289,107
Savings Deposits (1)	11,110,911	-	-	-	11,110,911	11,065,557
Interbank Deposits	-	373,341	810,537	-	1,183,878	1,478,828
Time Deposits (2)	-	3,986,825	5,832,331	35,257,098	45,076,254	45,599,623
Other Deposits	15,070	-	-	-	15,070	13,388
Total	**14,706,385**	**4,360,166**	**6,642,868**	**35,257,098**	**60,966,517**	**62,446,503**
Repurchase Agreements (Repos)						
Own Portfolio (3)	-	7,019,799	-	-	7,019,799	4,362,437
Total	**-**	**7,019,799**	**-**	**-**	**7,019,799**	**4,362,437**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	320,814	451,882	1,147,143	1,919,839	2,440,535
Total	**-**	**320,814**	**451,882**	**1,147,143**	**1,919,839**	**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 98.73% and 1.27% of the total portfolio, respectively. The average funding rate for floating-rate deposits corresponds to 81.94% (12/31/2020 – 80.29%) of CDI, and for fixed-rate deposits, to 1.60% (12/31/2020 – 1.96%) p.a. Of total time deposits, 63.17% (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

Foreign Borrowings - 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 1.18% to 4.83% (12/31/2020 - 0.95% to 4.87%) with maximum term of up to 337 days (12/31/2020 – 204 days) and presents a total balance of R$425,946 (12/31/2020 - R$425,868). Of the total of R$2,112,485, R$1,686,539 refers to the issue of subordinated debt as described below:

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. Debt not yet authorized for Tier II Capital Subordination.

NOTE 18 – ONLENDINGS

				Parent Company and Consolidated
	Domestic Onlendings - Official Institutions			Total
	03/31/2021	12/31/2020	03/31/2021	12/31/2020
Up to 3 months	437,735	409,002	437,735	409,002
3 to 12 months	219,025	234,521	219,025	234,521
1 to 5 years	656,760	643,522	656,760	643,522
Over 5 years	115,004	186,068	115,004	186,068
Total	**1,428,524**	**1,473,113**	**1,428,524**	**1,473,113**

Composed primarily of 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 liabilities 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 19 - OTHER FINANCIAL LIABILITIES

						Parent Company
	Up 12 Months	Over 12 Months	Total 03/31/2021	Up 12 Months	Over 12 Months	Total 12/31/2020
Interfinancial Relations	298,413	-	298,413	63,073	-	63,073
Interdependence Relations	457,701	-	457,701	339,731	-	339,731
Foreign Exchange Portfolio	71,652	-	71,652	50,786	-	50,786
Financial and Development Funds	1,637,090	-	1,637,090	1,174,014	-	1,174,014
Subordinated Debts (1)	3,127,929	-	3,127,929	211,437	2,768,194	2,979,631
Creditors for Resources to be Released	103,810	-	103,810	108,257	-	108,257
Payable Card Transactions	1,120,145	-	1,120,145	1,237,745	-	1,237,745
Acquiring Liabilities	617,086	-	617,086	719,438	-	719,438
Provision for Provided Sureties and Guarantees (Note 27 (b))	19,545	-	19,545	19,832	-	19,832
Others	36,695	8,600	45,295	33,694	9,269	42,963
Total	**7,490,066**	**8,600**	**7,498,666**	**3,958,007**	**2,777,463**	**6,735,470**

						Consolidated
	Up 12 Months	Over 12 Months	Total 03/31/2021	Up 12 Months	Over 12 Months	Total 12/31/2020
Interfinancial Relations	298,413	-	298,413	63,073	-	63,073
Interdependence Relations	457,378	-	457,378	338,919	-	338,919
Foreign Exchange Portfolio	71,652	-	71,652	50,786	-	50,786
Trading and Intemediation of Values	31,248	-	31,248	7,246	-	7,246
Financial and Development Funds	1,637,090	-	1,637,090	1,174,014	-	1,174,014
Subordinated Debts (1)	3,127,929	-	3,127,929	211,437	2,768,194	2,979,631
Creditors for Resources to be Released	104,197	-	104,197	108,615	-	108,615
Payable Card Transactions	1,020,446	-	1,020,446	1,118,976	-	1,118,976
Acquiring Liabilities	1,412,923	-	1,412,923	1,654,911	-	1,654,911
Provision for Provided Sureties and Guarantees (Note 27 (b))	19,545	-	19,545	19,832	-	19,832
Others	61,244	8,600	69,844	56,647	9,269	65,916
Total	**8,242,065**	**8,600**	**8,250,665**	**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 a 10-year term, due 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 20 - 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 as of 12/31/2020	**575,226**	**1,037,629**	**237,899**	**156,562**	**2,007,316**
Recognition and Inflation Adjustment	5,599	118,913	36,993	205	161,710
Provision Reversal	-	-	-	-	-
Payment	(4,578)	(41,254)	(27,070)	-	(72,902)
Ending Balance as of 03/31/2021	**576,247**	**1,115,288**	**247,822**	**156,767**	**2,096,124**
Guaranteed Deposits as of 03/31/2021	76,541	471,888	101,876	-	650,305

					Parent Company
	Tax	Labor	Civil	Other	Total
Opening Balance as of 12/31/2010	**565,406**	**1,038,834**	**169,843**	**155,196**	**1,929,279**
Recognition and Inflation Adjustment	4,180	57,438	26,926	485	89,029
Payment	(2,118)	(120,207)	(10,861)	-	(133,186)
Ending Balance as of 03/31/2020	**567,468**	**976,065**	**185,908**	**155,681**	**1,885,122**
Guaranteed Deposits as of 03/31/2020	61,448	325,093	78,686	-	465,227

	Tax	Labor	Civil	Other	Consolidated Total
Opening Balance as of 12/31/2020	**575,355**	**1,040,779**	**240,258**	**156,562**	**2,012,954**
Recognition and Inflation Adjustment	5,613	118,948	37,158	205	161,924
Provision Reversal	-	(199)	-	-	(199)
Payment	(4,578)	(41,279)	(27,080)	-	(72,937)
Ending Balance as of 03/31/2021	**576,390**	**1,118,249**	**250,336**	**156,767**	**2,101,742**
Guaranteed Deposits as of 03/31/2021	78,834	478,452	103,162	-	660,448

	Tax	Labor	Civil	Other	Consolidated Total
Opening Balance as of 12/31/2010	**565,500**	**1,043,608**	**171,736**	**155,196**	**1,936,040**
Recognition and Inflation Adjustment	4,185	57,482	27,061	485	89,213
Provision Reversal	-	(7)	-	-	(7)
Payment	(2,118)	(120,237)	(10,861)	-	(133,216)
Ending Balance as of 03/31/2020	**567,567**	**980,846**	**187,936**	**155,681**	**1,892,030**
Guaranteed Deposits as of 03/31/2020	63,774	330,149	79,911	-	473,834

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$554,778 (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 (ii) other contingencies related to federal and municipal taxes classified by our legal counsel as probable loss in the amount of R$12,206 (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$44,875 (12/31/2020 - R$ 41,051), and in the Consolidated - R$58,338 (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$203,641 (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$194,378 (12/31/2020 - R$ 191,097), and as of probable loss, the amount of R$9,263 (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 quarter of 2021, a provision of R$77,315 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, is defined by the average cost of rulings not favorable to the Institution in addition to their respective court expenses, according to their corresponding causes. Of the aforementioned provision, R$377,131 (12/31/2020 - R$365,978) - consolidated R$381,447 (12/31/2020 - R$372,537) - have been deposited in an escrow account. Additionally, R$94,757 (12/31/2020 - R$91,664) - consolidated R$97,005 (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$1,135,095 (12/31/2020 - R$1,148,575) - consolidated R$1,145,750 (12/31/20120- 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$101,876 (12/31/2020 - R$113,967) - consolidated R$103,162 (12/31/2020 - R$115,256) - has been deposited in court.

There is also the amount of R$1,043,411 (12/31/2020 - R$920,594) - consolidated R$1,046,207 (12/31/2020 - R$923,437) - 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$156,767 (12/31/2020 - R$156,562) for this contingency.

NOTE 21 - OTHER LIABILITIES

	Parent Company		Consolidated	
	03/31/2021	**12/31/2020**	**03/31/2021**	**12/31/2020**
Collection of taxes and mandatory contributions	209,121	20,775	209,121	20,775
Social and Statutory	34,173	112,607	34,359	112,791
Provision of Personnel	181,630	179,799	166,667	167,136
Obligations for Official Covenants and Payment Services	241,332	121,326	241,529	121,672
Various Creditors in the Country	92,061	103,930	161,909	181,779
Post-Employment Benefit Plans (1)	1,138,147	1,134,026	1,143,564	1,139,443
Provisions for Outgoing Payments	223,631	232,101	248,015	258,986
Anticipated Income	161,300	165,056	161,300	165,056
Others	3,440	3,415	5,019	4,154
Total	**2,284,835**	**2,073,035**	**2,371,483**	**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 28).

NOTE 22 - EQUITY

(a) Capital

Fully subscribed paid-up capital as of December 31, 2020 is R$5,200,000, represented by 408,974,777 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 03/312021	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	-		-		8,000		8,000	
Shareholding as of 03/312021	56	-	26	-	13,705	-	13,787	-
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	-		-	-	(8,000)		(8,000)	
Shareholding as of 03/312021	3,839,426	1,87	621,586	45,27	202,522,840	100,00	206,983,852	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 03/31/2021	**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$93,050 relating to interest on equity in 1Q2021 (1Q2020 - 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$41,873(1Q2020 - R$45,435).

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 January 22, 2021, a proposal for an additional payment of 5% in Dividends on Adjusted Net Income for 2020, reaching the total percentage of 30%, was approved by the Executive Board and approved to the Board of Directors and Annual Shareholders' Meeting on April 27, 2021.

(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 March 31, 2021, the effect on the Bank's Shareholders' Equity was R$1,451, net of tax effects.

NOTE 23 - OTHER OPERATING INCOME

(a) Income from Services Rendered and Bank Fees

	Parent Company		Consolidated	
	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
Funds Administration	10,452	17,472	16,316	19,357
Income from Collection and Custody Services	14,922	15,976	14,918	15,972
Income from Guarantees Provided	261	1,139	261	1,139
Income from Consortium Administration Fees	-	-	25,638	22,726
Income from Operations Brokerage	-	-	2,432	4,058
Banrisul Cards Service Revenues	-	-	140,071	153,581
Check Returns	2,796	4,453	2,796	4,453
Account Debits	16,009	17,854	16,009	17,855
Collection Services	11,622	14,885	11,622	14,885
Security Commissions	42,625	62,701	63,702	62,701
Check Transactions	2,705	3,434	2,705	3,434
Bank Fees for Current Accounts	146,998	153,627	146,998	153,627
Credit Card	16,335	16,151	16,335	16,152
Withdrawal Fees	1,222	1,857	1,222	1,856
Bank Guarantee Rates	610	792	610	792
Other Income	8,917	7,942	16,909	11,648
Total	**275,474**	**318,283**	**478,544**	**504,236**

(b) Other Income

	Parent Company		Consolidated	
	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
Recovery of Charges and Expenses	35,914	36,814	8,396	9,992
Reversal of Operating Provisions for:				
Labor	-	-	199	7
Other	4,487	95	4,487	95
Interbank Rates	6,641	6,769	6,641	6,769
Credit Receivables Securities	3,111	2,503	3,111	2,503
Commission and Fee on Insurance and Capitalization	-	4,052	-	4,052
Civil and Tax Judicial Deposits Update	2,621	-	2,639	-
Miscellaneous Card Recipes	28,758	30,774	28,758	30,774
Reversal of Provisions for Outgoing Payments	8,457	3,443	9,702	5,479
Advance Acquisition Revenue	-	-	4,653	5,558
Portability Income from Credit Operations	10,692	13,263	10,692	13,263
Acquiring Equipment Lease Fees	-	-	12,407	4,395
Other	1,459	4,717	8,156	10,399
Total	**102,140**	**102,430**	**99,841**	**93,286**

NOTE 24 - OTHER OPERATING EXPENSES

(a) Personnel expenses

	Parent Company		Consolidated	
	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
Salary	262,779	289,724	266,266	293,007
Benefits	81,678	85,241	82,264	85,717
Social charges	108,873	120,473	109,651	121,140
Trainings	826	5,233	828	5,236
Total	**454,156**	**500,671**	**459,009**	**505,100**

(b) Other Administrative Expenses

	Parent Company		Consolidated	
	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020

Communications	13,291	17,317	13,513	17,504
Data processing	25,559	24,904	30,990	30,023
Surveillance, Security and Transportation of Values	30,219	35,646	30,219	35,646
Amortization and Depreciation	55,881	52,222	59,784	54,282
Rentals and Condominiums	33,022	31,763	33,102	31,408
Materials	2,202	3,160	3,429	4,670
Third Party Services (1)	125,958	125,503	132,231	137,250
Specialized Technical Services	26,263	19,368	26,973	20,043
Promotions and Advertising (2)	20,006	26,590	26,189	30,202
Maintenance and Conservation	18,900	14,633	19,015	14,782
Water, Energy and Gas	10,353	10,854	10,564	11,098
Financial System Services	8,043	9,043	8,797	9,923
Others	15,606	18,142	15,895	18,418
Total	**385,303**	**389,145**	**410,701**	**415,249**

(1) Of the amount of R$125,958 (1Q2020 - R$125,503), R$951,944 (1Q2020 – R555,008) 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$7,283 (1Q2020 - R$10,934), and in the Consolidated R$10,356 (1Q2020 - R$511,688), of institutional advertising expenses, and of R$11,931 (1Q2020 - R$13,626) as sponsorship of sport events and teams.

(c) Other Expenses

	Parent Company		Consolidated	
	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
Discounts Granted on Renegotiations	8,139	8,852	8,139	8,852
Expenses with Labor Provisions (Note 20)	118,913	57,438	118,948	57,482
Expenses with Provisions for Civil Actions (Note 20)	36,993	26,926	37,158	27,061
Federal Tax Collection Expenses	489	702	489	702
Expenses with Provisions for Tax Risks (CS / IR) (Note 20)	5,599	4,180	5,613	4,185
Monetary Update Fines Exchange Rates - BACEN (Note 20)	205	485	205	485
Expenses with Provision for Debts Assumed with GESB	2,167	2,026	2,167	2,026
Card Expenses	1,956	3,571	1,956	3,571
Expenses with Provisions for Guarantees Provided by Banrisul	155	3,910	155	3,910
Credit Operations Portability Expenses	12,338	19,692	12,338	19,692
Costs with Payroll Loan Agreements	1,432	1,432	1,432	1,432
INSS Agreement Rates	33,797	16,415	33,797	16,415
Banrisul Advantage Membership Program Bonus	1,995	7,539	1,995	7,539
Expenses with Banrisul Branded Cards	-	-	8,719	7,718
Monetary Correction on Funding Release	791	885	791	885
Others	14,471	9,983	18,432	12,897
Total	**239,440**	**164,036**	**252,334**	**174,852**

NOTE 25 - INCOME TAX AND SOCIAL CONTRIBUTION

(a) Reconciliation of Income Tax and Social Contribution Expenses/Revenue

	Parent Company		Consolidated	
	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020	01/01/2021 to 03/31/2021	01/01/2020 to 03/31/2020
Income for the Period before Taxes and Profit Sharing	**380,354**	**318,517**	**426,235**	**358,966**
Income Tax (IRPJ) - Rate 25%	(95,089)	(79,629)	(106,559)	(89,741)
Social Contribution Tax (CSLL) - Rate of 9%	-	-	(11,157)	(10,333)
Social Contribution Tax (CSLL) - Rate of 15%	-	-	(490)	(319)
Social Contribution Tax (CSLL) - Rate of 20%	(76,071)	(52,447)	(59,801)	(41,594)
Total Income and Social Contribution Taxes calculated at Current Rate	**(171,160)**	**(132,076)**	**(178,007)**	**(141,987)**
Impacts in Deferred Taxes from Law No. 13169/15 and Amendment No. 103/19 (1)	-	15,065	-	15,065
Profit Sharing	13,676	13,357	13,676	13,357
Interest on Equity	41,873	42,083	41,873	42,083
Equity Result	44,294	36,869	5,015	5,514
Other Exclusions, Net of Additions	2,814	(4,154)	3,133	(3,300)
Total Income and Social Contribution Taxes	**(68,503)**	**(28,856)**	**(114,310)**	**(69,268)**
Current	(110,707)	(35,075)	(156,394)	(76,301)
Deferred	42,204	6,219	42,084	7,033

(1) Amendment No. 103/19 increased to 20% from 15% the Social Contribution on Net Income - CSLL rate applicable to the financial sector, from March 2020 onwards.

NOTE 26 - EARNINGS PER SHARE

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 03/31/2021	01/01 to 03/31/2020
Net Income Attributable to Controlling Shareholders – R$ Thousand	**278,935**	**257,522**
Common Shares	139,862	129,125
Preferred A Shares	936	866
Preferred B Shares	138,137	127,531
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	1,375,392
Weighted Average Number of Outstanding Preferred B Shares	202,536,545	202,534,244
Basic and Diluted earnings per Share – R$		
Commom Shares	0.68	0.63
Preferred A Shares	0.68	0.63
Preferred B Shares	0.68	0.63

NOTE 27 – 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 March 31, 2021, the balance of said collected resources, indexed through the reporting date by TR (managed prime rate) plus interest of 6.17% p.a., totaled R$11,187,550 (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$132,605 (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$19,545 (12/31/2020 - R$19,832) have been made.

(c) Banrisul has confirmed import and export credits for R$53,763 (12/31/2020 - R$46,839) and recourse exposure from credit assignments for R$5,977 (12/31/2020 - R$6,473).

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

	03/31/2021	12/31/2020
Investment Funds (1)	11,676,198	11,703,808
Investment Funds in Investment Fund Shares	63,843	47,983
Equity Funds	366,176	383,665
Individual Retirement Programmed Funds	11,020	11,860
Fund to Guarantee the Liquidity of Rio Grande do Sul State Debt Securities	2,601,694	721,288
Managed Portfolios	445,840	443,727
Total	**15,164,771**	**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 153 buyers' pools (154 in 12/31/2020), including real estate, motorcycles and vehicles, comprising active 69,923 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 March 31, 2021 were R$352,093, of which R$98,465 mature in up to one year, R$231,462 from one to five-year term and R$21,166 beyond five-year term. In the period, lease payments recognized as expenses amounted to R$30,446.

NOTE 28 - 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:

Duration (in years)	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan PAM	Health Plan POD	Health Plan 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 29 - 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 19. 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 March 31, 2021.

Scenario 2: Possible situation, Assumptions: a deterioration of 25% in market risk variables, taking into account prevailing conditions at March 31, 2021.
Scenario 3: Remote situation, Assumptions: a deterioration of 50% in market risk variables, taking into account prevailing conditions at March 31, 2021.

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

For Foreign Exchange Risk, the rate of R$5.6973/USD1.00 as of March 31, 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%	22	3,177	207	**3,406**
2	25%	542	79,418	5,192	**85,152**
3	50%	1,079	158,837	10,384	**170,300**

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$ 170,300.

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 19, 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$5.6525 on March 31, 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 March 31, 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 March 31, 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 March 31, 2021:

Trading and Banking Portfolio

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Increase in U.S. Dollar Coupon	(4,038)	(84,149)	(159,189)
		Line Item Being Hedged			
Debt 1	Banking	Increase in US Dollar Coupon	4,040	84,193	159,276
		Net Effect	**2**	**44**	**87**

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 March 2021 was 6.88%.

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	03/31/2021	12/31/2020
Reference Equity	**6,694,239**	**6,821,228**
Tier I	**6,694,239**	**6,465,913**
Core Capital	**6,694,239**	**6,465,913**
Equity	5,205,891	5,205,891
Capital and Earnings Reserve	3,416,273	3,416,218
Credit Result Accounts	3,241,178	
Deduction from Core Capital - Except for prudential adjustments	(3,282,415)	(276,190)
Prudential Adjustments (Resolution No.4192/13)	(1,886,688)	(1,880,006)
Tier II	**-**	**355,315**
Tier II Eligible Instruments (prior to Resolution No.4192/13)	-	355,315
RWA - Risk Weighted Assets	**45,261,475**	**43,134,571**
RWA_{CPAD} (Credit Risk)	32,018,400	32,410,415
RWA_{MPAD} (Market Risk)	3,416,475	697,701
RWA_{JUR1} (Interest Rate Risk)	5,252	4,207
RWA_{JUR3} (Interest Rate Risk)	914	962
RWA_{ACS} (Equity Risk)	41,535	13,956
RWA_{CAM} (Exchange Risk)	3,368,774	678,576
RWA_{OPAD} (Operational Risk)	9,826,600	10,026,455
RWA Banking Portfolio (RBAN/IRRBB)	455,443	332,106
Reference Equity Margin - with RBAN	2,052,110	2,499,174
Capital Ratio		
Basel Ratio	14.79%	15.81%
Tier I Ratio	14.79%	14.99%
Core Capital Ratio	14.79%	14.99%
Permanent Assets Ratio	10.13%	9.73%
Leverage Ratio	6.88%	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:

Exigência	Up to 03/31/2021	Up to 09/30/2021	Up to 03/31/2022	From 04/01/2022
Core Capital	4.500%	4.500%	4.500%	4.500%
Tier I	6.000%	6.000%	6.000%	6.000%
Reference Equity	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%
ACP_{TOTAL} (up to)	**5.750%**	**6.125%**	**6.500%**	**7.000%**
F Factor	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 RWA_{TOTAL}. In the event of an increase, the percentage must be disclosed by BACEN with at least 12 months in advance.

The Basel Ratio (BR) represents the ratio between Reference Equity and Risk Weighted Assets. Under current regulations, the Basel Ratio demonstrates the company's solvency. For March 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 1.25%, totaling 9.25% for Basel Ratio, 7.25% for Tier I and 5.75% for Core Capital.

The Reference Equity reached R$6,694,239 in March 2021, decreasing R$126,989 from December 31, 2020, impacted by the exclusion of the subordinated debt due to the Basel III implementation schedule as per CVM Resolution No. 4192/13.

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 RBAN, 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$455,443 as of March 2021, increasing R$123,337 in relation to the capital allocation of R$332,106 as of December 2020.

To calculate the Reference Equity using RBAN/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 1.25% from April 2020).

On March 31, 2021, the Basel Ratio of the Prudential Conglomerate was 14.79%, 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 30 - 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;
(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)
	03/31/2021	12/31/2020	01/01 to 03/31/2021	01/01 to 03/31/2020
State of Rio Grande do Sul Government	**(2,995,151)**	**(1,499,936)**	**(11,930)**	**(5,043)**
Other Credits	3,848	4,098	-	-
Demand Deposits	(385,529)	(770,967)	-	-
Repurchase Agreements (Repos) (1)	(2,601,694)	(721,288)	(11,307)	(4,475)
Other Payables	(11,776)	(11,779)	(623)	(568)
Subsidiaries and Investment Fund	**(1,529,403)**	**(1,633,985)**	**21,327**	**20,043**
Other Credits	93,277	88,930	27,767	26,971
Demand Deposits	(8,195)	(11,464)	-	-
Time Deposits	(414,783)	(357,486)	(1,750)	(227)
Repurchase Agreements (Repos)	(177,299)	(210,947)	(219)	(287)
Funds from Acceptance and Issuance of Securities	(288,276)	(287,220)	(1,469)	(3,026)
Other Payables(2)	(734,127)	(855,798)	(3,002)	(3,388)
Banrisul Foundation	**(1,286)**	**(1,224)**	**(4,194)**	**(3,642)**
Other Payables	(1,286)	(1,224)	(4,194)	(3,642)
Total	**(4,525,840)**	**(3,135,145)**	**5,203**	**11,358**

(1) These funds bear interest at 100% of the Selic rate.
(2) Refers mainly to rights receivable from Banricompras users and Visa and Mastercard cards issued by Banrisul.

				Consolidated
	Assets (Liabilities)			Income (Expense)
	03/31/2021	12/31/2020	01/01 to 03/31/2021	01/01 to 03/31/2020
State of Rio Grande do Sul Government	**(2,994,955)**	**(1,499,667)**	**(11,921)**	**(4,912)**
Cash	-	-	-	125
Other Credits	4,044	4,367	9	6
Demand Deposits	(385,529)	(770,967)	-	-
Repurchase Agreements (Repos) (1)	(2,601,694)	(721,288)	(11,307)	(4,475)
Other Payables	(11,776)	(11,779)	(623)	(568)
Banrisul Foundation	**(1,286)**	**(1,224)**	**(4,194)**	**(3,642)**
Other Payables	(1,286)	(1,224)	(4,194)	(3,642)
Total	**(2,996,241)**	**(1,500,891)**	**(16,115)**	**(8,554)**

(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 03/31/2021	01/01 to 03/31/2020
Short Term Benefits	**4,455**	**4,276**
Salaries	3,401	3,304
Social Security	1,054	972
Post-Employment Benefits	**120**	**131**
Supplementary Pension Plans (1)	120	131
Total	**4,575**	**4,407**

(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 March 31, 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 13,787 Banrisul's shares, as presented in Note 22(a).

NOTE 31 - 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 March 31, 2021:

	Parent Company			Consolidated		
	Level 1	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Financial Assets						
Trading Securities	**7,533,127**	**4,007**	**7,537,134**	**7,627,098**	**15,398**	**7,642,496**
Financial Treasury Letter – LFT	7,512,360	-	7,512,360	7,520,384	-	7,520,384
Shares of Publicly-Held Companies	20,767	-	20,767	20,767	-	20,767
Investment Fund Shares		4,007	4,007	85,947	15,398	101,345
Available-for-Sale Securities	**-**	**178**	**178**	**2,263**	**191**	**2,454**
Investment Fund Shares	-	178	178	2,263	178	2,441
Privatization Certificates	-	-	-	-	13	13
Derivatives	**-**	**1,012,350**	**1,012,350**	**-**	**1,012,350**	**1,012,350**
Swaps	-	1,012,350	1,012,350	-	1,012,350	1,012,350
Total Assets at Fair Value	**7,533,127**	**1,016,535**	**8,549,662**	**7,629,361**	**1,027,939**	**8,657,300**
Financial Liabilities						
Derivative Financial Instruments	**-**	**36,083**	**36,083**	**-**	**36,083**	**36,083**
Swaps	-	36,083	36,083	-	36,083	36,083
Subordinated Debt	-	3,127,929	3,127,929	-	3,127,929	3,127,929
Loan Obligations - Subordinated Debt Issue	-	1,686,539	1,686,539	-	1,686,539	1,686,539
Total Liabilities at Fair Value	**-**	**4,850,551**	**4,850,551**	**-**	**4,850,551**	**4,850,551**

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	
	03/31/2021		03/31/2021	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets				
Interbank Lending Market Investments	8,335,935	8,344,663	8,337,526	8,346,253
Compulsory Deposits of Central Bank of Brazil	7,469,218	7,469,218	7,469,218	7,469,218
Securities [(1)]	25,698,713	25,580,568	25,708,787	25,590,540
Loans, Leases and Other Credit-like Receivables [(2)]	36,852,226	36,485,259	36,852,226	36,485,259
Other Financial Assets	2,962,500	2,962,500	4,633,202	4,633,202
Total	**81,318,592**	**80,842,208**	**83,000,959**	**82,524,472**
Financial Liabilities [(3)]				
Deposits [(a)]	61,387,514	61,371,561	60,966,517	60,950,564
Repurchase Agreements [(b)]	7,197,099	7,197,099	7,019,799	7,019,799
Funds from Acceptance and Issuance of Securities [(c)]	2,208,115	2,207,869	1,919,839	1,919,593
Borrowings [(d)]	425,946	425,946	425,946	425,946
Onlendings [(d)]	1,428,524	1,428,524	1,428,524	1,428,524
Other Financial Liabilities	4,857,923	4,857,923	5,609,922	5,609,922
Total	**77,505,121**	**77,488,922**	**77,370,547**	**77,354,348**

	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. In the first quarter of 2021 and 2020, there were no events treated as non-recurring.

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 intermediary 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 intermediary financial statements in accordance with the international financial reporting standards (IFRS), as approved by the International Accounting Standards Board (IASB).

The intermediary 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 the intermediary 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 public calamity continues in several regions of the world including Brazil due to coronavirus' high contagion rates. Besides health consequences, since 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.
- ✓ Extension on Debts Reimbursement and Renegotiation to Farmers (CMN Resolutions No. 4801, No. 4802 and No. 4816 of April 09, 2020, April 09, 2020 and May 13, 2020): authorizes the extension of the reimbursement of operations of rural funding and credit; the offer of credit lines to guarantee prices for the producer and the renegotiation of the outstanding balance or installments of agricultural loans obtained with equalization of financial charges (interest rates upon the original operation) by the National Treasury under the National Program for Strengthening Family Farming or with the support of funding made available by the BNDES (National Bank for Economic and Social Development); it also permits the creation of specific credit lines to finance production.
- ✓ Capital Regulation for Financial Institutions (CMN Resolution No. 4820 of May 29, 2020) establishes temporary limitations over remuneration of own capital, 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 in this first quarter of 2021 saw expectations of improvement frustrated, with the further advance of the pandemic in Europe. In the United States, the advance of stimulus packages, which should focus both on traditional infrastructure and clean energy, as well as on childcare and education, seems to favor the recovery of the North American economy. Although still at a slow pace, global economic activity has been improving in performance, with highlights for the PMI Index, where both the service and industrial indicators have been evolving, albeit minimal.

Faced with data from a slow resumption of economic activity, mainly in Europe, fears about the current wave of infections and the clear indication that monetary conditions will continue on stimulating ground for an indefinite period.

In the domestic scenario, at the end of March, Bacen signaled a scenario of "partial normalization" of monetary policy for the next period. Regarding economic indicators, the index that measures consumer confidence fell from 9.8 points in the same period, to 68.2 points, presenting the lowest level since May 2020 (62.1). In the month of March, there was a worsening both in the perception of consumers in relation to the current moment, as well as in the prospects for the coming months, due to the upsurge of the pandemic and the slow Covid-19 immunization campaign in Brazil.

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 in 2020 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.

As for liquidity, the Company may be exposed to variations, especially in reference of the increase in these risk indicators, adverse impacts on its cash flow and higher funding costs. The Company's cash flow, liquidity levels and changes in funding (mainly deposits from customers) are monitored daily. Since the beginning of the crisis, new stressed scenarios have been developed to monitor Banrisul's cash flow, being executed and reported daily, having their parameters changed immediately as appropriate due to the identification of changes in scenarios or at the request of the Risk Committee or the Executive Board of the Company. Banrisul continues to maintain a stock of liquid assets in line with management policies and the risk appetite statement.

All exposures to interest rate risk in trading and non-trading portfolios are also being monitored, with the aim of monitoring and anticipating any impact of fluctuations in the Selic rate 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)

REPORT ON REVIEW OF INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Board of Directors, Management and Shareholders of

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

Introduction

We have reviewed the accompanying individual and consolidated balance sheet of Banco do Estado do Rio Grande do Sul S.A. ("Bank") as at March 31, 2021, and the related individual and consolidated statements of income and of comprehensive income for the three-month period then ended, and of changes in equity and of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and proper presentation of these individual and consolidated interim financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil - BACEN. Our responsibility is to express a conclusion on these individual and consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 - "Revisão de Informações Intermediárias Executada pelo Auditor da Entidade" and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial statements referred to above do not present fairly, in all material respects, the individual and consolidated financial position of the Bank as at March 31, 2021, its individual and consolidated financial performance and its individual and consolidated cash flows for the three-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brasil - BACEN.

Other matters

Statements of value added

The individual and consolidated interim financial statements referred to above include the individual and consolidated statements of value added - DVA for the three-month period ended March 31, 2021, prepared under the responsibility of the Bank's Management, the presentation of which is made on a voluntary basis. These statements were subject to the review procedures performed together with the review of the individual and consolidated interim financial statements to reach a conclusion on whether they are reconciled with the individual and consolidated interim financial statements and accounting records, as applicable, and whether their form and content are consistent with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added are not fairly presented, in all material respects, in accordance with the criteria set out in technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial statements taken as a whole.

Corresponding figures for the year ended December 31, 2020 and the three-month period ended March 31, 2020

The corresponding figures relating to the individual and consolidated balance sheet as at December 31, 2020 were previously audited by another independent auditor, who issued an unmodified report thereon dated February 9, 2021.

The corresponding figures relating to the interim individual and consolidated interim statements of income, of comprehensive income, of changes in equity, of cash flows and of added value for the three-month period ended March 31, 2020 were previously reviewed by another independent auditor, who issued an unmodified report thereon dated May 6, 2020.

Convenience translation into English

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

Porto Alegre, May 5, 2021

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

João Paulo Stellfeld Passos
Engagement Partner

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
OSVALDO LOBO PIRES
RAQUEL SANTOS CARNEIRO
SUZANA FLORES COGO
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
RAFAEL ANDREAS WEBER
RAMIRO SILVEIRA SEVERO
Board Members

WERNER KÖHLER
Accountant CRCRS 38.534

Banrisul