



BANCO DO ESTADO DO RIO GRANDE DO SUL

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# / Results Presentation

INVESTOR RELATIONS  
DEPARTMENT

March / 2021

/ ESG



We believe in the strength of people and diversity to achieve organizational success

Developing an agile and transformative culture, promoting employee engagement.

Leadership Positions:

**39%**  
occupied by  
**women**



Strengthening ties with local communities

Financing for Small Businesses, Universities and Regional Hospitals

Encouraging Innovation

INOVACRED  
4.0

FINEP  
BNDES

Fomento  
Banrisul

Main Social  
actions

Seeds  
Program

Pescar Project

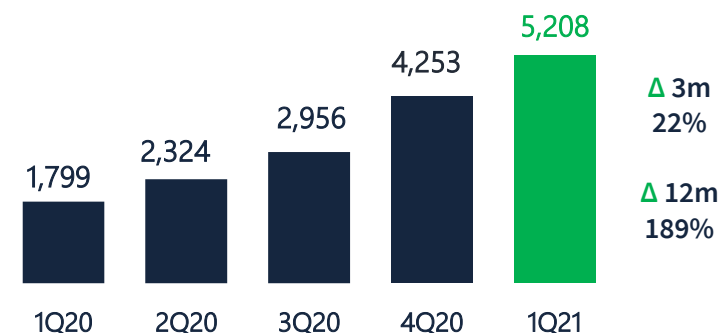
Sustentare Program

1 Q 2 0 2 1

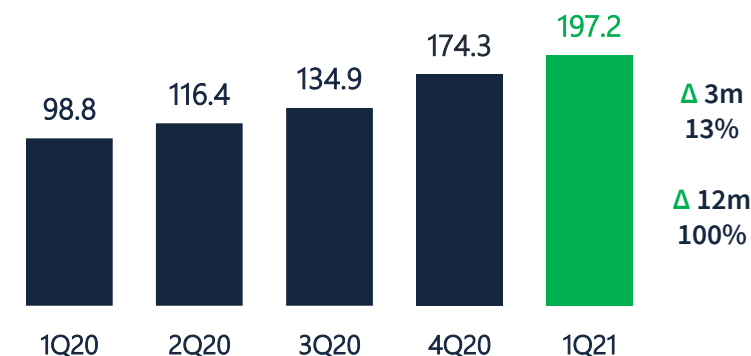
## CDC Sustentabilidade

Financing for the purchase of solar and wind energy equipment

Contracts



Balance (R\$ Million)





°AGRO  
é o nosso  
CHÃO.

22% to 27%

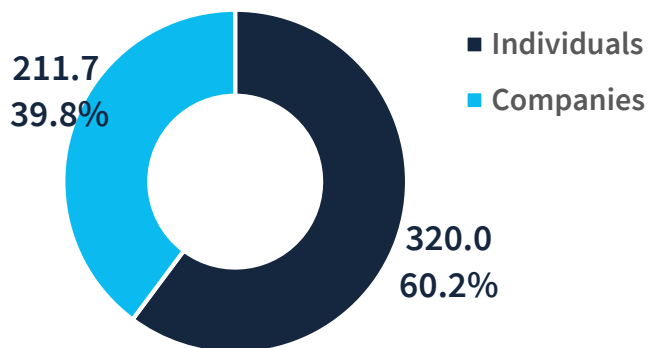
Guidance 2021

R\$ 531.7 millions

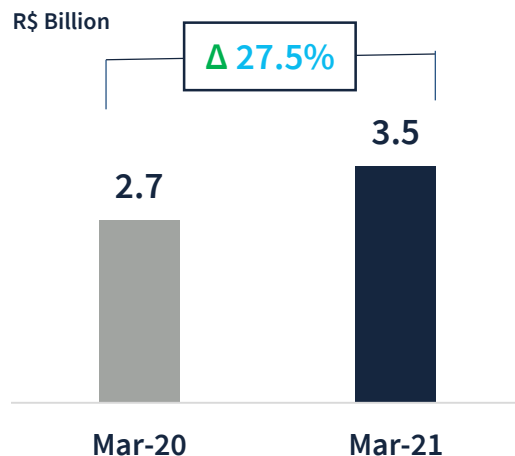
granted volume in 1Q21

Concessions per customer

R\$ million



Rural Loans



Credit Quality

1.85%

NPL > 90d  
Mar/20

0.77%

NPL > 90d  
Mar/21



-108 bps

NPL decrease in 12 months

Opportunities for 2021

- Record grain harvest in RS;
- Prices at historic levels, with firm expectations for the coming periods.
- Technological roadmap for advancing the operational financing track, enabling scale in contracting.
- Improvement of the service model for the segment, with greater specialization in commercial performance.

# / Digital Channels and PIX

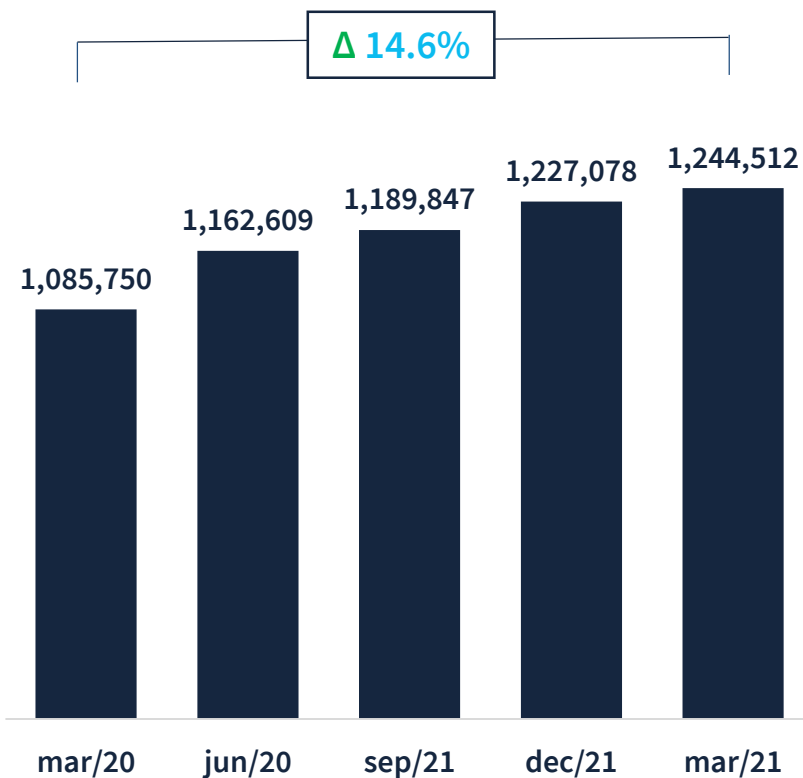
1 Q 2 0 2 1

97.7  
million  
accesses in  
1Q21

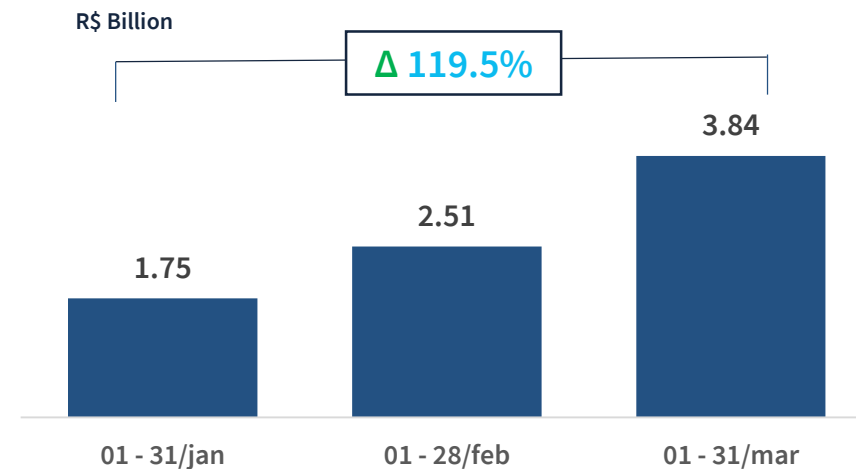
+20%  
increase from  
2020

77.5%  
of transactions  
through digital  
channels

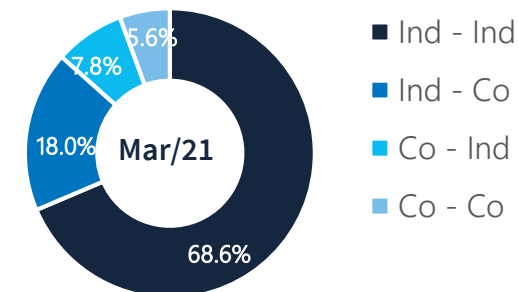
## Digital users



## PIX - Transactions



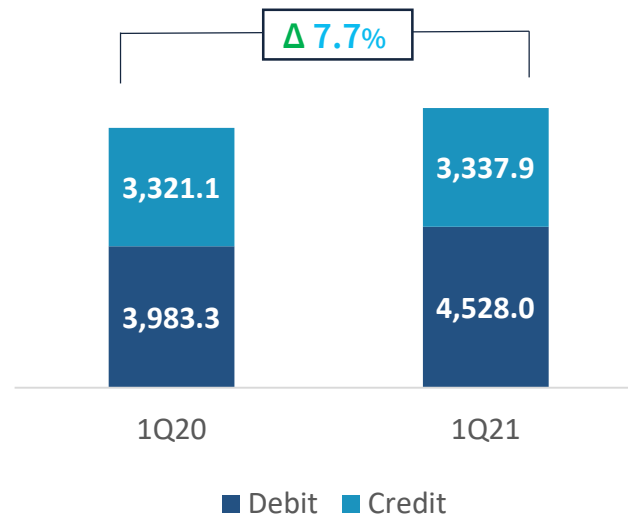
## Transactions by type





## Transacted Volume

R\$ million



## Prepayment of Receivables

**R\$ 1.1 billion**

**Δ 6.7%**

1Q21 x 1Q20

## Strategic focus

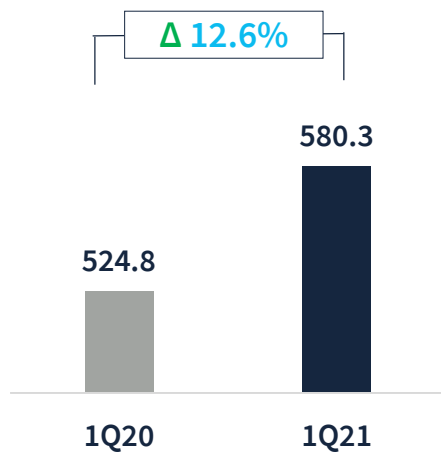
- Improvement of the accredited experience with digital solutions;
- App specialized in offering management and information solutions;
- Commercial offer adapted to the customer's profile;
- Dedication to improve the relationship in all channels.

Increase the penetration of Consortium and Insurance products in the customer base



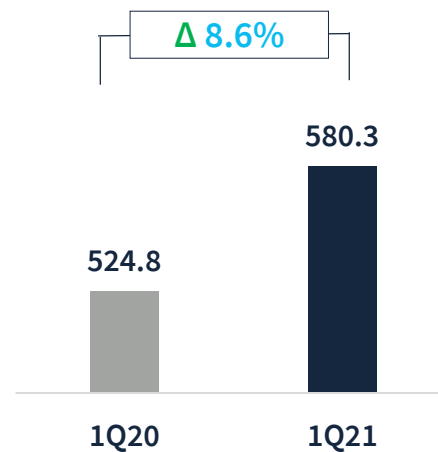
## Active Portfolio

R\$ billion



## Net Income

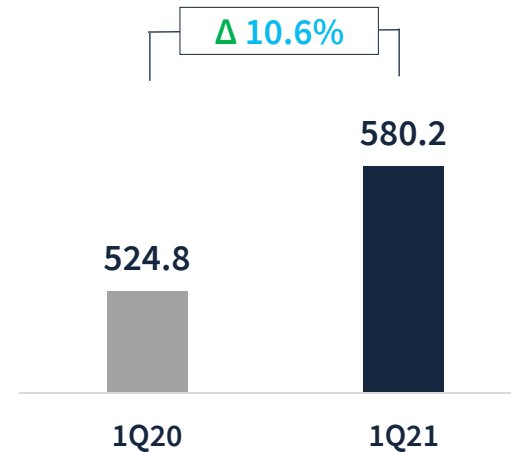
R\$ million



## Insurance Products

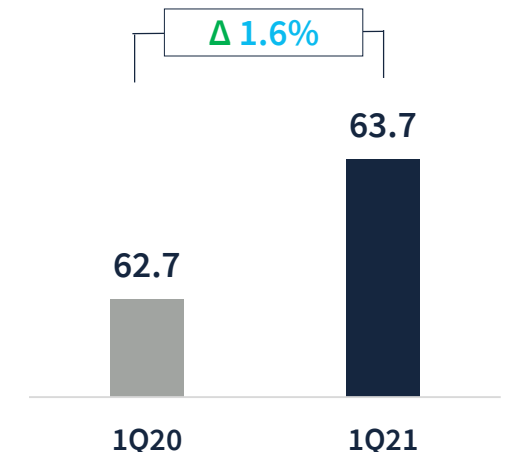
### Premium collected

R\$ million



### Commission Revenue

R\$ million





# /BanriHub

Banrisul's innovation program that covers various internal and external ecosystem initiatives.

It is supported by four pillars:

- Hub.Education
- Hub.Space
- Hub.Investment
- Hub.Acceleration

## BanriHub

It is Banrisul's innovation program that covers various internal and external ecosystem initiatives



- It is Banrisul's open innovation and acceleration project.
- The first cycle is ongoing until November 2021, with 30 startups being accelerated.



- Banrisul is one of the founders of Instituto Caldeira.
- It connects companies, universities, startups and different people interested in the digital transformation of business and the promotion of the ecosystem of the state.



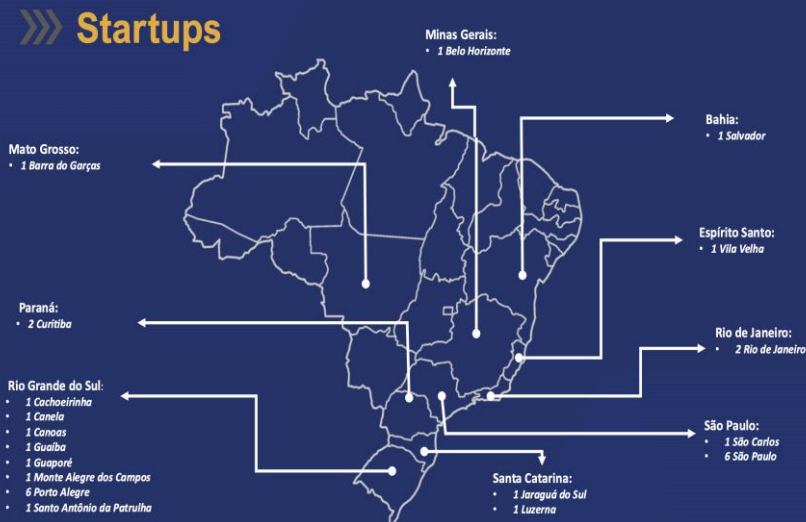
- Inova RS aims to include Rio Grande do Sul in the global innovation map based on the construction of strategic partnerships between organized civil society, academia, the business sector and government, proposing the construction of a common agenda among the actors of the innovation ecosystems of the eight state regions.



- Developed for startups in the early stages of structuring who understand the application of Artificial Intelligence as a competitive differential in businesses.
- Banrisul is a master sponsor.



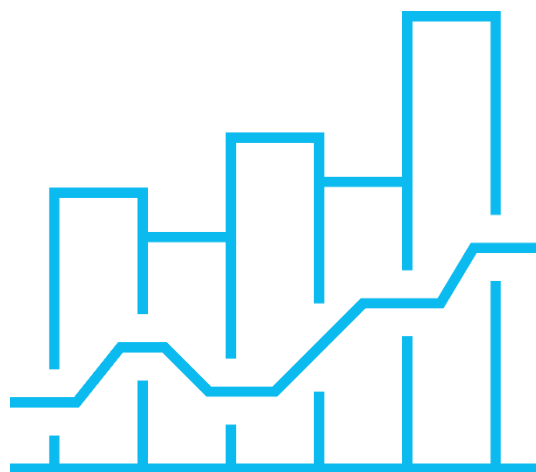
## First Startup Acceleration Program and promotion of the innovation ecosystem carried out by Banrisul.



BanriTech is Banrisul's Open Innovation Hub, which, with technical support from Tecnopuc, published in February 2021 the first public notice for accelerating startups, with 30 Fintechs already selected.

- In progress, the first cycle of the Startups Acceleration and Diagnosis Program, aiming to promote interaction, networking events and mentoring that enable the growth of companies and foster the innovation ecosystem.
- BanriTech's physical space will house startups with headquarters at the Hipólito José da Costa Communication Museum.
- This project stands out with the participation of internal mentors and aims at transformation and innovation within Banrisul.
- Two acceleration cycles contracted with the goal of accelerating 60 Fintechs (30 per cycle).
- Differentiated initiative to present Banrisul's characteristics and needs in a controlled environment.





## / Results

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■ HIGHLIGHTS

■ PROFITABILITY

■ NII & NIM

■ FUNDING

■ EXPENSES AND BANKING FEES

■ CREDIT PORTFOLIO

■ PAYROLL LOANS

■ RENEGOTIATED LOANS

■ PROVISIONS

■ CREDIT QUALITY

■ CAPITAL

# / Highlights

1 Q 2 0 2 1 ADJUSTED  
NET INCOME

**R\$278,9 mi**  
Δ12m: 8,3%

CREDIT  
PORTFOLIO

**R\$36.9 bi**  
Δ12m: 1.8%

PAYROLL  
LOANS

**R\$16.9 bi**  
Δ12m: 5.4%

FUNDING

**R\$66.0 bi**  
Δ12m: 9.5%

1 Q 2 0 2 1 ADJUSTED  
ADMINISTRATIVE  
EXPENSES

**R\$459.0**  
▽ 12m: - 9.1%

DEFAULT RATE  
OVER 90 DAYS

**2.42%**

90 DAYS  
COVERAGE RATIO

**303.1%**

# / Profitability

1Q21 Net Income impacted by:

▽ Credit provisions;

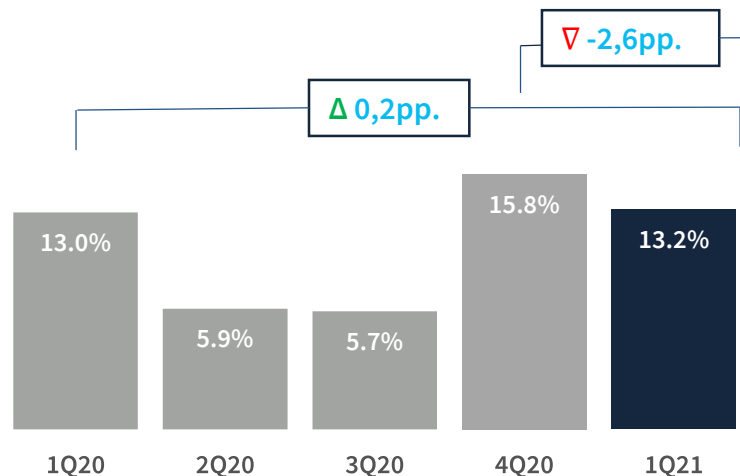
▽ Administrative Expenses - PDV effect;

▽ Financial Margin;

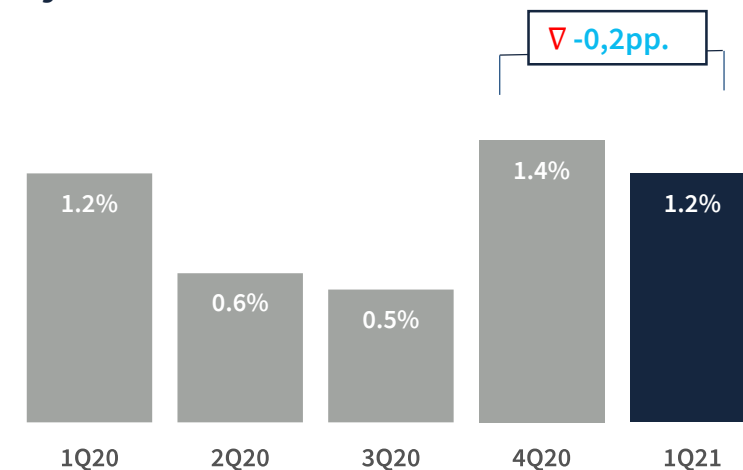
▽ Revenue from Services and Fees;

△ Taxes on Profit;

## Adjusted ROAE

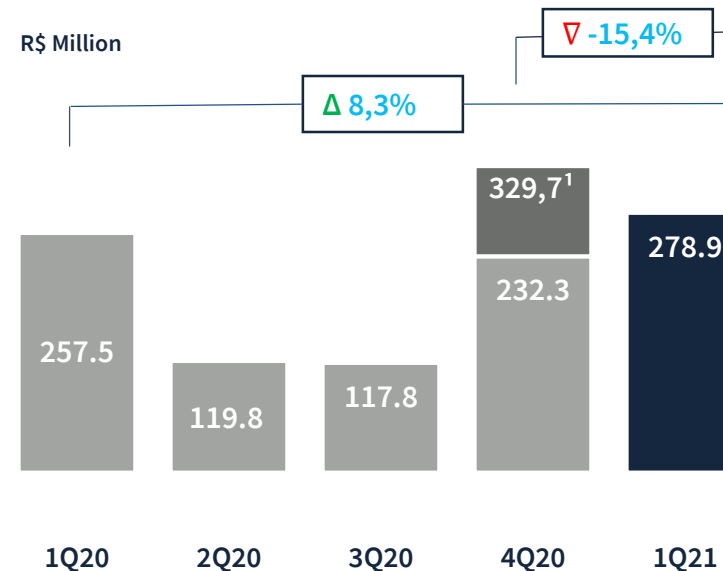


## Adjusted ROAA



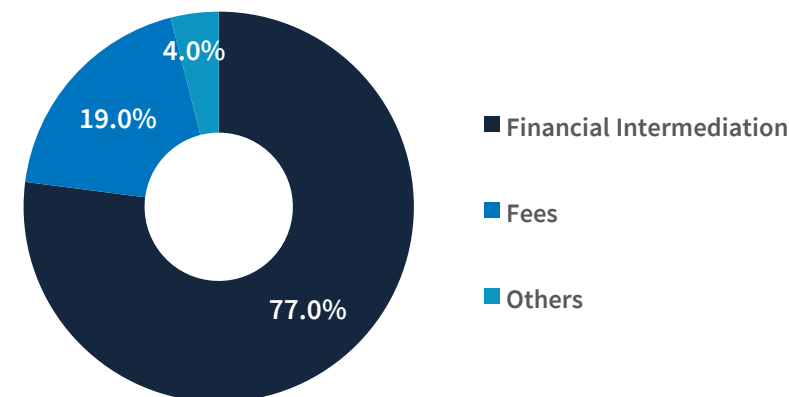
## Net Income

R\$ Million



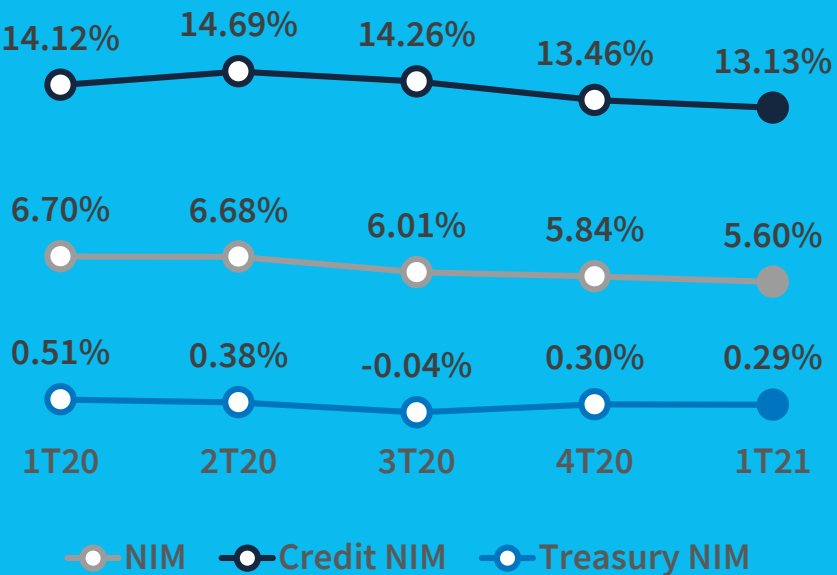
<sup>1</sup>Adjusted Net Income

## Revenues



# / NII & NIM

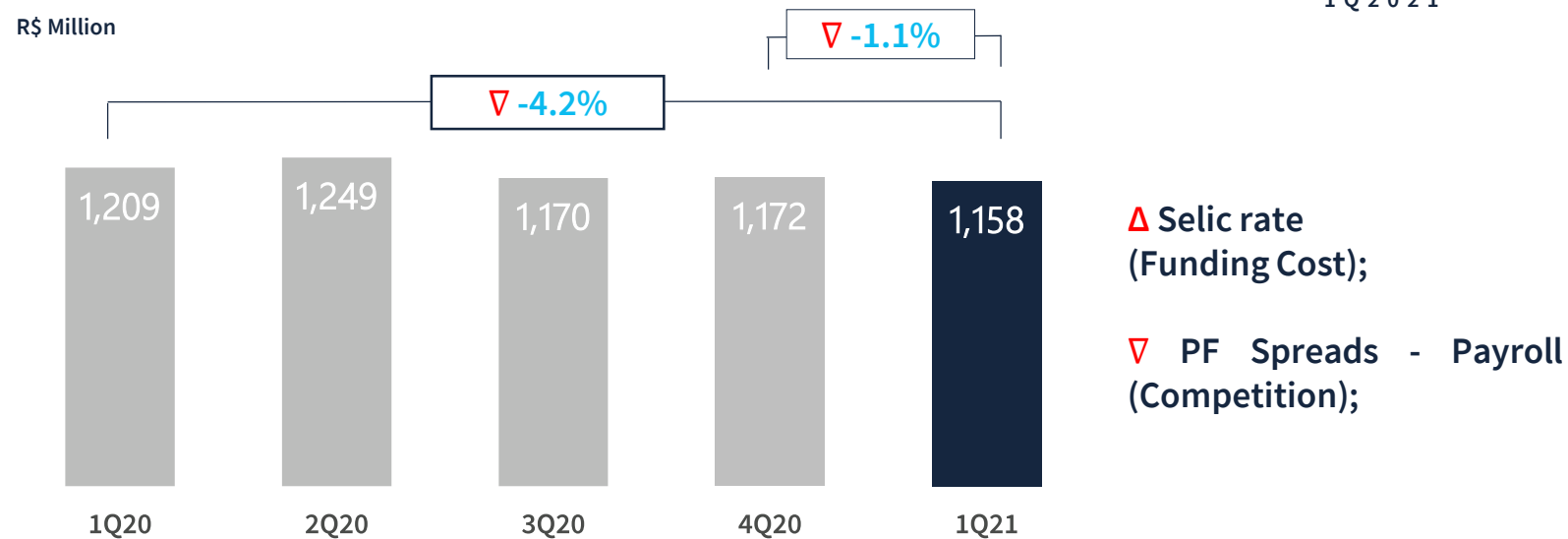
## NIM on Profitable Assets



## Managerial NII<sup>1</sup>

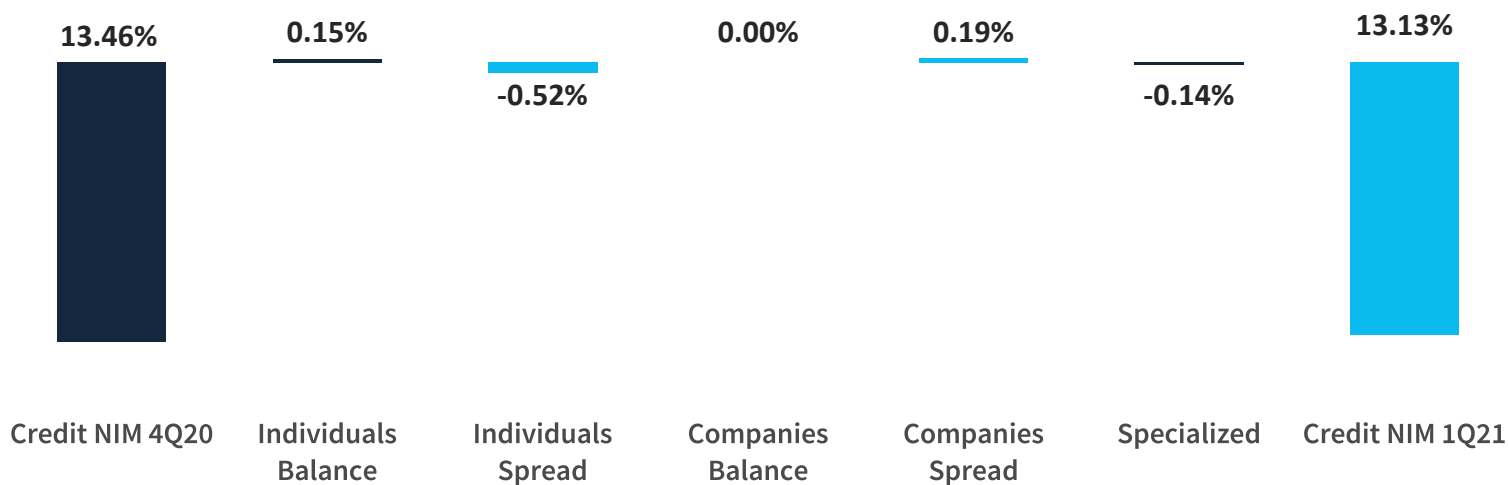
R\$ Million

1 Q 2 0 2 1



<sup>1</sup> Excluding revenue from recovery of credits written off as losses.

## Build up Credit NIM<sup>2</sup>



<sup>2</sup> Excluding revenue from recovery of credits written off as losses.

# / Funding

■ **87.5% of CDI**  
Average Funding Cost in Time Deposits

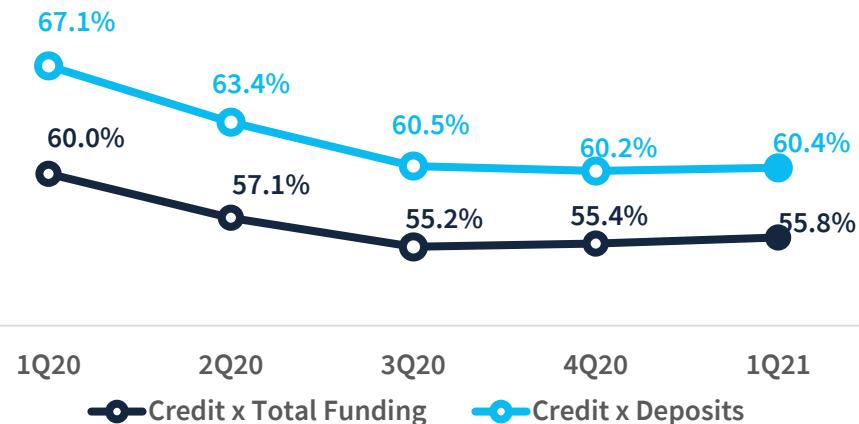
■ Pulverized Funding, grounded on its recognized retail banking DNA in the Southern Region of Brazil

## Evolution:

▲ 12m: 9.5%

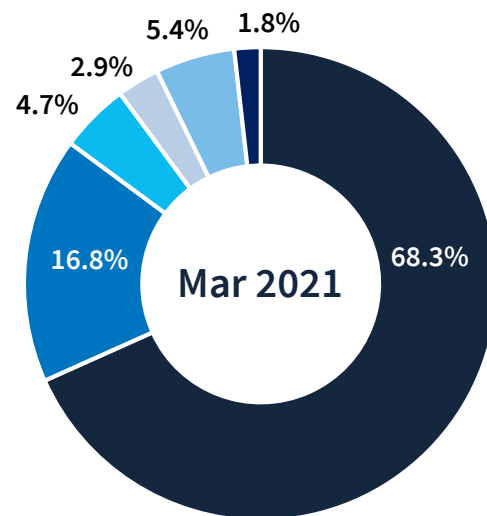
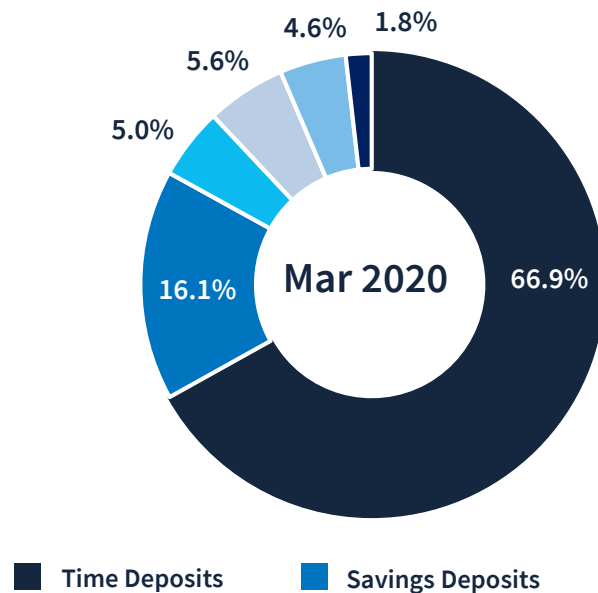
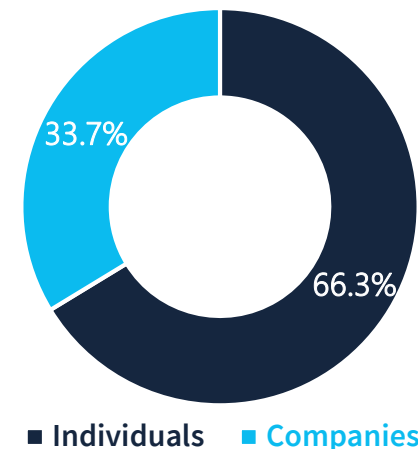
▼ 3m: -2.7%

## Credit x Funding Relation



## Funding by source

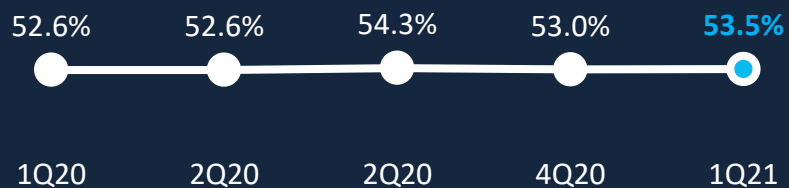
1 Q 2 0 2 1



■ Time Deposits ■ Savings Deposits ■ Bonds ■ Bank Notes ■ Demand Deposits ■ Interfinanceiros

# / Expenses and Banking Fees

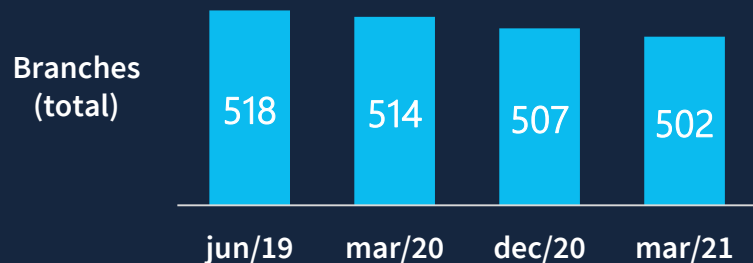
## Efficiency Ratio - 12 m



Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Income – Other Expenses).

## Branches Restructuring (Results until Mar/21)

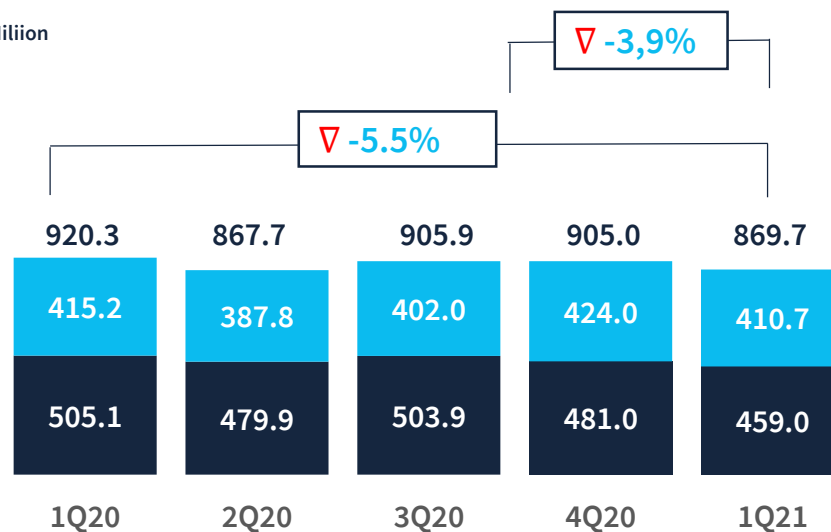
14 branches and 30 PA's closed;  
2 agencies transformed into PA;  
7 PA's refurbished in business rooms..



## Adjusted Administrative Expenses

1 Q 2 0 2 1

R\$ Milion



■ Personnel Expenses

■ Others Administrative Expenses

■ Diligence in costs;

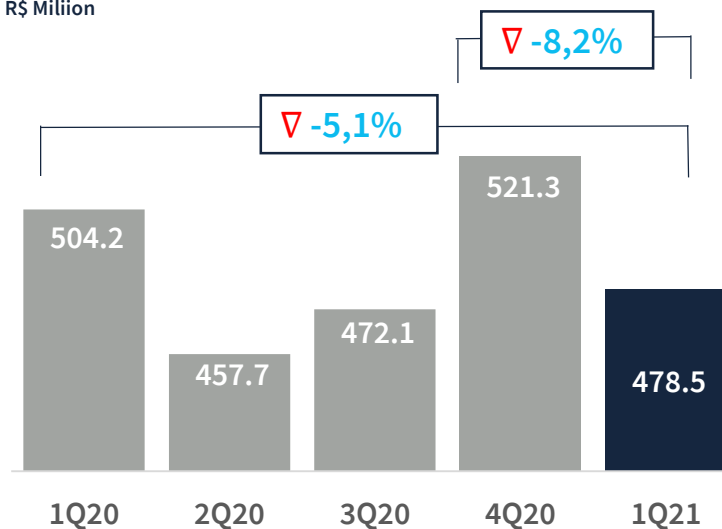
■ PDV Benefits;

3m ▽ -3.1%  
12m ▽ -1.1%

3m ▽ -4.6%  
12m ▽ -9.1%

## Banking Fees

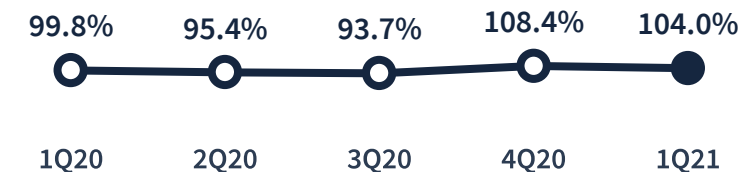
R\$ Milion



## Banking Fees

X

## Personnel Expenses Ratio



Banking Fees / Personnel Expenses



# / Credit Portfolio

## Evolution:

### Individuals Loans

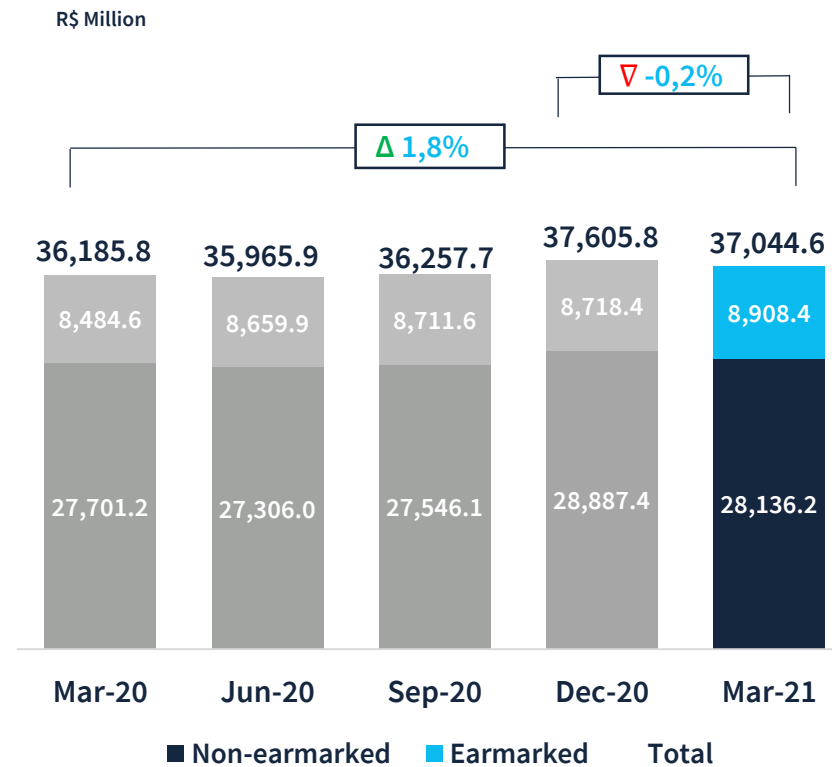
3m ▽-1.8%

12m △1.4%

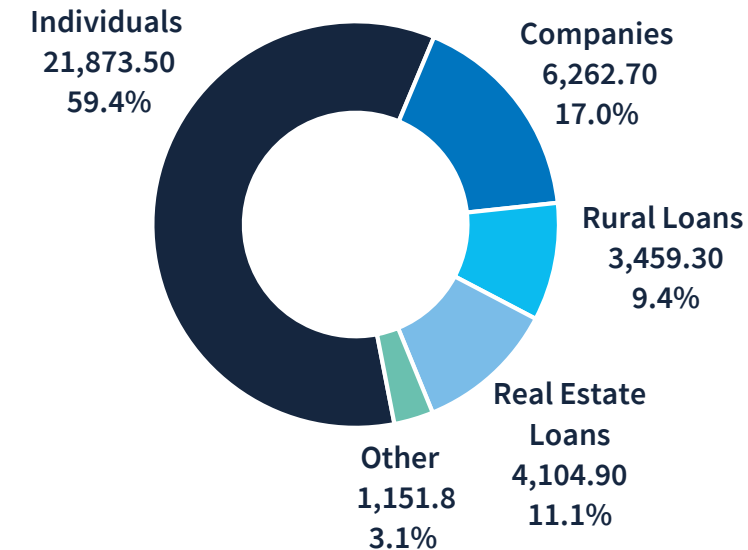
### Companies Loans

3m ▽-5.2%

12m △ 2.2%

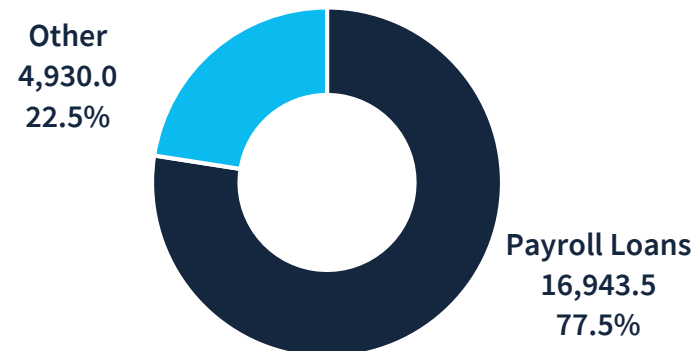


1 Q 2 0 2 1



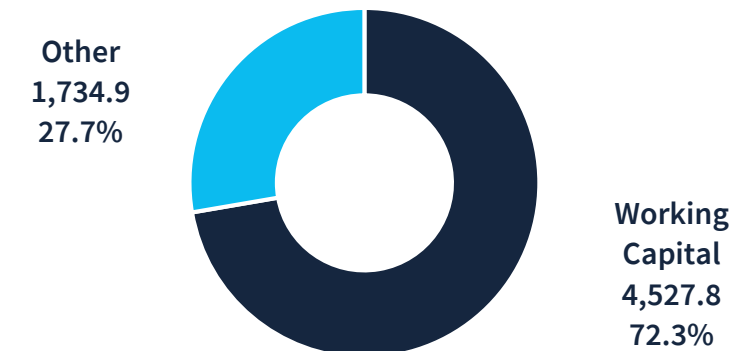
### Individuals

R\$ Million and %



### Companies

R\$ Million and %



# / Payroll Loans

## Evolution:

### With Customers

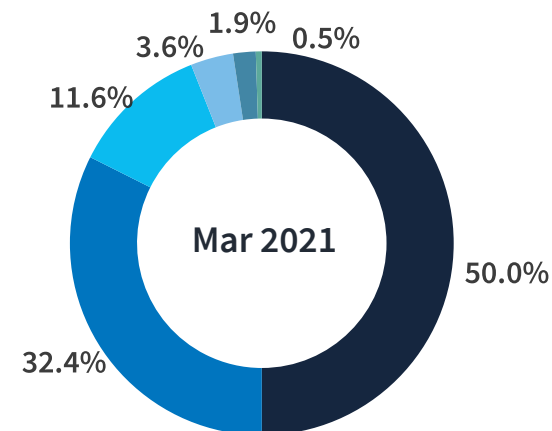
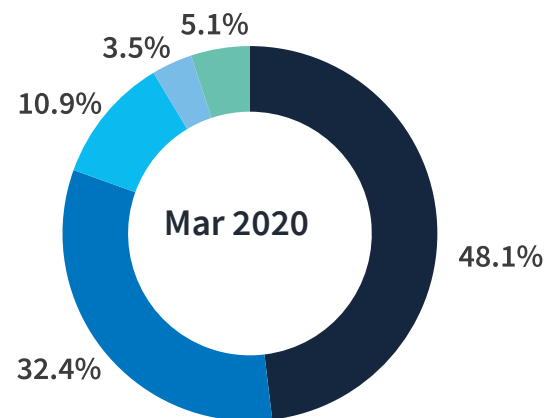
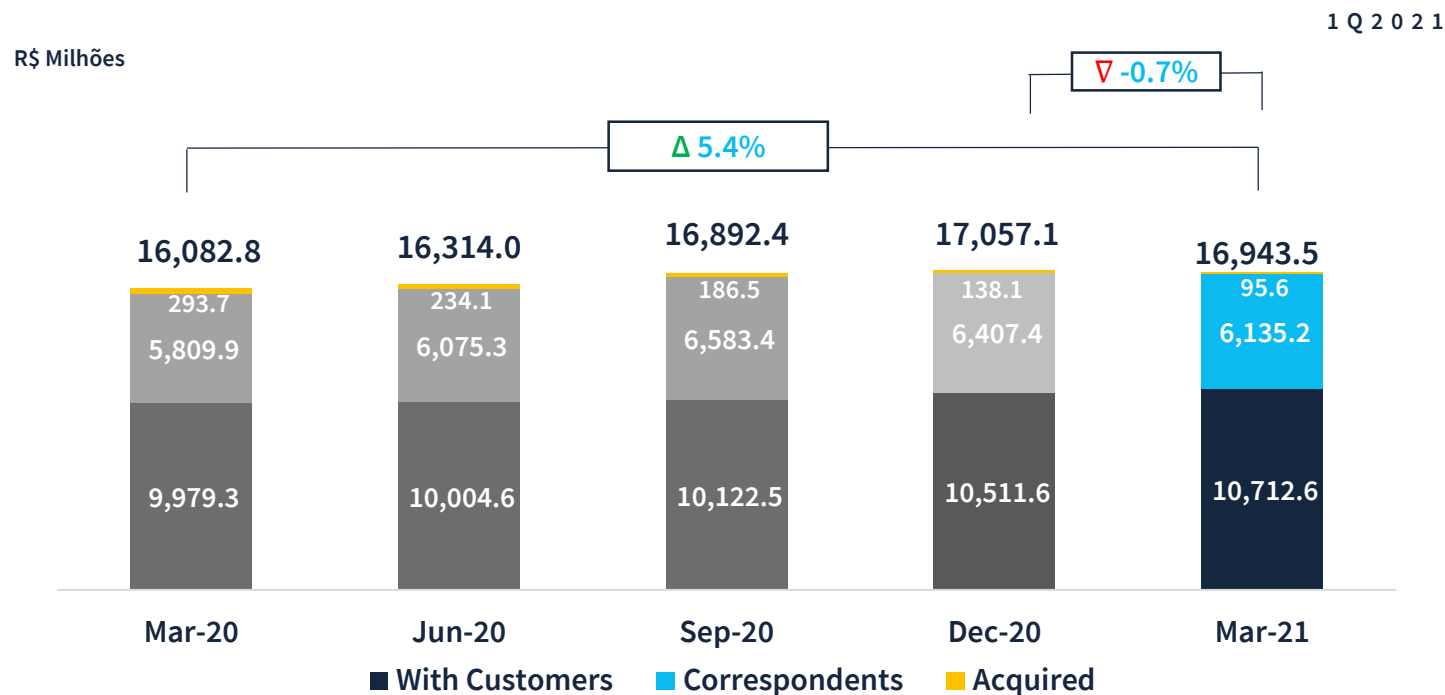
3m  $\Delta$  1.9%

12m  $\Delta$  7.3%

### Correspondent

3m  $\nabla$  -4.2%

12m  $\Delta$  5.6%



■ INSS ■ State ■ Municipal ■ Federal ■ Other ■ REPAC

# / Renegotiated Loans

1 Q 2 0 2 1

**R\$276.3 million**

(Balance on Mar/21)

**R\$744.6 million**

(Total Renegotiated)

## Renegotiated Loans Profile

In Mar/21

Companies  
**R\$170.9 million**

	R\$ Million
Corporate	67.2
Middle	66.1
Small	23.7
BNDES Stand Still	13.9

Individuals  
**R\$105.4 million**

	R\$ Million
Payroll Loans	85.7
Personnel Loans	19.7

**63% already amortized**

**78.6%**

Classified as  
AA to C Risk

**100%**

In amortization

**4.5%**

**R\$12.4 million**

**NPL > 90 days**

# / Allowance for Loan Losses

Stabilization of portfolio risk

Performance as expected

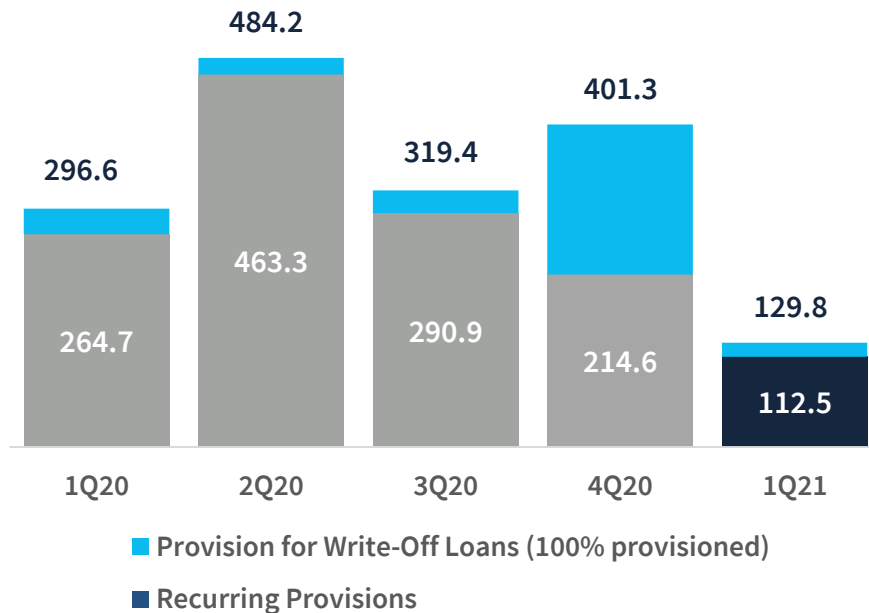
Reduction in recurring provision expenses

3m ▼ -47.6%

12m ▼ -57.5%

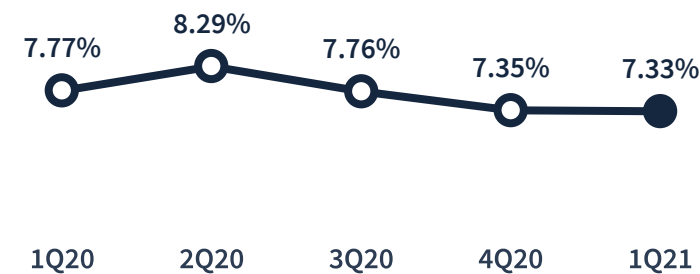
## Provision Expense

R\$ Million

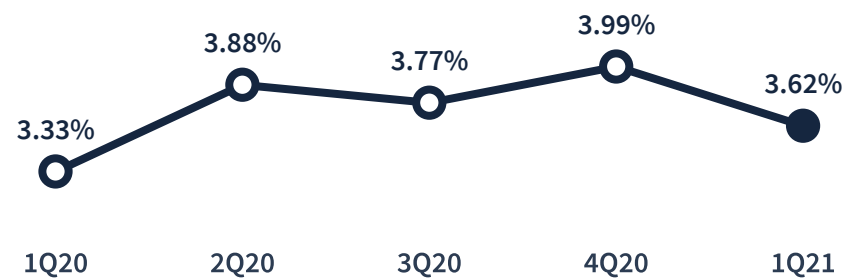


## Provisioning Index

1 Q 2 0 2 1

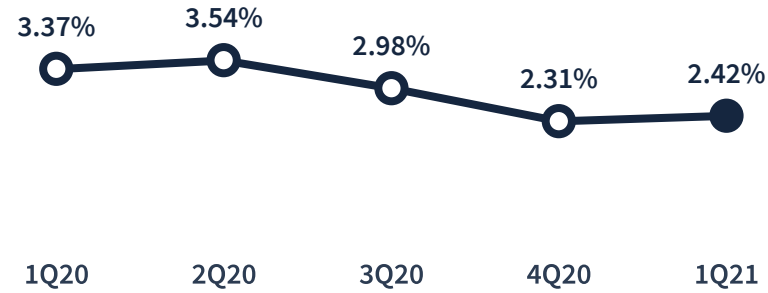


## 12m Provision Expense / Credit Portfolio

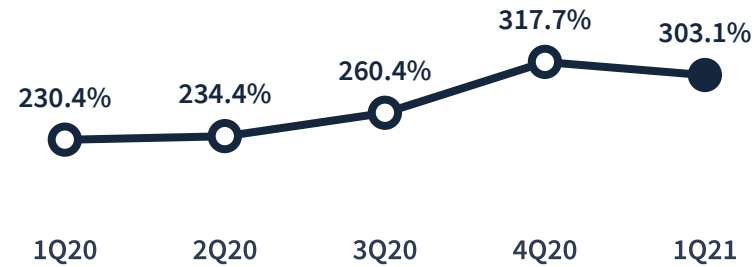


# / Credit Quality

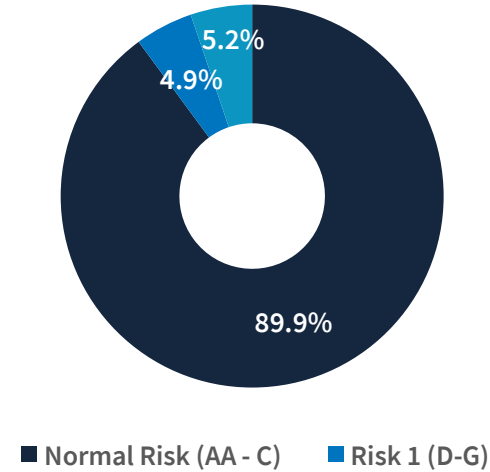
Default Rate > 90 days



Coverage Ratio > 90 days



Distribution by Rating



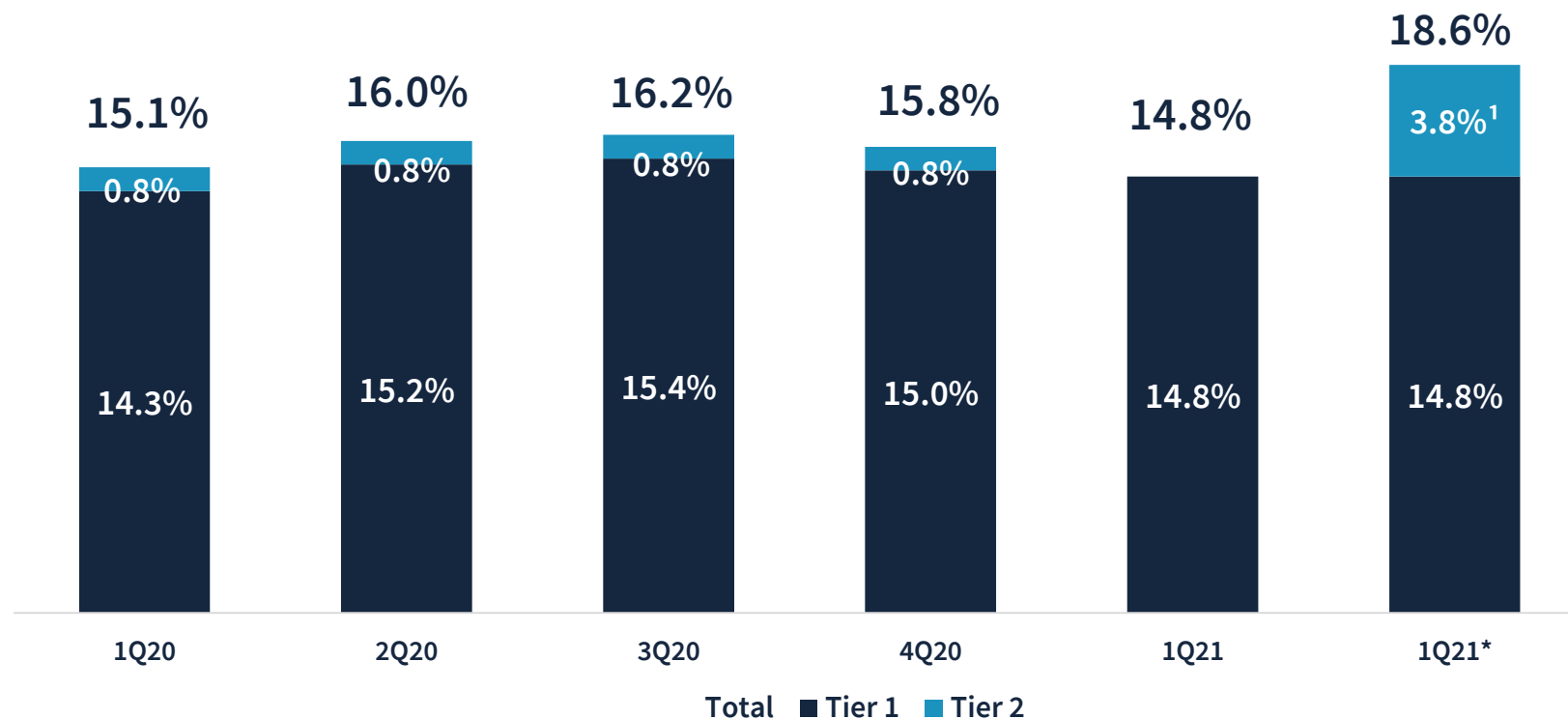
Concentration

Principal Debtor	0.4%
10 Biggest Next	2.5%
20 Biggest Next	3.1%
50 Biggest Next	3.8%

Comfortable  
capital for credit  
portfolio growth

1 Q 2 0 2 1

### Basel Ratio



<sup>1</sup> Considers the exchange rate of the March, 31 of 2021 with a quotation of R\$5.69.

\*Proforma after the  
issuance of Tier 2  
Subordinated Notes



	2021 year
■ <b>Total Credit Portfolio</b>	<b>10% to 15%</b>
Non-direct Lending – Individuals	10% to 15%
Non-direct Lending – Companies	11% to 16%
Rural Loans	22% to 27%
■ <b>Provision Expenses / Credit Portfolio</b>	<b>3.5% to 4.5%</b>
■ <b>Funding<sup>1</sup></b>	<b>4% to 8%</b>
■ <b>Return on Average Equity</b>	<b>10% to 14%</b>
■ <b>Efficiency Ratio</b>	<b>50% to 54%</b>
■ <b>Net Interest Income / Interest-Earning Assets</b>	<b>6% to 7%</b>

<sup>1</sup>Funding: Deposits + Bank Notes and Similar



**/ Results Presentation**

INVESTOR RELATIONS  
DEPARTMENT