

Annual
CORPORATE GOVERNANCE
Letter

2024 – base year 2023

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GENERAL IDENTIFICATION

Corporate taxpayer's ID (CNPJ)	92.702.067/0001-96 NIRE 43.300.001.083
Headquarters	Porto Alegre/Rio Grande do Sul
Type of State Company	Government-Controlled Company
Controlling Shareholder	Government of the State of Rio Grande do Sul
Type of Company	Corporation
Type of Capital	Publicly Held
Operating Sector	Financial Institution
Investor Relations Officer – IRO	Luiz Gonzaga Veras Mota

Current Independent Auditor of the Company	Deloitte Touche Tohmatsu Limited Name: Carlos Claro Email: cclaro@deloitte.com Phone: +55 (11) 5186 1696
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Board Members Subscribing to the Annual Letter	Itanielson Dantas Silveira Cruz – Chair Fernando Guerreiro de Lemos - Vice-Chair Adriano Cives Seabra Eduardo Cunha da Costa Iransy de Oliveira Sant'Anna Junior João Verner Juenemann (member of the Board of Directors until 07/01/2024) Jorge Luis Tonetto Luiz Gonzaga Veras Mota Marcelo Willmsen Rafael Andréas Weber Ramiro Silveira Severo Urbano Schmitt (member of the Board of Directors since 07/01/2024)
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MESSAGE FROM MANAGEMENT

We present the Annual Corporate Governance Letter of Banco do Estado do Rio Grande do Sul, a document that covers the main initiatives undertaken in 2023, as well as information on Banrisul's Corporate Governance.

Banrisul approaches its centenary while maintaining its capacity for renewal, without losing sight of its values. The future strategy is based on five pillars: Sustainability; Improving Customer Experience; Promotion of Digital Transformation and Culture of Innovation; Improving Operational Efficiency; and Changing *Mindset* to Create a Digital and Learning Attitude.

In 2023, we achieved important milestones such as the beginning of the project to Modernize the Equipment Park of the Branch Network and General Management, involving the acquisition of 10,551 desktops and 941 notebooks for immediate replacement, further improving customer service. In addition, the team was reinforced after the last Voluntary Severance Program - PDV, and brought new talents to the Bank, adding 244 employees to the IT areas and 898 employees to the branch network.

Also in 2023, Banrisul materialized its purpose of providing opportunities for regional development, in line with the best ESG practices, by launching the Banrisul Innovation Notice – Impact Business.

According to the Consolidated Financial Statements in IFRS, net profit for the year ended December 31, 2023 totaled R\$1,012.4 million, 20.2% or R\$170.2 million higher than the profit for 2022, reflecting, in particular: (i) the growth in net income with adjusted interest; (ii) the largest flow of credit loss expenses; (iii) the increase in revenues from services, especially in revenues from Banrisul Payments, credit card income, and income from sales pool group administration fees, minimized, in part, by the reduction in income from current account fees; (iv) the increase in personnel expenses, which reflects the collective wage agreements and the hiring of new employees, in an environment of dismissals of employees opting for the Severance Program; (v) growth in other administrative expenses, mainly in expenses with specialized technical services with advertising, promotions and publicity, with amortization and depreciation, with data processing and rents and condominiums, minimized, in part, by the reduction in expenses with third-party services; (vi) the lower flow of expenses with civil, tax and labor provisions; (vii) unfavorable result of other operating income and expenses; and (viii) the consequent tax effect.

For the year 2024, Banrisul maintains its commitment to promoting the economic and social development of the State, seeking to transform people's lives, being a publicly traded, intelligent and sustainable bank. Furthermore, Banrisul highlights its premises

of serving its customers well, cultivating a culture of digital transformation and prioritizing operational efficiency, always demanding the maximization of return on investment.

INTRODUCTION

On June 30, 2016, Law No. 13,303/16 was published, which provides for the legal status of public companies, mixed-capital companies and their subsidiaries, within the scope of the Union, the States, the Federal District and the Municipalities .

Considering that the Company is a mixed capital company, publicly traded and controlled by the State of Rio Grande do Sul, observing the transparency requirement, as per art. 8th, of the aforementioned law, this Governance letter was prepared, signed by the members of the Board of Directors, with relevant information, especially that relating to the economic activities carried out, public policies, control structure, risk factors, economic-financial data, comments from administrators on performance, corporate governance policies and practices and description of management composition and remuneration, with the aim of reaffirming the Company's management's commitment to the best market practices.

INTERESTS THAT JUSTIFIED THE CREATION

Banco do Estado do Rio Grande do Sul S.A., established in 1928 through State Law 459, has the mission of being the official financial institution of the State of Rio Grande do Sul to promote the State's economic and social development, in addition to complying with the provisions outlined in article 147 of the Constitution of the State of Rio Grande do Sul, and article 164, paragraph 3, of the Federal Constitution of Brazil.



**Solid, profitable,
competitive and
integrated public
Bank within the
communities**

Therefore, its mission, which derives from the public interest that gave rise to its creation and is exercised through the fulfillment of its corporate purpose, is to constantly strive to be a solid, profitable, and competitive public bank, integrated with communities, boosted by the State's economy and growth, and providing support to the government in promoting the improvement of the economic sectors of the State.

Also, within the scope of public interest, the State and Banrisul have affiliated converging motivations and interests in maintaining the stability of their institutional relationship, which consequently leads to the preservation of public property.

PUBLIC POLICIES - MULTY-YEAR PLAN (PPA)

The State's Multi-Year Plan (PPA), an instrument outlined in article 165 of the Federal Constitution of Brazil and article 149 of the Constitution of the State of Rio Grande do Sul, establishes guidelines, programs, and direct and indirect Government actions for the State during a period of four years.

PPA Programs are instruments used to organize governmental actions to achieve the State's intended objectives.

Banrisul is included in the PPA as the State's financial agent and is responsible for the economic and social development of communities by providing support to individuals, family farming, agribusiness, as well as micro, small, medium, and large companies of the industrial, commercial and service sectors, enabling potential investments to generate employment and income, in addition to providing funds, through financial intermediation, that are used to finance consumption, social inclusion, and support the State's activities.



**PPA
2024-2027**

For the PPA proposed by the State for the period 2024-2027, under the coordination of the State Finance Secretariat, Banrisul is imbued with the Plan's Credit and Development Program, with the objective of, through Financial Intermediation, meeting the need for resources for financing consumption, social inclusion and sustainability of activities.

The government initiatives that make up the PPA, with regard to Banrisul, are coherent and aligned with the directions of Banrisul's Institutional Strategy. The table below shows the initiatives under Banrisul's responsibility in Public Policy established in the State PPA, carried out in 2023 and planned for Year 2024 of the PPA 2024-2027:

Public Policy (Banrisul initiatives):	Description and Goals (planned/achieved)
1.1 Financing of Agricultural Costs	Financing the entire agribusiness production chain, with resources to finance production. <u>Funding:</u> Banrisul/BNDES' own resources and equalized by the National Treasury. Target 2024-2027 R\$ 41,312,266,153.18 Target 2024 R\$ 8,103,622,234.83 Target 2023 R\$ 2,469,645,701.39 Achieved 2023 R\$ 5,745,407,248.34
1.2. Financing for Agricultural Investment	Financing the entire agribusiness production chain, resources for the acquisition of animals, machinery, agricultural equipment, construction of processing units and infrastructure on properties. <u>Funding:</u> Banrisul/BNDES' own resources and equalized by the National Treasury. Target 2024-2027 R\$ 6,892,123,253.82 Target 2024 R\$ 1,351,926,883.84 Target 2023 R\$ 443,076,923.08 Achieved 2023 R\$ 1,593,207,752.31
1.3. Financing for Agricultural Trade	Financing the entire agribusiness production chain, resources for the commercialization and storage of its production. <u>Funding:</u> Banrisul/BNDES' own resources and equalized by the National Treasury Target 2024-2027 R\$ 4,414,824,755.46 Target 2024 R\$ 865,991,517.35 Target 2023 R\$ 1,338,090,036.81 Achieved 2023 R\$ 694,691,385.49
1.4. Financing Agricultural Industrialization	Financing the entire agribusiness production chain, resources for the processing and industrialization activities of its production. <u>Funding:</u> Banrisul/BNDES' own resources and equalized by the National Treasury Target 2024 -2027 R\$ 1,574,436,838.14 Target 2024 R\$ 308,834,216.98 Target 2023 R\$ 303,661,312.16 Achieved 2023 R\$ 191,660,168.00
1.5. Agroecology and Organic Production Plan	Expand farmers' access to agroecological seeds. <u>Funding:</u> Banrisul's own resources. Target 2024-2027 R\$ 945,092.86 Target 2024 R\$ 225,092.86 Target 2023 R\$ 10,042.35 Achieved 2023 R\$ 124,909.80
2.1. Financing for Economic and Social Development	Transfer resources for the economic, social and urban development of the State, to individuals and legal entities in the industrial, commercial, rural and service sectors, also encouraging investment in innovation. <u>Funding:</u> Banrisul's own resources with or without guarantee of guarantee funds.. Target 2024 -2027 R\$ 98,692,667.83 Target 2024 R\$ 22,897,866.73 Target 2023 R\$ 37,448,880.71 Achieved 2023 R\$ 50,569,260.93

2.2. BNDES	Promote investment in civil works and acquisition of equipment, in line with the objective of economic, social and urban development of the State, for individuals and legal entities in the industrial, commercial, rural and service provision sectors. Source of Resource: Resource made available by BNDES. Target 2024-2027 R\$ 45,256,312.50 Target 2024 R\$ 10,500,000.00
2.3. BNDES Card	Make a revolving limit available to small and micro companies with transfers from BNDES. <u>Funding:</u> Resource made available by BNDES. Target 2024-2027 R\$ 46,940,168.25 Target 2024 R\$ 10,890,674.46 Target 2023 R\$ 57,997,014.70 Achieved 2023 R\$ 10,188,152.72
2.4. FINEP	Promote science, technology and innovation in companies, universities, technological institutes and other public or private institutions, including promoting the acceleration of fintechs . <u>Funding:</u> FINEP Resource Target 2024-2027 R\$ 19,653,774.67 Target 2024 R\$ 4,559,908.28 Target 2023 R\$ 7,000,000.00 Achieved 2023 R\$ 30,600,265.01
2.5. FEB – Public Sector - Banrisul Own Resources	Provide credit to Municipalities, with a view to promoting the acquisition of machinery, equipment and, in certain situations, civil works, in order to reduce maintenance costs and meet the needs of local populations. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 146,142,990.65 Target 2024 R\$ 33,906,903.08 Target 2023 R\$ 32,096,357.07 Achieved 2023 R\$ 26,641,001.19
Program discontinued in 2023 by CEF	
2.6. Microcredit Financing	Financing productive microcredit operations, providing resources to formal and informal entrepreneurs who need resources to support their businesses, boosting and increasing the economy of RS by generating income and jobs. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 45,256,312.50 Target 2024 R\$ 10,500,000.00 Target 2023 R\$ 13,800,000.00 Achieved 2023 R\$ -
2.7. Financing for Education	Allocate credit lines to meet the demand for working capital for investments in modernizing the physical and technological infrastructure of State Universities. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 403,832,611.08 Target 2024 R\$ 90,819,885.56 Target 2023 R\$ 294,330,396.93 Achieved 2023 R\$ 272,461,441.50
2.8. Financing for Health	Meet the needs of public and private hospitals, clinics and laboratories that provide healthcare services. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 3,427,714,848.90 Target 2024 R\$ 770,875,510.68 Target 2023 R\$ 1,223,157,594.18 Achieved 2023 R\$ 932,580,148.87

2.9. Financing for Working Capital	Meet the capital needs of micro, small and medium-sized companies from all segments of the State's economy. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 7,556,498,165.63 Target 2024 R\$ 1,699,417,728.48 Target 2023 R\$ 2,790,623,620.82 Achieved 2023 R\$ 1,248,146,193.20
2.10. Financing for University Credit	Line of credit intended to finance higher education students' semester tuition. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 225,447,689.56 Target 2024 R\$ 50,702,030.50 Target 2023 R\$ 10,883,911.68 Achieved 2023 BRL 56,055,169.95
2.11. Financing for payment of ICMS	Make resources available to pay taxes. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 687,608.89 Target 2024 R\$ 154,639.72 Target 2023 R\$ 11,271,011.13 Achieved 2023 R\$ 265,225.28
2.12. Financing for Sustainable Projects	Line of credit aimed at purchasing sustainable equipment. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 1,416,782,426.01 Target 2024 R\$ 318,627,109.99 Target 2023 R\$ 13,604,889.60 Achieved 2023 R\$ 68,708,452.79
3.1. Financing for Exports	Meet the need to support the production and commercialization of the segment through specific credit lines. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 4,603,201,320.73 Target 2024 R\$ 991,855,488.20 Target 2023 R\$ 901,686,807.45 Achieved 2023 R\$ 751,650,062.31
4.1. Financing for Acquisition or Construction of properties	Meet the need for the acquisition or construction of residential and non-residential properties. <u>Funding:</u> Banrisul's own resource. Target 2024-2027 R\$ 6,497,400,000.00 Target 2024 R\$ 1,400,000,000.00 Target 2023 R\$ 837,006,326.16 Achieved 2023 R\$ 1,333,323,896.52
General total investment Banrisul, State Multi-Year Plan Policies 2024-2027: R\$ 78,728,102,990.67	

Initiative by the State of Rio Grande do Sul, controlling shareholder of Banrisul, as a goal set out in the Multi-Year Plan – PPA, aligned with Banrisul's institutional Strategy - *Applicable to all policies (initiatives) described here* .

Detailed information about the initiatives under Banrisul's responsibility in Public Policy established in the State PPA, carried out in 2023 and planned for Year 2024 of the PPA 2024-2027 can be consulted at the link: [https://planejamento.rs.gov.br/multi-annual plan](https://planejamento.rs.gov.br/multi-annual-plan) .

Banrisul supports the State in achieving public policies in the area of agribusiness (“Rural Credit”), acting in line with its creation law, promoting and offering rural credit products suitable for promoting this economic activity through investment financing, funding, commercialization and industrialization, observing the policies and directions outlined by the State Government and in line with the Financial System of Rio Grande do Sul. In this sense, it meets the demand for rural credit from family farmers, medium producers and business farmers, agricultural production cooperatives, agro-industries and other companies in the sector.

Support for the development of the agribusiness market in the State, the placement of instruments and product offerings aimed at rural producers and farmers, the dissemination of culture and financial education are permanent objectives of Banrisul, which are also reflected as a statutory provision in the the Company's own functional organization, which necessarily provides for the maintenance of an area dedicated to rural financing, centralizing all operations relating to rural credit of any type. In point 1 of the Public Policies listed above, the lines of credit and financing, Banrisul's initiatives in the State's PPA.

STATE POLICY ON AGROECOLOGY AND ORGANIC PRODUCTION

Banrisul is a member of the Management Committee of the State Plan for Agroecology and Organic Production – PLEAPO (State Policy for Agroecology and Organic Production), a public policy instrument whose strategic objective is to “*Strengthen Family Farming, Cooperatives and Agribusiness in the State*”, established by State Law RS nº 14,486/14 and Regulated by State Decree RS nº 51,617/14.

For the current PLEAPO 2024-2027, Banrisul has the following initiative:

Banrisul Seeds Program	(i) Expand farmers’ access to native seeds, seedlings and propagules.
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Banrisul, as the body executing the initiatives foreseen here, must follow market rules, meeting customer needs, seeking adequate returns for shareholders. Banrisul is not dependent on resources from the State Treasury, nor is there any financial impact of public interest on Banrisul's business.

In line with one of the State's most relevant activities, one of the strategic focuses is rural credit, where the resources available were expanded to generate a higher quality of life, income and food. The IT systems for managing these products have undergone constant improvements and gained agility through the digitization of documents and the hiring of a system that performs socio-environmental compliance for credit proposals.

For agribusiness, the pilot version of the prospecting and investment proposal conveyor belt was launched and new features of AgroFácil Conecta, which allow accredited technicians to prepare projects for costing and investment operations directly in the system, also improving the experience of partners of the Bank in this segment. In environmental terms, Proagro Mais crop insurance management is offered, which covers production costs and provides funds to maintain the producer's costs, in case of problems with the harvest.

DEVELOPED ACTIVITIES

Maintaining its focus on the southern region of Brazil, mainly in the State of Rio Grande do Sul, Banrisul is present in most municipalities in Rio Grande do Sul and, at the end of December 2023, had a network made up of 1,032 service points, with 492 branches (471 in Rio Grande do Sul, 17 in Santa Catarina, and 4 in the other states of Brazil), 127 service points - PAs and 413 electronic service points - PAEs .

On May 8, 2023, the Board of Directors approved the voluntary closure of activities in Grand Cayman, with the respective investment being written off in 2023.

The Company continues to work hard to promote, in a sustainable manner, the economic, social and technological development of the regions in which it is present, enabling the maintenance and growth of economic sectors and the consequent generation of jobs and income. In addition to ensuring the Institution's sustainable growth, Banrisul is committed to improving the customer experience in the physical and digital environment and driving innovation.



**Sustainable
Growth**

On November 13, 2023, Banrisul's New Board of Directors took office and from this scenario began the reformulation of the Bank's Management, based on three pillars: an

open company; an intelligent company; and a Banrisul heading towards another 100 years.

The Banrisul App evolved in 2023 and started to offer new products, including the contracting of consortium shares and life insurance, the Banrisul Veloe Tag, which automates the payment of tolls and parking, and BanriPay – which allows payments by approach with Banricompras . In terms of features for credit cards, the app underwent significant improvements, including functions such as a chatbot, and became the leader among credit card applications, offering the most service options and essential features for customers.

Vero, in 2023, launched Tap On Phone solutions, for customers to receive contactless payments on their smartphones, and Payment Link, a practical and secure way to receive online payments.

In credit operations, the Company operates in the form of payroll-deductible credit and focuses on state and municipal public servants, retirees and INSS pensioners.

In revenues from individual commercial credit there was an increase of 15.7% or R\$684.3 million compared to the year 2022.

The Company also operates in agreements with private companies and entities outside the state of Rio Grande do Sul. This modality tends to be attractive for both customers and the Company. This type of loan is advantageous for the Company, considering that the agreement signed directly with the company or public body reduces the risk of default on payroll operations.

In addition to revolving credit, with monthly payments, the Company offers specific lines of credit, with a single payment, such as the advance of the 13th salary and income tax refund. Additionally, the Company's customers have pre-approved credit lines and can contract them in an automated manner through electronic terminals, Banrifone, Home and Office Banking, M-Banking Minha Conta and Office – Banrisul Digital.

Agribusiness is one of the Bank's priorities, which offers credit lines with its own resources, transfers of BNDES lines and resources equalized by the Treasury to small and medium-sized producers in the State of Rio Grande do Sul. This credit portfolio grew by R\$4,547.4 million compared to December 2022.

Additionally, the Company has products intended especially for exhibitions and fairs in which the Company participates, with which credit is granted for the acquisition of animals, machinery and equipment, according to pre-approved limits and parameters. The objective of these criteria is to provide speed in the operation and conduct of business at the event itself, and in these modalities it is possible to grant financing with own resources or transfers from BNDES/FINAME.

Banrisul also operates in the sale of insurance, private pension plans and capitalization bonds. Through its affiliate Rio Grande Seguros e Previdência SA, it sells personal insurance and private pension plans; through its affiliate Rio Grande Capitalização SA, it distributes capitalization bonds; through the insurance companies HDI Seguros and Allianz Sul América Seguros, it sells property insurance (Auto, Fleet, Home, Business, Rural and Miscellaneous Risks).

Aiming to meet customer needs in terms of security, protection and benefits, the Company invested in improving its product portfolio, through remodeling and launching new security solutions, in automating processes, in training professionals and in marketing remote control of products (digital).

Regarding the collection of insurance premiums, pension contributions and capitalization bonds, R\$3.6 billion was reached in 2023, an increase of 40.6% compared to 2022.

Detailed information about the activities carried out can be found in section 1 of the Reference Form, accessible on the Investor Relations websites of BANRISUL (<http://ri.banrisul.com.br>) and CVM (www.cvm.gov.br) .

RISK MANAGEMENT

The Company has a formalized risk management policy, described in the document “Institutional Structures and Policies for Capital and Corporate Risk Management”, which was approved on November 8, 2023, at a Meeting of the Company's Board of Directors, and includes capital management and credit, market, IRRBB, liquidity, operational, social, environmental and climate risks.

The Company's Institutional Structures and Policies for Integrated Capital and Corporate Risk Management aim to enable continuous and integrated management of capital and credit, market and interest rate variation risks for instruments classified in the banking portfolio - IRRBB, liquidity, operational, social, environmental and climate risks and other risks considered relevant to the Company. Furthermore, they seek to establish basic principles, meet legal requirements and ensure that all activities are carried out in accordance with current regulations.



**Policies for
Integrated Capital
and Corporate Risk
Management**

Optimizing the management of assets and liabilities and the use of regulatory capital and maximizing investor profitability are reflections of the Institution's adoption of best market practices.

The improvement of Institutional Structures and Policies, systems, internal controls and security standards, integrated with the Institution's strategic and marketing objectives are continuous processes within this scope

At the Company, the Corporate Risk Unit - URC is responsible for coordinating the capital management process and credit, market, IRRBB, liquidity, operational, social, environmental and climate risks covering all institutions of the Prudential Conglomerate. It also considers the possible impacts of risks associated with other companies controlled by Conglomerate companies and other relevant risks identified.

The entire structure and more detailed information about risk management structures can be found in section 5 of the Reference Form, accessible on the BANRISUL Investor Relations (<http://ri.banrisul.com.br>) and CVM (www.cvm.gov.br) websites.

INTERNAL CONTROLS STRUCTURE

The Company adopts general banking accounting standards in accordance with the precepts defined by the Central Bank of Brazil through the Accounting Plan for Institutions of the National Financial System - COSIF.

The publication of financial statements is based on standards defined by Law 6404/76, the Central Bank of Brazil and the Securities and Exchange Commission, as it is a publicly-held corporation.

The Institution also follows international standards for the disclosure of Financial Reports (IFRS), issued by the International Accounting Standards Board - IASB, and in compliance with the requirements and guidelines of the National Monetary Council (CMN).

The Company has an institutional money laundering prevention policy in which it adopts specific processes and systems to identify and monitor customer activities, maintaining an exclusive team dedicated to carrying out activities focused on preventing and combating money laundering and the financing of terrorism, reviewing legislation and developing training programs for all employees. These actions aim to ensure that activities are conducted in an environment of appropriate controls to prevent risks related to the crime of money laundering, current legislation and regulations.

In line with the Anti-Money Laundering process, the Company uses the "Know your Customer and Activities" process, which includes rules and procedures to help identify and better understand the profile of customers and the origin of their financial resources, aiming to reduce the risk of the Institution being used to legitimize resources arising from illicit activities.

Likewise, the "Know Your Employee" process establishes, without distinction, at all hierarchical levels of the Organization, the responsibility for observing and complying

with the guidelines against corruption and money laundering, as well as the duty to promote ethical values, thus preserving the integrity of accounting events and the Company's image and reputation.

The corruption prevention policy establishes procedures and controls, as well as preventive measures that prevent, within the Company's scope of action, the practice of illicit corruption and impropriety provided for in the Penal Code, in Law No. 8,666/93, in Law No. 12,846/13 and other rules of the Brazilian anti-corruption system by its employees and third parties.

**Corruption
Prevention
Policy**

Another instrument to support the regular practice of operations is Banrisul's Code of Ethics and Conduct, which guides the personal and professional behavior of the Company's teams, with a view to making this conduct a standard of internal relationships and with the company's stakeholders. Company: shareholders, customers, employees, union, suppliers, competitors, community and government. Any violations of the Code are examined by the Ethics Committee, as set out in specific regulations.

The internal control structure serves as a management mechanism for achieving strategic goals, effective and efficient use of resources, compliance with laws and regulations, and the quality of information with a view to enhancing the Company's value.

More detailed information about the internal control structure can be found in section 5 of the Reference Form, accessible on the BANRISUL Investor Relations (<http://ri.banrisul.com.br>) and CVM (www.cvm.gov.br) websites.

RISK FACTORS

Investment in securities issued by the Company involves exposure to certain risks. Before making any investment decision in any security issued by the Company, potential investors must carefully analyze all the information contained in the Reference Form, the risks mentioned and the Company's financial statements and respective explanatory notes.

Banrisul presents its main risk factors related to the issuer, its direct or indirect controller, or control group, shareholders, controlled and affiliated companies, suppliers, customers, as well as socio-environmental issues, risks related to regulation, foreign countries and sectors of economy where the issuer operates, in section 4 of the Reference Form, accessible on the BANRISUL Investor Relations (<http://ri.banrisul.com.br>) and CVM (www.cvm.gov.br) websites.

COMMENTS ON PERFORMANCE

The members of Banrisul's Executive Board, in accordance with CVM Resolution 81/22, comment in section 2 of the Reference Form on the main aspects relating to Banrisul, retrospectively to 2022 and 2023, the general financial and equity conditions, the Operating and financial results, of Events with material effects, occurred and expected, on the financial statements, of Significant Changes in accounting practices - Reservations and emphases in the Auditor's opinion, critical accounting Policies, relevant Items not disclosed in the financial statements, as well as the Company's Business Plan.

The directors' detailed comments on the institution's performance are available in section 2 of the Reference Form, accessible on the BANRISUL Investor Relations (<http://ri.banrisul.com.br>) and CVM (www.cvm.gov.br) websites.

CORPORATE GOVERNANCE STRUCTURE

Banrisul constantly seeks to improve its methods, policies and decision-making processes, in line with best market practices.

In recent years, it has become clear that Banrisul has evolved significantly in terms of adoption of governance practices, in line with the provisions of the Brazilian Code of Corporate Governance – Public Companies (CBGC), to improve the Institution's governance practices and generate value for its shareholders and society in general. This can also be confirmed in Banrisul's Corporate Governance Report. As of 2022, Fitch Ratings raised Banrisul's rating to AA-, and stated that it considers Banrisul's corporate governance to be strong and stable, without major changes to the bank's general long-term strategy.



**Fitch Ratings
raised Banrisul's
rating to AA-**

Listed at Level 1 of Corporate Governance of B3 SA Brasil, Bolsa, Balcão since 2007, the Bank fully meets the requirements of this listing level and additional aspects that are requirements for companies with shares listed on the Novo Mercado, giving it greater transparency, equity and adequate accountability, seeking to generate value for its shareholders and reinforce its credibility with investors and customers.

In this sense, the Board of Directors reports directly from the Audit Committee, the Risk Committee, the Eligibility and Remuneration Committee, the Social, Environmental and Climate Responsibility Committee in addition to **Independent Committees** created, exclusively for the purpose of mitigate possible conflicts of interest.

The company requires a minimum percentage of 30% of independent members in the composition of the Board of Directors, a requirement of the Novo Mercado and has established a commitment to cover at least 30% (thirty percent) of the vacancies

occupied in the bodies of the company by 2030. Senior Management, Fiscal Council and Statutory Committees, for Diversity.

In 2023, numerous statutory changes and policy updates were made to improve the company's performance and evolve the Corporate Governance report (Resolution 80/21 CVM). Banrisul, with 41 affirmative responses, presented, in 2023, an average adherence of 82.0%.

GENERAL MEETINGS

The Company's General Meetings are called at least 21 days in advance on the first call and 8 days in advance on the second call, in accordance with Law 6404/76.

As of the 2017 General Meetings, Banrisul began to adopt shareholder participation through remote voting, in accordance with CVM Resolution 81/22, enabling any shareholder to exercise their right to vote through a remote voting form, sent directly to the Company, in accordance with the rules available in the Meeting Manual.

Documents relating to the items on the Agenda are available to Shareholders at Banrisul's Headquarters and are also available on the website <http://ri.banrisul.com.br> - Corporate Governance - Assemblies and Meetings, also available on the B3 SA websites – Brasil, Bolsa, Balcão (www.b3.com.br) and CVM (www.cvm.gov.br) .

BOARD OF DIRECTORS

Banrisul has a Board of Directors, made up of a minimum of 7 and a maximum of 11 members, elected at the Company's General Meeting and dismissible at any time, with a unified mandate of 02 years, with a maximum of 03 consecutive reappointments permitted.

The members of the Board of Directors are elected without a specific designation, and the controlling shareholder, the State of Rio Grande do Sul, is responsible for designating the Chair and Vice Chair among the members.

EXECUTIVE BOARD

The Board of Executive Officers, which has executive functions, is comprised of a Chief Executive Officer, a Deputy CEO, and up to seven Executive Officers, shareholders or not, all of whom must reside in Brazil and have technical skills that are compatible with the duties of their positions, proven through academic background or professional experience, or experience in other matters deemed relevant and proven by documents. One of the members of the Executive Board shall be responsible for the Investor Relations Department, which may be accumulated with other executive roles, according to regulations issued by the Brazilian Securities and Exchange Commission. The Chief

Executive Officer, Deputy CEO, and other members of the Executive Board shall be elected, or re-elected, by the Board of Directors for a term of two years.

The Chief Executive Officer and Deputy CEO must be chosen among the members of the Board of Directors. It is mandatory that one of the members of the Executive Board be chosen among the employees with over ten years of service at the Bank, and must have technical skills that are compatible with the duties of the positions, proven through academic background or professional experience, or experience in other matters deemed relevant and proven by documents. The term of office of the members of the Executive Board shall be extended until their alternate members have filled the position.

___ AUDIT COMMITTEE

The Company's Audit Committee is a permanent body, in compliance with the standards of the National Monetary Council and applicable legislation, and can be shared with controlled companies, composed of 03 members who meet the requirements for carrying out the function, in accordance with current legislation and standards, elected by the Board of Directors at the first meeting held after the Ordinary General Assembly, with a term of office of 02 years, removable at any time, with reappointment permitted up to the maximum legally permitted. The Audit Committee must report directly to the Board of Directors.

___ ELIGIBILITY AND COMPENSATION COMMITTEE

The Eligibility and Remuneration Committee, a permanent functioning body, elected by the Bank's Board of Directors, which acts on behalf of the Company and its subsidiaries, is composed of 03 members, natural persons, resident in the country, with higher-level professional training and technical training compatible with the duties of the position, in addition to fulfilling the conditions for holding positions in statutory bodies of financial institutions and others authorized to operate by the Central Bank of Brazil, with a mandate of 03 years, dismissible at any time, and may be reappointed for the maximum period legally permitted.

___ RISK COMMITTEE

The Company has a Risk Committee, permanently operating, composed of a minimum of 3 (three) and a maximum of 5 (five) members with a mandate of 2 (two) years, appointed and dismissed by the Company's Board of Directors at any time, in accordance with the rules of the National Monetary Council.

___ SOCIAL AND ENVIRONMENTAL COMMITTEE

The Social, Environmental and Climate Responsibility Committee is a permanent body, composed of a minimum of 3 (three) and a maximum of 5 (five) members, appointed and dismissed by the Company's Board of Directors at any time, under the terms set out in rules of the National Monetary Council. The members of the Committee will be

chosen from among the members of the Board of Directors, the Executive Board and/or the Risk Committee, and may include up to three external members with technical qualifications compatible with the duties of the position. The term of office of the Committee member will be up to 2 (two) years and must coincide with the term of office in force in the other statutory body to which he or she belongs.

___ FISCAL COUNCIL

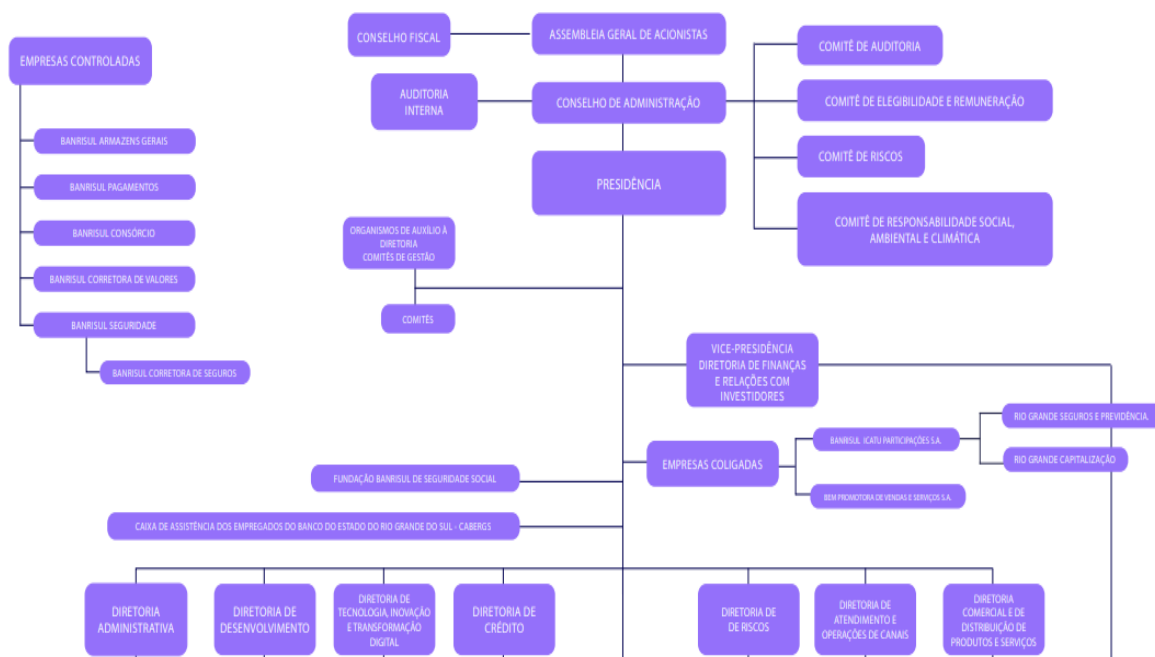
The Company's Fiscal Council is permanent and is made up of five members and an equal number of substitutes elected by the General Assembly, with a two-year term of office, with two consecutive reappointments permitted. Individuals residing in the country, who have professional training at a higher level and experience in exercising executive functions in senior management of institutions that are part of the National Financial System or other companies, are eligible to be members of the Fiscal Council.

___ COMMITTEES WITH AUXILIARY FUNCTIONS TO THE BOARD

The Company has internal committees, with the participation of employees, aiming to assist the Board in accordance with the interests of the Company, and internal regulations.

Members of the Committees will be the Superintendents and/or Managers, appointed by the Board itself, and, by their designation, Administrators of the Companies in which they hold 50% (fifty percent) or more of the share capital.

ORGANIZATION CHART OF THE STATE BANK OF RIO GRANDE DO SUL SA



Detailed information about Banrisul's Corporate Governance structure, and the composition of the Administration and bodies and Committees can be found in section 7 of the Reference Form, accessible on the BANRISUL Investor Relations (<http://ri.banrisul.com.br>) and CVM (www.cvm.gov.br).

CORPORATE GOVERNANCE POLICIES AND PRACTICES

Banrisul, reinforcing its commitment to good governance practices, joined Level 1 of corporate governance, a listing segment of B3 SA – Brasil, Bolsa e Balcão intended for the trading of shares issued by companies that voluntarily commit to the adoption of differentiated corporate governance practices and disclosure of additional information in relation to what is already required by current legislation.

Banrisul voluntarily adopted the following rules established for companies with shares listed on the Novo Mercado, which are included in its Bylaws, such as a minimum percentage of 30% of Independent Directors on the Board of Directors, and Banrisul's submission, its controlling shareholders, administrators and members of the Supervisory Board to the Regulations of the Market Arbitration Chamber of B3 SA – Brasil, Bolsa e Balcão, for the purposes of resolving conflicts that may arise, related to or arising from the application, validity, effectiveness, interpretation, violation and its effects, of the provisions contained in the Corporation Law, in the Bank's Bylaws, in the rules published by the CMN, Central Bank and CVM, in addition to those contained in the Level 1 Governance Regulation, the Arbitration Regulation and the Contract of Adoption of Level 1 Corporate Governance Practices.

**Bylaws
provide for a
minimum of 30% of
Independent
Directors**

Detailed information about Banrisul's Corporate Governance structure, and composition of the Administration and bodies and Committees can be found in section 7 of the Reference Form, accessible on the Investor Relations websites of BANRISUL (<http://ri.banrisul.com.br>) and CVM (www.cvm.gov.br) .

DESCRIPTION OF MANAGEMENT COMPOSITION AND COMPENSATION

The Company's Compensation Policy aims to establish the compensation criteria for its managers with a view to conducting business in an efficient and sustainable manner.

To establish this policy, the value generated to the organization, the risks of the activity, the market conditions in which Banrisul operates and the interests of shareholders are considered.

The compensation of the Directors is set by the General Meeting, and the Board of Directors is responsible for regulating the use of the compensation amount and its distribution among the members of the Board of Directors and the Board of Directors, observing the legal provisions and limits.

The members of the Board of Directors who are part of the Executive Board or the Audit Committee only receive the compensation attributed to those holding positions in these bodies and not that attributed to the members of the Board of Directors.

The members of the Board of Directors receive compensation whose global and annual amount is fixed by the General Assembly, with the Board of Directors being responsible for regulating the use and apportionment. The compensation comprises fees and representation funds. Directors who are former members of Banrisul's staff will be protected by the prerogatives established in its Personnel Regulations, and may choose to continue receiving their functional remuneration, an option also given to those seconded by public bodies, with the representation allowance added to this compensation.

A benefit package consisting of paid vacations of 30 days every 12 months is made available to the Directors of the Company and its subsidiaries, without prejudice to the overall monthly compensation, plus 1/3, meal allowance, health plan, supplementary pension and insurance.

Detailed information about Banrisul's Management policy and remuneration can be found in section 8 of the Reference Form, accessible on the Investor Relations websites of BANRISUL (<http://ri.banrisul.com.br>) and CVM (www.cvm.gov.br).

OTHER INFORMATION

TRAININGS

The Company provides annual training to Administrators, Fiscal Councilors and members of Statutory Committees to comply with Law 13,303/16.



**Annual training
for administrators,
fiscal councilors
and statutory
committees**

In the 2023 fiscal year, the participation percentage was greater than 99%. The training offers improvement and updating on corporate and capital market legislation, information disclosure, internal control, code of conduct, Law No. 12,846, of August 1, 2013 (Anti-Corruption Law), and other topics related to the company's activities public or mixed capital company.

EVALUATION

The evaluation of Administration bodies constitutes a fundamental step to assess the effectiveness of their performance, and contributes to improving the governance of the organization, which is part of the accountability of statutory bodies.

In accordance with art. 13, item III, of Law 13,303, of June 30, 2016, the Board of Directors carried out the assessment of the Management bodies for the 2023 fiscal year, which, after completion, was forwarded to the institution's Eligibility and Remuneration

Committee, of in accordance with art. 4th, item II, of RS State Decree nº 54.110/18, which was responsible for compiling the information.

In this way, the Eligibility and Remuneration Committee, in accordance with Law 13,303/16 and its duties, validated the compliance of the evaluation process of the Board Members, the Chief Executive Officer, the Board of Directors and the Statutory Committees for the year 2024 (reference 2023) and carried out a comparative analysis with the last assessment carried out at the beginning of 2023 (reference 2022).

**Assessment
of management
bodies is a
fundamental step
in measuring
performance**

The results of the evaluations were made available to the Board of Directors and discussed at a meeting held on 07/17/2024, which, in accordance with its powers and for the purposes of § 2, item II, of article 23, of Law 13,303/2016, declares that it carried out an annual assessment of the management bodies, and after verifying the compliance of the process carried out by the Eligibility and Remuneration Committee, concludes that the Management complied with the Company's business plan and long-term strategy, in the execution and pursuit of results.

Annual Corporate Governance Letter 2024, Base Year 2023, approved by the Board of Directors at a meeting held on 07/17/2024.

