

Banrisul's 3Q25 Results Presentation

Conference Call – November 14, 2025

Nathan Meneguzzi:

Good afternoon, everyone. Ladies and gentlemen, welcome to Banrisul's video conference to discuss the results for the 3Q25.

This video conference is being recorded, and the replay will be available directly at the IR website after our event.

Please note that this presentation has simultaneous translation into English. If you wish to listen to the interpretation, please click on the 'interpretation' button.

This event will be divided into 3 parts. We will start with the first section when Mr. Fernando Lemos, our CEO, will address the initial context of our Bank and results, and then Director Gonzaga will detail our performance for the 9M25 and the 3Q25. As usual, we will close this event with our traditional Q&A session.

This presentation will be available in the Zoom chat. It's already in our IR website available for download.

So, Mr. President, our CEO, please, the floor is yours.

Fernando Lemos:

Thank you, Nathan. Good afternoon, everyone, our Directors, all the participants in this chat. It's an honor to be here with you today to talk about Banrisul's results of this quarter and the 9M25.

Certainly, we have reached 2 years, and I have reached 2 years as a CEO at this Bank. So we have worked for the past 2 years, and we are very satisfied with the results achieved in this past 9M period, which shows the potency of power of Banrisul, almost R\$1 billion, and it shows the strong work and the positive effect of this work, the teamwork by the treasury, the loans portfolio, administrative control, recovery, all the range of new products developed by the Bank, all the services. 250,000 new accounts opened at our digital app, almost 300,000 by the end of November, which showed the strength of this digital front to renew our bases of customers.

We have been digitalizing everything we can, and it also shows how strong the economy of Rio Grande do Sul. 2 years ago, as you may know, there was a flood in Rio Grande do Sul, but the state has recovered very fast, very strongly, and it shows the entrepreneurship spirit of the state.

And our Bank keeps up with that. We still face some setbacks, of course, but we are very pleased with everything we have done to gain productivity and profitability of our Bank and the improvement of our performance among customers. We have over 80 robots working in the Bank using AI with very high standards of productivity. So for those repetitive jobs, or repetitive activities, we have replaced them with digital services.

And it also shows an expansion of our main networks of services, the Vero network. We have brought it definitely into the Bank business mix. It's not isolated anymore. Today, it's a formally

integrated product to our Bank, which allows us to advance the Bank in the opening and acquiring new clients in the world, especially in the level of retail.

In Rio Grande do Sul today, the presence of Vero is in the main stores, in the main points of sales. And also, we see the Bank working very strongly on this side. We have the expectation to continue to do that.

In foreign exchange, we have evolved. Rio Grande do Sul exports a lot, and as we have said to our people, to our team, we have been saying that we are a complex bank, several lines of products, and we have everything. In the digital services, we are aligned with any other fintechs. We are not below the competitors. So it has become a leverage for our customers, our individual accounts. And also to work with payrolls, systematically getting to work with new companies, other companies' payrolls.

So all of this work is the result of a focused strategy on the mix of our portfolio. We are not dependent on only one product on one service. We want to multiply that. And we have advanced in corporate loan. We have been specializing our managers to work with corporate clients, and this has helped us leverage our results.

It's a pleasure to welcome you here 2 years after I started working as the CEO. So these numbers show that we are on the positive side. Our ROAE has reached 2 digits, and we hope to keep up doing that, facing default, facing other setbacks that are normal, but we are very cautious regarding all of these fluctuations, and we are very rigorous in terms of the management of our portfolios. The first thing operators do today is to look at portfolios at the beginning of the day to check them and work profitably with them.

So the floor is yours now, Mr. Gonzaga. Thank you all.

Luiz Gonzaga Veras Mota:

Good afternoon. So let's talk about our main highlights. In the 9M period, we have had a result of R\$948 million, 50% above the same period of 2024 with 66% in comparison to the 3Q24, 66.7% increase in net profit and net income.

Our ROAE has stood out, especially in the year-over-year compared to 2024 with 4.4 p.p. And in the past quarter of 2025, R\$377 million against the R\$328 million that we produced in the past quarter. Till the end of September, we had a small decrease of 2.1 p.p.

And our net interest income in the 3Q of R\$1.6 billion with 11% increase in the past 12 months. And regarding last year, 2024, and in the 3Q, the increase was R\$377 million and now R\$328 million. So we have had a decrease of 2.1% in the net interest income.

In our loan portfolio, we had 11.1% increase in the 12 past month. And in the past quarter, it was stagnated in line with the figures disclosed in the 3Q. Cost of risk is in line with the past 12 months, 1.4%. It's under control in terms of cost of risk. And in the 3Q it is the same of 1.4% in cost of risk in total.

Our funding has always been a strong suit of the Bank. We have had a very good performance, 14.6% in the 12 past months. R\$107.0 billion in funding in all the services in all the main products in funding. And our administrative expenses, they have been contained rigorously, especially those expenses which we can better control.

Headcount has grown regarding the agreement. And according to the management work, we have contained these expenses, especially considering the collective wage agreement. So it's R\$1.2 billion.

In terms of profitability, we have 66.7% versus the 2Q25, moving on to 12.9% getting to the 3Q25, in the 2Q25 versus the 3Q25. And in the year, in the 9M, as I told you before, we reached 50% of growth in the result, R\$948 million versus R\$632 million in the 9M period versus the 9M25.

Very good results, a substantial result according to the work we have done in terms of containing expenses and increasing the revenues from tariffs. This is the trajectory that formed this result.

Our ROAE, 4.4 p.p. in the past year, we had in the 3Q24, 7.8% in the 2Q25, 14.3%. And now in the 3Q, it's 12.2%. So it's a 2-digit ROAE. In the past quarter, there was this small decrease of 2.1%, which leads to an increase of 3.4 p.p. if you compare the 9M24 to the 9M25.

In terms of net interest income, we had 11% 3Q24 versus the 3Q25 and 2.1% decrease regarding the 2Q25 in comparison to the 3Q. In the 9M24 versus the 9M25, there was an increase of the net interest income of 10%, notably the best balance and pace in terms of revenue growth.

In terms of loan portfolio, R\$64.0 billion versus R\$57.7 billion in September 2024. So it's a very stable figure in the loan portfolio. There was a slight decrease in annualized portfolios, and we have had commercial loans in corporate portfolio, 9.2% increase in physical or individuals. And corporate accounts have grown more, and we have worked on this area in the margin established by the market of Rio Grande do Sul. So we have penetrated more in this market, notably small and medium-sized companies.

For individuals, we have collateralized individuals portfolio of 70.0% as of September 2025. And according to our idea, we have foreign exchange initiative with an increase of 45.8% as of September 2025, R\$2.4 billion. Our state exports in a great deal, and we have worked very strongly to make this foreign exchange initiative grow, and we have worked to decrease our default ratio to make it get to 0.

In terms of our asset quality, 2.6, 2.8 depending on the individual versus corporate accounts. Per stage, we have 92% in the past quarter, 30th of September, 92.9% in Tier 1 and 5.9% Tier 3. According to Tier 2 portfolio, 27% has to do with Tier 3, but it's a healthy portfolio, no default. And we have actively worked to recover these assets, which is part of our strategy.

In terms of cost of credit and collective wage agreement, it's in the order of 5.68%, R\$191 million of collective wage agreement in this past period which contributed to the final performance of the Bank. And we have these quarters and 9M period in comparison.

In service fee, we had an increase of 1.3% in the past 9M, 5.8%, which is the collective wage agreement. In the total, it's 3.4% growth. But if you separate the expenses with headcount, human resources and administrative expenses, 3.4%. But administrative expenses outside of human resource were 1% against the IPCA of over 5%.

So we have managed to contain costs, and we have worked to do that, pricing rents and removing all the costs that we can cut. As our CEO says, we want to do that. We want to follow this strategy to cut costs, and we have focused on that. This is one of the axis that contributes to the Bank performance.

And we have personnel expenses, 5.7% and other administrative expenses in the order of 0.6%. And we have the lines of expenses that account for 3.4%, and R\$3.4 billion in the 9M24, and we have R\$3.5 billion in the 9M25. Some expenses are necessary like marketing and

expenses with sales of products to market our new products, when we launch new products. So marketing and media are part of the business.

In terms of service fee, we grew 1.3% in the 9M period. If we compare this 9M24 and 9M25, we grew 0.4% comparing 3Q24 to 2Q25 and 1.3% comparing the 2Q25 to 3Q25.

The Central Bank controls the expenses with some of our products. So we have to work with the products that provide us more freedom to do that. Specifically, Vero, we have mobility of price, but the competition is high and strong. So we have to work with a feasible price for the market, and also have exchange services. We have some degree of freedom, but we have to control this to retain our clients. So end users have to find this useful in foreign exchange.

In funding, in spite of the good growth in funding, we have maintained the cost of funding. The CDB, 83.3% versus Selic with 85% of cost of credit. So our funding is very good. In terms of cost, we have managed to maintain a good cost. We had a performance of 3%, but there was an operation of R\$1 billion of financial letters that we have captured, which is within this balance of R\$107.2 billion with a growth of 14.6% annualized result in the 9M24 versus the 9M25, 14.6%.

We have worked for the ALM of the Bank. The rate risk is nearly 0. Our prefixed funding is constant to give funding to our prefixed assets. Savings has remained stable. It does not grow, this portfolio does not grow so much. It has been stable. So if you do not make it grow, we will lose capacity to provide loans, but that's the market.

And in terms of savings market, we have had a good performance. In our administrative portfolios, R\$25 billion against R\$18 billion in the 3Q24 versus this quarter.

With the prefixed portfolio, we have CDB, our account. The residual accounts, we also have specific lines with prefixed CDB paying market price and financial letters, financial bills, which are also prefixed. We have managed to make this offset this balance without investing in derivatives for the capture or to manage liabilities in our assets. So we have worked in these accounts.

At the end of the year, we will have an offset between liabilities and assets in terms of indexation of interest rates. And we want to maintain the cost of risk at this level that we have managed to do.

In terms of capital, Basel ratio of 17.9%, there was a change here due to financial letters emission of R\$1 billion. They are subordinated financial letters. This is what leads to the results. So we have this LFSN in the order of R\$1 billion with a 10-year maturity term according to the Brazilian market. We prefer to do this operation instead of an operation in USD. We wanted to work with the local market, good price. We have good price of funding, acceptable interest rate, for a better and more comfortable position. And LFSN has this indexation that is good for us. So in June 2025, this ratio achieved 13.3%. And in September 2025, 13.6% as of now.

So these are the main macro figures of our Bank. And now we will go to our Q&A session.

Antonio Ruelle, Bank of America:

I have two questions. In terms of risk appetite, cost of risk, we are approaching a year of election. We have some incumbents discussing that we cannot think about credit portfolio acceleration. How do you see that the macroeconomic scenario? I would like to know about your coverage in terms of capital, you are doing well. And how do you face these perspectives? And considering the agrobusiness, maybe it will improve next year?

And my second question has to do with assets and liabilities. Mr. Gonzaga was talking about that today, it's much more about the indexing figures of these liabilities and assets, they are much closer. Which is the potential benefit of interest rate drop.

Ivanor Duranti:

Thank you very much, Antonio. Regarding credit appetite, credit growth, we will continue this strategy focused on operations with receivables, cash flow, small-sized companies, and we have a portfolio of R\$2.4 billion in this portfolio, which is the single account, the Conta Única. And in terms of digital, we have R\$170,00 million, we have been collateralizing the operations with credit cards flow, making business involving Vero, and so we have accounts receivable and accounts payables within the Bank.

Regarding individual accounts, we will focus more from next year on, when these payroll portfolios become more stable and more informatized. We will start working more with payroll portfolio. We understand this market share is interesting for us.

Regarding the agrobusiness, the Bank strategy is to help, make the cash flow of rural producers viable. We have been focusing on the financing of their costs, and we have been avoiding funding operations with a strategy to help and to support, give them the necessary conditions so rural producers can make their productions viable and feasible without removing the flow of working capital of their harvest, the 2025-2026 harvest production.

That's the Bank strategy. As the market has seen, we are aligned with the market. Our appetite is not so big in terms of operations without collaterals. And we have been watching the market. We have been watching the macroeconomic environment, it's stagnated. Inflation is under control, but interest rate is high. Companies have not demanded a high working capital, and they are rethinking when it comes to look for loans with banks.

Luiz Gonzaga Veras Mota:

In the past quarter, we have had reduced performance in terms of credit.

Regarding liabilities and assets operations under index, first, we have a balance. We have achieved a balance between liabilities and assets that is very good for years now. It's the best in years, what we have applied in assets and treasury.

What we hope for is that Selic interest rate will not go upward will, not go higher than what we have. But we have a pricing margin for operations that are pre-fixed operations with fixed rates, which are not based on CDI. But we always work with a certain margin. 15%, we always place a smallest coefficient to price our assets to be on the safe side.

So given the scenarios, given the outlook for this the quarters of 2026, I hope the Selic interest rate reaches 14% or has decreased slightly. We do not know how the economic agents will behave. If we have elections next year, we have different factors that will affect the macroeconomic outlook, but we hope that this Selic interest rate will be below 15%. Everything that is below 15% will be better for us. It will be a profit for us because we have worked with this 15% idea.

So we hope we can take advantage of this decrease in the interest rate that is expected and improve the spread we have today and maybe to help us with some level of default that may always happen. So we have this margin. We have very good control over default, however. So we hope that this drop in the interest rate will turn into benefit for us.

Antonio Ruette:

If you allow me just for a follow-up regarding credit and loans, in terms of Selic, we see your Company growing in double digits, SME growing, and we have seen several cases and several companies suffering with the interest rate. And I would like to know if you want to make your corporate portfolio grow.

Ivanor Duranti:

We have been focused on small and medium-sized companies. This was a market that the Bank was not adhering to, was not penetrating so well. And we have designed a good strategy to look for these companies, making the best choices in the market with receivables, collaterals and bringing accounts payables within the Bank, with payroll services to grow in terms of individual accounts too. And we do not have any concerns now regarding a possible RJ in this next period because we have been working with the small and medium-sized companies.

We do have some big companies here in Rio Grande do Sul and in Santa Catarina, but these are operations that bring within themselves a percentage of collaterals and guarantees due to these working flows of these big companies in terms of interest rates with Conta Única, single account, and the monthly installments that are being amortized in the credit operations.

Mateus Raffaelli, Itaú BBA:

Thank you. I would like to explore with you the dynamics for payroll services. The portfolio is not in your focus in this year according to the dynamics showed by several banks, and there was the problem with the INSS, but we have seen some banks retaking the uptake of INSS and checking or solving their problems with biometrics. What about your Bank? What about the INSS? And if you want to make this payroll portfolio grow next year, if you reconsider private payroll and INSS.

Ivanor Duranti:

Thank you, Mateus, for your question. So regarding payroll, our portfolio today has a significant proportion of the state public payroll. Contextualizing to explain this to you, this portfolio, we operate 120, 150 months going up to 45% some months ago. So the state prefixed this in 38% in 84 months. So we will readapt to it because we need to work with the amortization of the significant amount for clients to come up with that. When this portfolio was created, we had the Selic interest rate varying from 8% to 10%. So today, in the pricing, it's above this level. So we have an impact.

Regarding INSS, we have had the biometrics problems we all know about. We have made the necessary adjustments, and we hope that in the near future, we will make this portfolio grow.

Regarding CLT payroll and private companies payroll, we have adapted our platform, and we are waiting for data and strategy. And next year, we hope to have a better development in this portfolio. Of course, we are not going to work in the long run. We know some banks are working with 120 months, but we will work with a smaller period, a shorter period because this needs to be a certain turnover in the short run in a more adequate way, so clients can feel the liquidity of this and reinvest as they need more resources.

João Victor (via webcast):

Can you comment on the performance of private payroll portfolio and your appetite for this product in the coming quarters?

Nathan Meneguzzi:

I believe Director Ivanor have already answered that.

João Victor:

Can you talk about Banrisul's payroll, or any change in the VAVR card rules?

Luiz Gonzaga Veras Mota:

We have decreased the payroll for 84 months, but the state has implemented a deep change. If the margin is 35% over 6,000, for example. So 35% on average of the debt was removed. This is very good because these portfolios that are coming will be very strong and healthy portfolios. I mean, these portfolios will be related to what employees are able to pay or spend.

According to the state, we have until the end of the year, December 31, to decide to buy. We are working with audit companies for the compliance, services. We have to work with the members of the Board and to deal with the operation. We have some more audits to run to price the portfolio, and another audit service that will work in compliance with that price to check if the price is compliant with the market price.

And we will be negotiating with the state of Rio Grande do Sul. Our idea is in the 5- or 10-year period, let's wait to see how this operation goes. The federal is paying 103% on the liquid amount. So if it's R\$10,000 in the payroll, R\$3,000 are discounted and the federal government pays 103% over the net amount. This is a parameter of negotiation. We can take into a negotiation with the state. PMT is paid over time, and then we can check how things go.

We will try to find the best price possible considering the market for the payroll portfolio. We have to take into consideration the major change that has happened in this payroll market, which is the freedom to portability. So employees now have a freedom to take their portfolios wherever they want, and their resources, they can have access to their resources in 24 hours if they want to get the payroll. But all of these factors are taken into consideration.

Capacity to charge for fees from employees is also a factor. We did not have that in 2016 when we bought this payroll service. There is a table of interest rate for overdraft that we didn't have in the past. We have a price for credit cards. So there is a series of variables that this market is now very limited, very restricted in terms of profitability we can achieve. This is good for the end consumer. This is good for the consumer.

More and more consumers will have a better idea on how much they can spend, and we will be better able to provide services to our clients. So everyone has to be very smart about personalized and customized service we provide to our customers. So if you do not take good care of our customers or clients, they will look for other banks.

Yes, we have several variables to consider in this negotiation. So it will depend. We will give our price and see how much they can pay for this service.

Nathan Meneguzzi:

Thank you very much, directors and CEO. This was the final question in this call. I would like to thank you all for your participation. Thank you, everyone, for taking part in this video conference. See you next quarter. Take care.

"This document is a transcript produced by MZ. MZ uses its best efforts to guarantee the quality (current, accurate and complete) of the transcript. However, it is not responsible for possible flaws, as outputs depend on the quality of the audio and on the clarity of speech of participants. Therefore, MZ is not responsible or liable, contingent or otherwise, for any injury or damages, arising in connection with the use, access, security, maintenance, distribution or transmission of this transcript. This document is a simple transcript and does not reflect any investment opinion of MZ. The entire content of this document is sole and total responsibility of the Company hosting this event, which was transcribed by MZ. Please, refer to the Company's Investor Relations (and/or institutional) website for further specific and important terms and conditions related to the usage of this transcript"