

(Convenience Translation into English from the  
Original Previously Issued in Portuguese)

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

Consolidated Interim Financial Statements in  
IFRS for the Three- and Nine-month  
Periods Ended September 30, 2023 and  
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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## REPORT ON REVIEW OF 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 consolidated interim financial statements of Banco do Estado do Rio Grande do Sul S.A. ("Bank"), which comprises the balance sheet as at September 30, 2023, and the related statements of income and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB. Our responsibility is to express a conclusion on these 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 Statements (NBC TR 2410 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 did not express an audit opinion.

### **Conclusion on the consolidated interim financial statements**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements referred to above are not prepared, in all material respects, in accordance with the international standard IAS 34 - Interim Financial Reporting, issued by the IASB.

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## Other matters

### *Consolidated statements of value added*

The consolidated interim financial statements referred to above include the consolidated statements of value added - DVA for the nine-month period ended September 30, 2023, prepared under the responsibility of the Bank's Management, and disclosed as supplemental information for purposes of international standard IAS 34. These statements were subjected to review procedures performed together with the review of the consolidated interim financial statements to reach a conclusion on whether they are reconciled with the 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 consolidated interim financial statements taken as a whole.

### *Convenience translation*

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

Porto Alegre, November 10, 2023

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes Ltda.

Carlos Claro  
Engagement Partner

# FINANCIAL STATEMENTS UNDER IFRS

September 2023



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# Management Report

# 9M2023

We present the Management Report, parent and consolidated Financial Statements of Banco do Estado do Rio Grande do Sul S.A., for the first nine months of 2023, prepared in accordance with the IAS 34 – Interim Financial Reporting issued by International Accounting Standards Board (IASB).



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## MANAGEMENT REPORT

We present the Management Report, parent and consolidated Financial Statements of Banco do Estado do Rio Grande do Sul S.A., for the first nine months of 2023, prepared according to the International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB, and in compliance with the requirements and guidelines of the National Monetary Council - CMN.

### Economic Scenario

Economic activity proved surprisingly resilient in the United States (US) and Europe, as well as in emerging countries such as Brazil, after a start to the year underscored by fears of a global recession, especially amid the expected repercussions following a significant contractionary monetary policy, such as the one that has been adopted by advanced economies and – in Brazil – since mid-2022, as supply shocks caused by the Covid-19 epidemic and, later, by the Russia-Ukraine war, gave way to a gradual normalization of global supply chains. In this sense, China has become the exception by frustrating expectations of a steady recovery of its activity expansion. Lastly, also within this context, it is important to emphasize that despite the mild inflation momentum in much of the world, it persists above the targets set by monetary authorities. Overall, the international economic scenario proved to be less adverse during the first nine months of the year than what was expected at the end of 2022.

In Brazil, following the unexpected GDP growth in the first quarter of 2023, mostly stemming from the extraordinary agribusiness performance, once again, the country's economic activity exceeded expectations in the second quarter, this time mainly fueled by the services sector and the mining industry. With regards to inflation, the IPCA (extended consumer price index) accumulated a 5.19% increase in September year to date, partially recovering the deflation seen in some months of the second half of 2022. Furthermore, price behavior allowed the beginning of a downturn cycle in the basic interest rate (Selic) to 12.75% p.a. and the monetary authority announced it will continue with the interest rate cutting cycle at the upcoming meetings.

Finally, the average balance of credit in Brazil in August 2023 year to date grew by 12.77%, especially in the individuals segment, which advanced by 16.15%. The average delinquency ratio was 3.26% in 9M23, slightly higher than pre-pandemic levels. In Rio Grande do Sul state, total balance of credit grew by 17.42% during the same period and the average delinquency ratio stood at 2.57%, according to the Central Bank of Brazil's regional credit data. It is worth noting that the Rio Grande do Sul's economy underperformed the Brazilian economy in the first half of the year, severely impacted by the drought in the region and the smaller share of services and extractive industry in the state's economy.

### Company and business strategy

The strategy approved by Senior Management is defined with employees' participation, and it is yearly reviewed, built on a consolidated methodology that reiterates the Bank's commitment to the strategic objectives for the upcoming years.

Banrisul remains committed to its purpose of promoting Rio Grande do Sul's economic and social development, as a financial and transformational agent in people's lives, offering products that foment micro, small and medium-sized business, in addition to payroll agreements with several state and municipal agencies. Fine-tuned with a vision of being a state-owned, profitable, robust, and competitive bank, connected with communities, offering excellent services, and reiterating its strategy grounded in five pillars:



Customer



People



Transformation



Efficiency



ESG





Customers are Banrisul's largest asset, and, therefore, the core focus of its strategic planning, which aims at providing excellent services that build up the on-site and online connection, offering the best financial solutions experience that meet each customer's needs and objectives, prioritizing satisfaction level. Banrisul has also advanced in the high-income customers segment, Banrisul Affinity, offering qualified, customized and resolute services. Value deliveries in the customer journey reflect continued advances in products and services made available on digital channels to the extent they keep pace with technological transformations in the banking sector. The rebranding aims at promoting simpler, lighter, more direct, instructive and global communication.

The Bank's agile and transformational culture promotes employee development and build up engagement and motivation through transparent and humanized management. Aimed at reinforcing the team and bringing new talents to Banrisul, 259 new employees approved in public service exams were hired to work in the information technology areas, and 703 in overall staff, expanding the on-site teams at the branch network. The Diversity, Equity & Inclusion topic has been headed by a volunteer participation committee and four affinity groups to discuss topics, such as race/ethnic group, equal gender, people with disabilities, and the Affinity Group LGBT+.

The Bank's focus on Transformation reiterates the organizational culture appreciation that promotes innovation, with continued business optimization, fomenting value-added partnerships, keeping Banrisul competitive in the market, and consolidating technology in the pursuit of results. The Bank supports various initiatives to ramp up the innovation ecosystem, it also takes part in great events and summits comprising several areas, building an environment of development for businesses and stimulating partnerships to shape solutions for challenges and reach new markets.

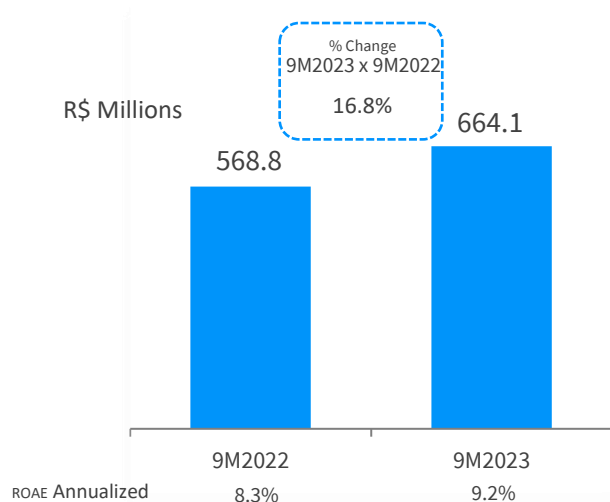
Operational efficiency is built daily through the synergy of employees' and business partners' efforts, delivering solid and measurable results, and informing objectives achieved on a clear, continued, and straightforward basis. The Bank develops on a set of actions to control expenses, expedite and streamline processes, based on the efficient use of resources, risk management improvement, adoption of best practices, and IT infrastructure and architecture improvement, stepping up customer service digitalization. To add more quickness and assertiveness in responding to customers' demands, besides optimizing the use of human resources, Banrisul has been enhancing its smart virtual assistant, Bah, to clarify doubts about the Bank's online channels.

Banrisul promotes the maintenance of the planet's sustainability and diversity, valuing wealth and seeking to identify sustainable development opportunities in the value chain, with inclusive and mindful governance. The Bank also maintains lines of credit concerned with sustainable practices financing, such as the deployment of photovoltaic energy systems, biodigesters, and low-carbon agriculture; and has been working on its Sustainability Strategic Agenda, including goals and commitments by 2030 in topics, such as practices related to diversity, equality and inclusion, financial education, businesses with sustainability criteria, fomenting innovation, and climate change-related commitments.

## Consolidated Performance

Calculated in accordance with International Accounting Standards – IFRS

### NET INCOME



Banrisul's net income moved up 16.8% to R\$664.1 million in 9M23, or R\$37.0 million higher than in 9M22. The year-on-year increase was primarily driven by: (i) net interest income growth(ii) the largest flow of credit loss expenses; (iii) the increase in service provision revenues, especially Banrisul Payments revenues; (iv) the increase in personnel expenses, which reflects the category's collective agreements and the hiring of new employees, as well as the accounting, in 3Q2022, of

the costs of PDV 2022, whose dismissals occurred between April and August 2023; (v) growth in other administrative expenses, mainly expenses with specialized technical services and amortization and depreciation; (vi) the lower flow of expenses with labor, tax and civil provisions, (vi) the unfavorable trajectory of other operating revenues and expenses, impacted mainly by the comparative basis, since in 2Q2022 there was the reclassification of the exchange rate variation, previously recorded in equity net, due to the drop in investment abroad; and (vii) the consequent tax effect.

R\$ Million	9M203 BRGAAP	Adjustments	9M203 IFRS	9M2022 IFRS	Δ%
Net Income with Interest	3,609.5	(52.5)	3,557.0	3,009.1	18.2%
Dividend Revenue	(192.1)	-	(192.1)	(256.7)	-25.1%
Net Gains (Losses) on Financial Assets and Liabilities at Fair Value	41.9	-	41.9	108.6	-61.4%
Result of Exchange Variation of Assets and Liabilities in Foreign Currencies	1,664.1	-	1,664.1	1,548.1	7.5%
Income from Services Rendered and Bank Fees	(826.0)	217.0	(609.0)	(374.0)	62.8%
Expected Losses of Financial Assets	(3,785.4)	11.9	(3,773.5)	(3,647.6)	3.5%
Other Operating Income (Expenses)	(1,807.7)	-	(1,807.7)	(1,747.5)	3.4%
Personnel expenses	(1,239.8)	11.9	(1,227.8)	(1,170.7)	4.9%
Other Administrative Expenses	(376.8)	-	(376.8)	(343.2)	9.8%
Tax Expenses	77.7	-	77.7	52.2	48.9%
Result of Participation in Affiliates	350.9	-	350.9	500.7	-29.9%
Other Operating Income	(459.6)	-	(459.6)	(358.7)	28.1%
Other Operating Expenses	(330.1)	-	(330.1)	(580.5)	-43.1%
Result Before Income Taxes	512.0	176.4	688.4	387.6	77.6%
Income Tax and Social Contribution on Profit	55.0	(79.4)	(24.4)	181.2	-113.4%
<b>Net Income</b>	<b>567.1</b>	<b>97.0</b>	<b>664.1</b>	<b>568.8</b>	<b>16.8%</b>

### Shareholders' Equity

In September 2023, Banrisul's shareholders' equity came to R\$9,682.3 million versus R\$9,520.3 million in December 2022, mainly reflecting the incorporation of the results delivered, the payment of interest on equity, the actuarial liability re-measurement referring to post-employment benefits (IAS 19 - R1), foreign investments forex variation, and treasury shares acquisition.

## Total Assets

Total assets came to R\$124,169.9 million in September 2023, 9.2% higher than in December 2022. In assets composition, loan operations accounted for 42.5% of the total, treasury investments (marketable securities, added to interbank investments, cash and cash equivalents, and derivative financial instruments) 39.9%, compulsory deposits at Bacen 9.3%, and other assets 8.5%.

Treasury investments went up 12.7% to R\$49,560.7 million in September 2023, from December 2022, reflecting higher funding in the open market, financial bills investments, and other financial liabilities, and deposits, within a context of loan operations.

Banrisul has financial capacity evidenced by technical studies developed in-house and intends to hold until maturity the securities classified as “held-to-maturity”, pursuant to Article 8 of the Central Bank of Brazil (Bacen) Circular Letter No. 3,068/01.

## Products and Services

### Loan Portfolio

Banrisul strongly and sustainably foments the economic and technological development of the regions in which it operates, enabling businesses development and maintenance and, consequently, generating employment and income.



**Loan Portfolio**  
**R\$52,556.0 million**  
**in September 2023**  
**+6.7% in 9 months**

In September 2023, Banrisul's loan operations grew by R\$3,280.7 million compared to December 2022, highlighting rural credit advancement.

Below, a breakdown of loan operations by portfolio:

Total Credit Breakdown – R\$ million	Sep 2023	Dec 2022	Jun 2023/ Dec 2022	
			Absolute Chg.	Chg. %
Loan portfolio	<b>52,556.0</b>	<b>49,275.3</b>	<b>3,280.7</b>	<b>6.7%</b>
Individuals	<b>41,397.6</b>	<b>37,771.5</b>	<b>3,626.1</b>	<b>9.6%</b>
Credit Card	2,123.4	2,006.4	117.0	5.8%
Payroll Loans	20,263.3	20,358.9	(95.6)	-0.5%
Personal Loans – not Payroll	2,654.0	2,304.8	349.2	15.2%
Real Estate Loans	5,383.3	4,952.8	430.5	8.7%
Rural Loans and Development	9,868.4	7,102.9	2,765.5	38.9%
Other	1,105.1	1,045.7	59.4	5.7%
<b>Companies</b>	<b>11,158.4</b>	<b>11,503.8</b>	<b>(345.5)</b>	<b>-3.0%</b>
Foreign Exchange	1,060.7	1,365.8	(305.1)	-22.3%
Leasing	3,193.1	3,507.4	(314.3)	-9.0%
Guarantee Business Account	476.9	385.0	91.9	23.9%
Real Estate Loans	350.4	187.0	163.4	87.4%
Rural Loans and Development	4,706.4	4,607.3	99.1	2.2%
Others	1,370.8	1,451.3	(80.5)	-5.5%

Of the total loan portfolio presented above, 89.2% are classified as stage 1 (operations that do not present a significant increase in credit risk and are not overdue for more than 30 days). In stage 2 (credit operations that are past due between 30 and 90 days and/or present a significant increase in credit risk) 8.5% of the total are classified, and in stage 3 (operations that are past due for more than 90 days and/or show evidence of credit deterioration, both in individual and collective assessments), 2.3%.

Severe weather have hit the Rio Grande do Sul state in recent months, and to assist the municipalities, the population and companies affected by it, Banrisul made an emergency line of credit available in June 2023, the CPB - Crédito Pessoal Banrisul - Emergencial (Banrisul Personal Credit - Emergency), for customers living

in the municipalities hit by the cyclones and later by the floods, and also specific lines for renegotiating credit operations in installments, with a 6-month grace period, for individual and corporate customers in the municipalities of Vale do Taquari; at the end of September 2023, R\$7.6 million were contracted in 624 operations of the CPB Emergency line of credit. PEAC - Emergency Program for Access to Credit – Emergency was another emergency credit line designed to companies in the municipalities affected by the climatic events that occurred in June and September 2023, and made R\$9.1 million available by the end of September 2023.

### Funding and asset management

Funding, consisted of deposits, funds in bank notes, subordinated debt, and assets under management, amounted to R\$91,320.5 million in September 2023, mainly composed of 56.1% of time deposits, 18.2% of assets under management, and savings deposits with 12.1%.

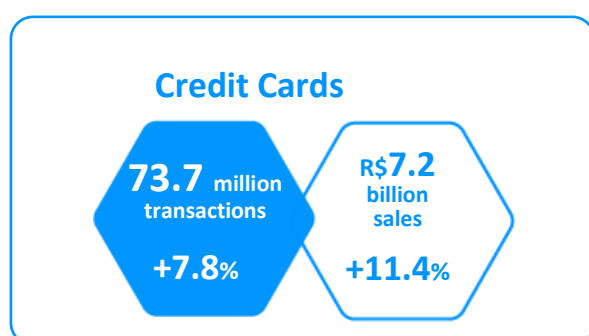
Breakdown of Funds by product – RS Million	Sep 2023	Dec 2022	Sep 2023 / Dec 2022	
			Absolute Chg.	Chg. %
Total deposits	68,555.7	67,615.9	939.8	1.4%
Demand deposits	3,655.6	4,788.2	(1,132.6)	-23.7%
Savings deposits	11,086.5	11,294.5	(207.9)	-1.8%
Interbank deposits	2,390.5	2,563.7	(173.2)	-6.8%
Time deposits	51,228.2	48,953.4	2,274.8	4.6%
Other deposits <sup>(1)</sup>	194.9	16.1	178.8	1,109.9%
Bank notes <sup>(2)</sup>	5,048.3	3,271.5	1,776.8	54.3%
Subordinated debt	1,104.6	1,170.4	(65.8)	-5.6%
<b>Total funding</b>	<b>74,708.7</b>	<b>72,057.8</b>	<b>2,650.9</b>	<b>3.7%</b>
Assets under management	16,611.9	15,864.8	747.1	4.7%
<b>Total funding</b>	<b>91,320.5</b>	<b>87,922.6</b>	<b>3,397.9</b>	<b>3.9%</b>

(1) Includes charge values for prepaid benefit and business cards from the subsidiary Banrisul Pagamentos, authorized as an issuer of electronic currency in July 2023. (2) Bank, real estate loan, agribusiness, and subordinated notes.

Since August 2023, Banrisul has raised the Agribusiness Letters of Credit - LCA rates, aimed at increasing its competitive potential in this product. In September 2023, Banrisul released new CDB contracting conditions for companies, offering daily liquidity investments or a one-year grace period for early redemption, at competitive rates.

### Credit and Debit Cards

At the end of September 2023, Banrisul recorded a base of 1.2 million credit cards under the Mastercard and Visa brands. Income from the credit, credit card fees, and BNDES cards totaled R\$483.9 million in 9M23. The BanriCard line of benefit and business cards grossed R\$1,456.6 million in 9M23, 15.0% higher year on year.



In 2023, Banrisul's credit card app, recognized by CardMonitor in October 2022 as one of the best apps available in the Brazilian market, enhanced functionalities offered to customers, such as the chargeback extended to corporate customers, and the chatbot via the app, facilitating services with specific questions before directing them to the operator. In August 2023, an option for evaluating services was made available in the Banrisul App's Credit Card menu, enabling users to submit

improvement projects and new service options. In September 2023, 88% of credit card invoices were made available only in the online format, and credit cards contracted via the INSS Banrisul Mastercard are now implemented by virtually signing the adhesion statement.

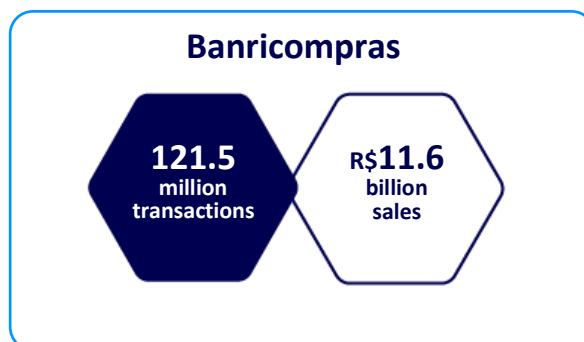
Banrisul Mastercard credit cards offered customers interactive activities at the 2023 Expointer, in a lounge next to the Banrisul branch in the fairgrounds.



Banrisul reward program, Banriclube, offers customers the convenience and diversified products and services to redeem their points in travel and home appliances directly on the website or transfer them to business partners. The Banriclube can be accessed via Banrishopping, Banrisul's online store.

To bolster its performance area and enhance customers' experience, Banrisul announced that the Banricompras card can be accepted by different merchants accredited throughout Brazil, under the cash, backdated, and installment payment modes. Merchants' registration along with Banricompras does not occur automatically. We expect this brand acceptance through new businesses to advance on the market as of early 2024.

Launched in June 2023, BanriPay is a digital card wherein payments using Banricompras are made on the Banrisul App via mobile phone and, as from July 2023, are also made in the App's initial screen. The BanriPay is exclusive for Android smartphones with contactless payment technology and can be used by individuals and corporate current account holders, at Vero acquiring network and TEFs of accredited merchants.



### Vero acquiring network

Vero ended 9M23 with 137.9 thousand active accredited merchants with transactions in the last 12 months. During the first nine months of 2023, 369.7 million transactions were captured, up 13.8% from 9M22; of which 261.7 million were with debit cards, and 108.0 million credit card transactions. The financial volume transacted totaled R\$33.7 billion, 8.5% higher than in 9M22, of which R\$18.7 billion came from debit cards and R\$15.0 billion from credit card transactions.

In 2023, Vero launched the Tap On Phone solutions enabling customers to convert their smartphones into contactless payment machines, also payment links, to receive online payments conveniently and safely. Other features in the period included authorization for corporate customers' accreditation along with Vero, and machine requests via the Banrisul App, and the availability of a new model of SmartPOS with a physical keyboard that improves user accessibility and experience, besides broadening authorized app portfolio for the use of Vero Smart machines.

In an event held in April, Vero was recognized by Elo as the 2022 highlight for the second consecutive year, in the Quality and Efficiency Category, and won the Excellence Award in Processing and Settlement – Credit. Vero also received the Top Consumer Award – Respected Brands, from Revista Consumidor RS in two categories: Customer Relations Excellence and Technology & Innovation.

### Insurance

Banrisul Corretora de Seguros (Insurer) makes available to customers a varied portfolio of insurance products, such as personal insurance, property insurance, rural insurance, savings bonds, and supplementary private pension plans. Aimed at bolstering business, enhancing processes and brand visibility as well as improving customer experience from product search (pre-purchase) to after-sales, various solutions were launched on different channels: i) Banrisul Corretora de Seguros website ([www.banrisulcorretoradeseguros.com.br](http://www.banrisulcorretoradeseguros.com.br)) was developed, with information on the products sold, contact details for partner insurers, integration with the Banrisul App when accessed via mobile channel, and Auto and Home insurance quotes, among other features; ii) redemption amount for private pension certificates via the Banrisul App increased; iii) Digital Life insurance was made available on the Banrisul App, which is a life insurance product that can be tailored by the customer; iv) Rural Insurance contracting was improved by enabling customers to carry out self-inspection of their agricultural equipment; and v) multi-calculation tool was made available in internal channels for agricultural insurance, expediting product quotes and contracting. As regards sustainable practices, measures were implemented to reduce the number of printouts at branches. Banrisul adopted emergency measures with partner insurers to provide support and prioritize assistance in places affected by the floods in Rio Grande do Sul state.



Insurance premium collection, pension contributions, and savings bonds came to R\$3.0 billion in 9M23, up 49.8% from 9M22. Total revenue came to R\$278.4 million, 18.6% higher than in 9M22; out of these, income from insurance brokerage commissions totaled R\$213.7 million in 9M23. In September 2023, Banrisul recorded 2.2 million active insurance transactions.

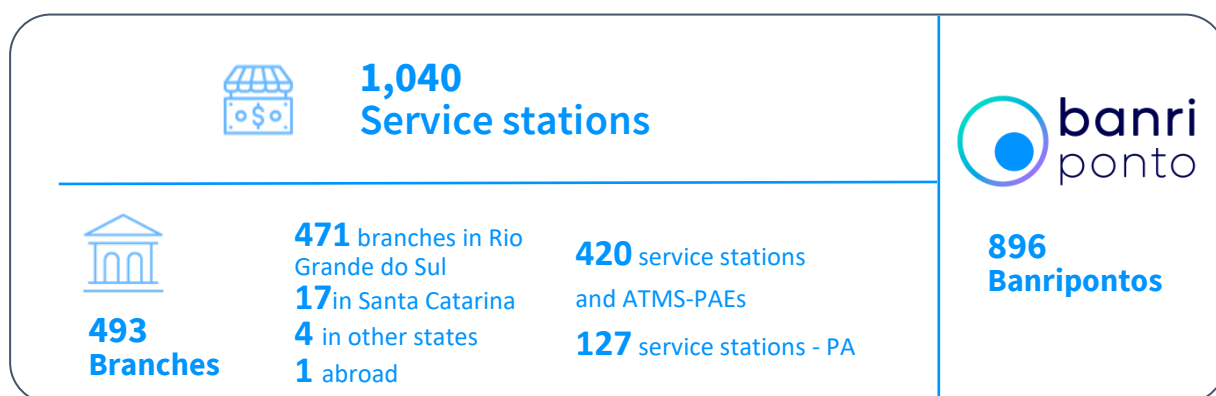
## Customer relationship

As part of the relentless pursuit of customer service advancement in the different channels, especially in its own on-site service stations, Banrisul completed the installation of the Customer Management Terminal – TGA in 3Q23. The TGA enables branches to fully manage their service flow, and the Bank to generate corporate data and information on customer behavior at the service station. This information is also used to manage service quality indicators, which impact branch performance and are now part of the Bank's employee compensation and career planning metrics.

Aimed at improving customer perception of the revamp of branch services, several back-office streamlining projects are being developed in line with sustainable practices, by reducing the use of paper at on-site service stations through the use of digital and electronic signatures, optimizing daily work at branches and freeing up people for customer relations. Focused on increasing security, enhancing control over accountability as well as mitigating risks and reducing back-office operations at the branches, 205 smart safes have been installed in several regions of the state.

In order to broaden the on-site service network scope, Banrisul's customers rely on Banripontos, which are accredited merchants wherein various banking services are offered with flexible hours, handiness, freedom and convenience of selecting the nearest establishment.

On May 8, 2023, the Board of Directors approved to voluntarily shut down the Grand Cayman branch's activities, and work began as of June 2023.







Banrisul relies on an Ombudsman Office as a last resort to solve customers'/users' complaints when primary service channels do not answer satisfactorily. Through this channel, 3,674 complaints were received in 9M23, of which 746 referred to protocols registered in the Ombudsman channel, including letters answered, 1,125 referred to complaints registered at Bacen, and 1,803 from the Procon (Consumer Protection and Defense Program). Through careful analysis and identification of the root cause of the problem reported, complaints registered in the Ombudsman service channels are used as inputs to enhance processes, products, and services, seeking to avoid recurrences, preventing litigation, and offering a positive response to all customers and users. Therefore, complaints received are considered as an opportunity to detect flaws, reassess processes and create solutions that result in product and service advancement, then, inserted in a process that pursues continued improvement. Weaknesses identified by Ombudsman when treating demands are inserted into the same corporate environment used the Bank's by risk and controls, contributing to build a consolidated information framework that enables managers to better assess their risks.

### Digital channels

Banrisul's digital channels accounted for 83.6% of transactions carried out in 9M23, including all channels available (digital, ATM, correspondents, cashier, Banrifone), versus 81.5% in 9M22.

**83.6% of transactions in 9M2023  
were made via online channels**

In 9M23, Internet Banking (Home e Office Banking) and Mobile Banking (My Account, Affinity, and Office App), accessed via Banrisul App recorded 441.0 million accesses, 10.4% higher than in 9M22, an average of 1.6 million daily accesses. In 9M23, transactions carried out via these channels increased by 11.3%, where the number of financial transactions came 21.4% higher, and the volume transacted moved up 6.1%, year-on-year.

Given that security is one of the Bank's priorities, some advancements were implemented in 2023, such as a wide range of transactions covered by the Anti-Fraud System and extending chargebacks to corporate customers. The digital experience was enhanced by implementing shortcuts to key banking services and the availability of new products on the App, such as contracting sales poll quotas and life insurance, the Tag Banrisul Veloe, and the BanriPay, besides new services, such as accounts association and dissociation, using personal information from Open Finance data and more speed for customers to contact their branches or account manager. Other services were improved, such as managing financial transaction limits, Banrishopping available to corporate customers and VeroPay and BanriSaque presented alongside the other products.

The Banrisul App was rated 4.0 in the Play Store and 3.1 in the Apple Store (on a scale of 1 to 5) at the end of September 2023.

## Banrisul Group Operating Segments

### Banrisul Pagamentos (Cards)

Banrisul Pagamentos manages the Vero acquiring network, and also the issue of BanriCard benefits and business cards that recorded 137,9 thousand active accredited merchants and 5.7 thousand active arrangements, respectively, in September 2023. In July, 2023, the Central Bank of Brazil authorized Banrisul Soluções em Pagamentos S.A. – Instituição de Pagamento (Banrisul Pagamentos) to operate as a Payment Institution, under the modes of electronic currency issuer, post-paid payment instrument issuer, and accrediting agency, pursuant to BCB Resolution no. 81/2021.

Banrisul Pagamentos' net revenue totaled R\$383.9 million in 9M23, in line with 9M22 figures. Cost of services rendered came to R\$151.9 million, while net operating expenses, mainly combining administrative and personnel expenses totaled R\$71.3 million. Financial revenue amounted to R\$311.1 million, up 45.1% from 9M22, of which anticipation of sales receivables increased by 43.3% and financial revenue by 80.2%. The anticipation of sales receivables reached R\$6.6 billion in 9M23, or 41.2% of volume subject to anticipation, volume 26.9% higher than 9M2022.



### Banrisul Administradora de Consórcios (Sales Poll Groups)

Banrisul S.A. Administradora de Consórcios manages sales poll groups in the automobile, motorcycle, and real property segments, as an alternative to acquire assets, making available to households and businesses access to solar panels, machinery, and agricultural equipment to rural producers. In 9M23, 82.9 thousand sales poll group members (quotas) were active.

The volume of letters of credit totaled R\$6.8 billion in 9M23, with 9.7 thousand draws, making available to the market R\$646.3 million in credit.

### Banrisul Seguridade Participações (Insurance)

Banrisul Seguridade Participações S.A. (Seguridade) operates in the insurance market, private pension plans, and savings bonds at Banrisul's channels, through its subsidiary Banrisul Corretora de Seguros S.A. (brokerage house).

### Banrisul Corretora de Valores Mobiliários e Câmbio (Brokerage House)

Banrisul S.A. Corretora de Valores Mobiliários e Câmbio operates in the capital markets as a broker in equities transactions on the spot, options, forward and futures markets, private fixed income and public fixed income (Direct Treasury), along with B3 S.A. - Brasil, Bolsa, Balcão, also as Banrisul conglomerate's asset management company – fixed income, equities and multimarket. The Bank holds a portfolio of products, which coupled with qualified technical support services, contributes to the investment diversification of its customers.

In 9M23, Banrisul Corretora de Valores intermediated R\$3.2 billion in operations at B3 S.A. Brasil, Bolsa, Balcão, a reduction of 11% compared to the same period of the previous year. At the end of the period, managed investment funds totaled R\$16.6 billion, growth of 1.8% compared to September 2022, with special emphasis on managed portfolios, whose total equity of R\$3.4 billion increased by 41.4% compared to the same period of the previous year.

## Corporate Governance

Banco do Estado do Rio Grande do Sul has an established Corporate Governance, with well-defined roles, which continuously seeks to upgrade its methods, policies, and decision-making process, in line with the best market practices. Listed under Level 1 of Corporate Governance at B3 S.A. – Brasil, Bolsa, Balcão since 2007, Banrisul has been fully complying with the requirements of this listing level and additional aspects required from companies with shares listed on the Novo Mercado, conferring it greater transparency, equity, and accountability, creating value for its shareholders and reinforcing its credibility with investors and customers.

Additional information on Corporate Governance is available on our Investor Relations website ([ri.banrisul.com.br](http://ri.banrisul.com.br) – Corporate Governance Section).

### Ownership Structure

In September 2023, Banrisul recorded 154,761 shareholders, with widespread stock ownership higher than the Corporate Governance Level 1 requirement: free float accounts for 50.6% of total shares issued by the Bank, while the minimum required is 25.0%. The State of Rio Grande do Sul, Banrisul's controlling shareholder, holds 98.1% of common voting shares and 49.4% of Banrisul's total capital.

On September 29, 2023, free float is widespread as follows: 43.3% of shares are held by individuals, 24.5% by local entities, and 32.2% by foreign legal entities. In terms of the number of shareholders, 97.0% are individuals, 2.9% are local legal entities, and 0.1% is foreign legal entities.

Banrisul's shares are traded under the tickers BRSR3, BRSR5, and BRSR6, the latter being the most liquid share, present in seven indexes of B3 S.A. - Brasil, Bolsa, Balcão.

Below, additional information on stock trading:





## Banrisul Preferred Shares (PNB) Appreciation

**R\$5.0 billion**

Market cap

**R\$16.5 million**

Average daily traded volume

**7.7% Dividend Yield**

in 12 months

### Buyback Program


In December 2022, Banrisul opened its first Share Buyback Program aiming at maximizing the value creation for its shareholders through efficient management of the capital structure. The Bank authorized the acquisition of up to 10,126,677 preferred shares, corresponding to 5% of shares of this type, without decreasing the capital stock value, to be held in treasury, canceled, or replaced in the market. Acquisitions have been made at the stock exchange from December 15, 2022, and June 15, 2024, at market value. From the Program commencement, until September 30, 2023, 1,202,500 shares were repurchased, totaling R\$14.5 million. More information on the share buyback program can be found on our Investor Relations website.

### Banrisul Ratings

In 3Q23, Fitch Ratings updated its ratings, according to the table below:



## Long-Term Rating

			
	Nacional	Global	Soberano
<b>S&amp;P Global Ratings</b>	brAA+	BB-	BB-
<b>Fitch Ratings</b>	AA-(BRA)	BB-	BB-
<b>Moody's</b>	A+.br	Ba3	Ba2

All information about Ratings can be found on the Investor Relations websites ([ri.banrisul.com.br](https://ri.banrisul.com.br) – Information to the Market / Ratings Section).

### Policy for distribution of interest on equity and dividends

Since early 2008, Banrisul has been maintaining a policy for quarterly payment of interest on equity, and historically, has been remunerating its shareholders with payment of Interest on Equity - JSCP and dividends higher than the minimum legally required. In 9M23, JSCP and dividends were paid and/or accrued, before withholding income tax, totaling R\$360.0 million.

## Capital and Risk Management

### Integrated Management Structure

Banrisul reviews, at least yearly, the institutional structures for capital management and corporate risk. The reports are available on the Bank's Investor Relations website, Corporate Governance/Risk Management section, together with the Pillar 3 Report that presents publicly accessible information related to risk management and the calculation of the amount of risk-weighted assets - RWA, reference Shareholders' equity - PR and leverage ratio - RA.

### Capital Management

Banrisul understands capital management as a continuous process of monitoring, controlling, valuating, and planning goals and capital needs, considering strategic objectives and risks to which the Bank is subject.

The Brazilian Monetary Council (CMN), through Resolution No. 4,557/17, resolved 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 risk exposure.

Concerning S2 segment institutions, according to the rule for prudential regulation classification, as capital management improvement, the Internal Capital Adequacy Assessment Simplified Process or ICAAPSIMP has been introduced.

### Credit Risk

Banrisul, aiming at the appropriate credit risk management, has been making the adjustments and improvements required to enforce Bacen Resolution No. 229/2022, which sets out procedures to calculate the amount of risk-weighted assets - RWA referring to credit risk exposures subject to the calculation of capital requirement through standardized approach - RWACPAD.



## Market risk

During 9M23, monitoring processes did not indicate any occurrence of events or crises to culminate in increased market risk for the Bank. The market risk global indicator remains at levels in line with the risk institutional policy and as outlined in the Risk Appetite Statement.

## Liquidity Risk

In 9M23, the monitoring processes did not indicate any occurrence of events or crises to result in higher liquidity risk. The estimated context analyzed the scenarios adopted in the results projections of operations cash flows, and these did not indicate relevant liquidity risks. In addition, no projected stress scenario in the positions has materialized, therefore, the risk ratios remained at adequate levels under the risk management policy, and within the thresholds defined in the Risk Appetite Statement.

## Operational risk and continuity

In 3Q23, Banrisul began the periodic review of its operational risk matrices, which covers all Banrisul Group Units and Companies, and has been carried out considering improvements implemented in the risk assessment criteria and control effectiveness tests. The annual updating and testing cycle also began to validate the effectiveness of the Operational Continuity Plans (OCPs) and provide operational resilience.

## Social, environmental, and climate risks

In 9M23, Action Plans were deployed to improve management processes, in line with best practices and new regulatory guidelines, as per CMN Resolution No. 4,943/21, Bacen Resolutions Nos. 121/21 and 222/21 and other related rules.

Banrisul advanced the integration of social, environmental, and climate risk management with other relevant risks based in the identification of these risks in loan operations and analysis of scenarios, within the scope of the stress test that considers climate changes.

## Basel Ratio

As Resoluções nº 4.955/21 e nº 4.958/21 do Bacen determinam que a apuração do capital regulamentar e dos ativos ponderados pelo risco tenha como base o Conglomerado Prudencial. O Índice de Basileia mede a relação entre a soma do Capital de Nível I - CNI e do Capital de Nível II - CNII e o total dos ativos ponderados pelo risco calculados para a data-base. A manutenção dos Índices de Capital acima dos níveis definidos pelo regulador busca proteger o Banrisul em caso de eventos de estresse.

A Gestão de Capital busca potencializar a aplicação dos recursos disponíveis, além de garantir a insolvência da Instituição. Em 30 de junho de 2023, o Índice de Basileia atingiu 16,1%, 5,6 pp. acima do nível mínimo regulatório com os adicionais de capital principal (10,5%). Para este mesmo período, o Índice de Capital Principal e o Índice de Nível I são iguais e encerraram o período em 13,5%, sendo, respectivamente, 6,5 pp. e 5,0 pp. acima do mínimo regulatório.

## Investment & Innovation

In its relentless pursuit of excellence and guaranteed Information Security, Banrisul invested R\$254.1 million in 9M23 and devoted its efforts to foster digital transformation, evolve its infrastructure, develop and adopt tools to improve services offered and provide an increasingly thorough customer experience.

In 9M23, Banrisul advanced the onboarding of 259 IT professionals approved in the higher education public service exam that took place in 2H22 for various specialized positions, such as information security, infrastructure support, and developers, amongst others.

In September, when an extratropical cyclone formed in Rio Grande do Sul state and caused devastating effects, Banrisul was quick to adjust its IT infrastructure environment to support the affected municipalities, allowing branches to resume service faster and make essential banking services available to customers. Specific IT projects were developed to anticipate INSS benefits in the Banrisul Digital app, as forecast by the Ministry of Social Security, and to renegotiate loan operations for affected customers.



### Actions and initiatives

Banrisul participates in group discussions about Bacen's CBDC (Central Bank Digital Currency - Real Digital), a new financial technology platform to boost population digitalization, and has joined the Digital Portfolio and Delivery Versus Payment - DvP Wholesale squads using CBDC, wherein the proposals were developed and submitted for Febraban's participation in Bacen Innovation Lab (LIFT Challenge – Real Digital). The DvP Wholesale proposal was accepted and the project presented at the LIFT Challenge in April 2023. Banrisul also takes part in Bacen's Real Digital - RD Pilot project, through a consortium for the RD Pilot of the Brazilian Banking Association – ABBC.

The bank has been strengthening data security by replacing card transaction processing equipment and reducing time to identify and respond to cyber threats by implementing a platform and methodology for sharing intelligence data with the national financial sector. Banrisul continually works to raise awareness among internal and external stakeholders in order to disseminate the IT security culture.

Compliant with international standards, the PCI – PIN Security certificate has been renewed, which assures permanence in the means of payment transactions capturing market at Vero network.

The digital transformation has been continuously evolving, promoting the cultural leveling concerning innovation in various areas of the Bank, also reinforcing business and technology integration in the pursuit of results. A number of upgrades were deployed in the Banrisul App, including easier access to products most used by customers on the home page; routing to commercial pages from offers banners, making it easier to communicate promotions and services; and a feature that allows users to select up to four favorite transactions, creating highlights on the home page and making financial management easier. As regards agribusiness solutions, a pilot project for prospecting and conducting investment proposals was launched, as well as new AgroFácil Conecta features, which allow accredited technicians to draw up costing and investment projects directly in the system, also improving the experience of the Bank's partners in this segment, as well as the integration of AgroFácil to remote-sensing platform that enables checking the results connected with bidders and financed areas' social and environmental compliance.

With regards to PIX instant payments, the PIX collection service was consolidated, expanding the collection options for companies and municipalities. Customer experience was enhanced with the offer of Saque PIX Banriponto (withdrawal option) at Banrisul's correspondent banks.

Banrisul is taking part in the Federal Government's Desenrola Program as a Creditor and also as a Financial Agent, with the IT teams working on projects to serve both fronts. The stage of clearing eligible customers in accordance with the Program's policy has already been completed, reinforcing the Bank's purpose of being a financial agent that transforms people's lives.

Banrisul has implemented a robust infrastructure environment with redundancy and monitoring features, to support up to 2.5 million monthly calls, enabling the advancement of technical support for digital channels through artificial intelligence, provided by the start of activities by Bah, the Bank's Intelligent Virtual Assistant (AVI Solution).

After the inauguration of the *New Margarete Fenner Data Center* in 2022, the project to transfer the IT assets from the former Data Center was completed in the first half of 2023, and all the procedures took place without any service unavailability, including the service network, branches and operating digital channels. Data Centers are planning the construction of a third communication route using optical fiber to bolster resilience and infrastructure availability, while equipment renovation and technological upgrade projects are being executed.



Banrisul strives to provide the best experience for all customers and, faced with the challenge of Brazil's broad territory, has been improving telecom infrastructure for fixed telephone services in the branches network at remote locations and has hired interconnection services with Banco do Brasil for interbank operations.

## BanriTech

BanriTech supports actions and projects to ramp up the culture of innovation at Banrisul, besides an innovation ecosystem in Rio Grande do Sul state and Brazil. This project has been built in four strategic pillars that develop actions/programs to support innovative entrepreneurship:

### Hub.Startup



It focuses on the relationship with startups through acceleration and business development cycles. In September 2023, Banrisul signed a new contract with a technical partner for the development of new cycles in 2024.

### Hub.Venture



It foresees the participation in innovation-related funds. Currently, Banrisul contributes to *BNDES Anjo* Co-investment fund.

### Hub.Education



It offers educational and innovative culture initiatives, besides promoting networking events and panels to discuss innovation-related topics. Employees are encouraged to act as advisors of accelerated businesses, offering support in business development through mentorships and networking as well as learning with accelerated businesses.

### Hub.Space



Workspaces created to foster connection, collaboration and co-creation of ideas. Banrisul has an Innovation Hub in the city of Porto Alegre, with 52 positions in the coworking format, presentations arena and meeting rooms, besides other work spaces with meeting rooms, brainstorming, and training at Instituto Caldeira, main Innovation Hub in Rio Grande do Sul.

In September 2023, a 24-month contract was signed with Tecnopuc to run new acceleration and business development cycles, aimed at national startups with mature traction and operations, and regional cycles for the developing embryonic projects still in the conception phase. Up to 5 cycles per year are planned (4 regional/state cycles and 1 national cycle), with 120 accelerated projects/year. The planning and community-building stage will begin in October 2023 and the first calls for proposals are expected to be launched in 2024. This project aims to contribute to the socio-economic development of Rio Grande do Sul state by offering free-of-charge business-building methodology to entrepreneurs from all over the state, as well as training Banrisul's technical staff, who will now be able to serve this audience and potential customers.

Banrisul took part in innovation fairs and events in 2023, including Expodireto, South Summit, Fenadoce, Web Summit, GovTech Summit, Febraban Tech, Expointer, Expofavela, Feitech and Feevale Summit. At Expointer, which took place in 3Q23, the Bank participated in panels and podcasts promoting its innovation initiatives and providing services for startups in the RS Innovation Agro space, which was sponsored by Banrisul; and at Expofavela, the Bank provided mentoring for entrepreneurs based on its experience in the two startup acceleration cycles. In order to encourage the innovation culture within the Bank, materials from the events are shared on Banrisul's Distance Learning portal.

The Banritech Program was selected for the Startup Guide, an international guide that has already been published in 50 other ecosystems around the world and highlights the main information about innovation



agents in a given territory. According to the guide, Banrittech stood out among the major startup and business development programs in Rio Grande do Sul state, according to a community survey.

In September 2023, during Caldeira Week, more than 100 employees took part in lectures and workshops held by the Caldeira Institute on topics such as education, govtech, innovation, artificial intelligence and data. Students and universities visited the innovation spaces, where they presented innovative projects developed in entrepreneurship classes and the Banrittech team was invited to participate and evaluate such projects.

In 3Q23, two roundtables were held with large companies to broaden knowledge about specific topics, such as NPS (Net Promoter Score) and Open Innovation.

Banrittech also developed a flow to evaluate projects from startups and ecosystem agents, based on the growing demand to establish some kind of partnership or joint initiative. In addition to these constant connections, Banrittech is taking part in the Caldeira Institute's Conecta Program, which provides opportunities for large companies to launch challenges and seek solutions and startups that meet those goals; the current theme is Artificial Intelligence. In 3Q23 Banrittech prioritized a lawtech project, seeking greater efficiency in legal-related matters.

## Sustainability

Banrisul is strengthening its sustainability culture by reviewing its practices, processes and businesses. This is essential due to the growing need to involve the whole of society in advancing complex social and environmental matters, including economic and financial agents. In 9M23, the Bank conducted several actions that promoted sustainable practices internally and externally, with customers as well as the community.

Sustainability education initiatives included training courses for employees who are taking on new duties, which include the Sustainability module for 886 employees. Moreover, Banrisul held a Talk Session on 'Plastic Pollution', an internal event to discuss this problem, addressing challenges, environmental impacts and business opportunities through environmental education and proper waste management. This event was recorded and made available on the distance learning platform. As a public bank, Banrisul recognizes its role in fomenting companies that integrate social, economic and environmental aspects into their activities.

Banrisul's social and environmental actions through the Programa Sementes (Seeds Program), a pillar to support rural sustainable development, represents the Bank's commitment to environmental, social and governance sustainability, i.e., ESG practices and, in addition to encouraging the production of agroecological and organic food, provides access to producers, schools and communities through the distribution of Creole seeds of various species. From January to September 2023, 32.9 million seeds were distributed to 3,900 beneficiaries.

At the agribusiness booth of the 2023 Expointer, Banrisul held a panel reinforcing its work in agribusiness coupled with sustainability and climate issues. With the participation of the State Secretary for the Environment and Infrastructure, topics such as sustainable agricultural techniques, financing sustainable agriculture advancements, the efficient use of natural resources and the importance of partnerships for pragmatic solutions were discussed.

As regards business, also at the Expointer, Banrisul presented the sustainable agriculture financing lines such as RenovAgro, Proirriga and Pronaf Bioeconomia, during the panel "Financing strategies for low-carbon agriculture". These financing lines cover projects that include the recovery of degraded pastures, no-till system improvement, crop-livestock-forest integration, agroforestry systems, waste management, encouraging the use of bio-inputs, conservation practices and natural resources protection, among others.

The Bank received the Neutral Event Blue Seal for its participation at the 2023 Expointer, for its commitment to the climate agenda by neutralizing the carbon emissions of its own spaces at the fair, including the branch, the Agribusiness booth and Casa Banrisul. By measuring greenhouse gas emissions, Banrisul supported the Foz do Chapecó Hydroelectric Power Plant in offsetting 1,918 kg of CO2 emissions generated in the event.

Since 2001, Banrisul has implemented the Reciclar (Recycle) Program in its in-house operations, which encourages the proper disposal of solid waste generated in its activities, and also includes environmental





education, partnerships with entities for recycling and reuse, and the donation of useless pieces of equipment to non-profit organizations such as schools and APAES. From January to September, 11.7 tons of paper and cardboard and 18.0 tons of electronic waste were sent for recycling to the Sustentare Program. The company also donated 2,336 pieces of useless pieces of furniture and 80.66 tons of scrap metal.

Expanding the initiatives with its subsidiaries, Banrisul Armazéns Gerais - Bagergs, recognizing the importance of its impact on the environment, Banrisul is adopting measures to reduce its environmental and climate impact, including a project to use 100% renewable energy with the installation of solar panels, the replacement of forklifts power by fossil fuels with electric equipment, as well as the collection of rainwater from reservoirs, saving local water resources and contributing to water preservation.

It is important to highlight Banrisul's participation in the ABCarbon Conference, an event held at the Rio Grande do Sul State Legislature, organized by the Brazilian Association of Carbon Credits and Methane, which brought together experts and professionals from different areas to share good ESG practices and discuss solutions for reducing greenhouse gas emissions; and Expo Favela, fair that brought together entrepreneurs and startups from communities, demonstrating their commitment to innovation, the development of these communities and financial education. During this event, Banrisul promoted a panel on education and labor market opportunities for young people, highlighting the importance of corporate support for these initiatives.

## People

In the People strategic pillar, Banrisul reiterates its desire of being recognized for its employees' development, building engagement and motivation through crystal-clear and humanized management.



**8,958**  
employees



**3,849**  
female employees



**39.7%**  
of leadership positions  
held by women



**2,113**  
interns

To replace part of the dismissals of the last Voluntary Dismissal Program - PDV, and bring new talents to the Bank, 259 employees were hired for IT areas, and 703 employees at the branches network in 9M23. Within the scope of the PDV, 500 employees were dismissed from the Bank in 9M23.

New employees hired in 2023 are already included in the new Career, Position, and Salary Plan - PCFS, created in 2022, which defines the career and position structure effective at Banrisul, also evidencing remuneration funds, positioning, and the relation between duties, so that employees may understand and plan their professional career within the Institution. The PCFS was drawn up based on a careful market analysis, which takes into account the position within the company, the performance in the objectives outlined, and the people, assessing and monitoring individual development. Its main goal is to provide employees with clear information about their position within the Bank, and also offer the inputs for their professional development, seamlessly, fairly, and appropriately. The Pension Plan was created for new employees along with Social Security Banrisul Foundation - FBSS under the Defined Contribution mode - CD.

Geared towards identifying development opportunities and offering the best experience during the employee journey, the Bank conducted a survey to assess employee attraction and selection, which aims at identifying key reasons leading employees to work at Banrisul and also understanding their expectations towards the Bank. In this regard, an onboarding survey was also conducted to assess processes involving this phase, based on employees' experience during their first months with the Bank.

Keeping up with the improvement of the Competency Assessment process, the Bank has been conducting actions to disseminate the continuous feedback culture, encouraging giving and receiving feedback, as it is a



powerful people development tool. Continuous feedback helps employees to perceive which behavior leads to positive results for the organization and what must be improved. It also strengthens trust and increases motivation, boosting team performance.

Within the scope of Diversity, Equity & Inclusion, the Affinity Groups and the Diversity, Equity & Inclusion Committee created the 2023 Diversity Calendar to disseminate information, raise employees' awareness towards this topic, as well as present minority groups' major struggle movements in which Banrisul has been taking part (women, Black people, People with Disabilities, LGBT+). The first version of the Diversity Good Practices Guide was released, including a few concepts of diversity and inclusive tips to be used during daily routine. Moreover, the Affinity Group LGBT+ was created in June 2023 to promote an environment that respects individuals. To make the Bank even more inclusive, we invested in hiring a company that provides a sign language interpreter, ensuring greater accessibility in our internal communications and events.

In 9M23, R\$4.0 million were invested in employee training, by making available 2.8 thousand courses that recorded 118.5 thousand attendances, totaling 472.4 thousand training hours. Banrisul partially subsidizes undergraduate, graduate, master's degree, doctorate and language courses. The Language Learning Incentive Program was revamped with the hiring of a distance learning platform and, in September 2023, 220 employees started classes in this new format, fully subsidized by the Bank. Among the Corporate Education initiatives, Banrisul invested in Training Programs for branch networks and general management units from learning paths in the distance learning or on-site format. In 3Q23, the Banrisul Distance Learning – EAD platform launched new courses in agribusiness, VERO, Office Banking and Data & Analytics, in line with the path started in 1H23. With the hire of new employees approved in the public service examination, the Banrisul distance learning platform has been used to support the development of these professionals with the learning path that must be taken during the probationary period. In addition to the courses listed for this path, webinars are made available in the most diverse areas of the Bank's products and services so that they have contact with strategic units and content for the company. Concerning mandatory courses, Banrisul offers 28 courses, which relied on 36.4 thousand attendances and 79 thousand training hours in 9M23.

### Cultural and social actions and programs

Projeto Pescar Banrisul (Professional Initiation Project) – the Project's 20th class trained 30 socially vulnerable young students and offered workouts, behavioral development activities, professional techniques and attendance in cultural activities, such as visits to museums and theaters.

The Programa Jovem Aprendiz (Young Apprentice Program) is concerned with the inclusion of young students in the labor market, which is materialized through partnerships with training institutions. In 9M23, Banrisul set up a partnership with Fundação Tênis to train young students in technology and innovation; conducted initiatives in partnership with the Ministry of Labor and other partner institutions and renewed agreements.

Banrisul Museum – nearly 5,000 visitors at the Espaço Memória Banrisul were recorded in 9M23. The museum collection was extended during such period and received items referring to different aspects of the Bank's history.

#Banrieduca – continuous financial education initiatives, amongst them: a webinar about the mindful use of credit for the Bank's employees and interns; videos and podcasts targeting young people within the Global Money Week's national program; participation in the National Financial Education Week, with content about financial resilience on social media; a workshop with craftswomen of the Moda Alegre (Happy Fashion) project that comprises deprived communities of Porto Alegre - RS; lectures for students of the Projeto Pescar Banrisul and the Nova Geração Caldeira program; attendance at the Febraban Tech Financial Health Summit, including a presentation of financial education for young students.





## Awards

### March/2023. Banrisul Ombudsman is recognized with a Brazilian national award.

Strengthening bonds between the institution and its customers, and ensuring transparency and quality of services provided is the motto guiding Banrisul's Ombudsman. In recognition of works developed, for the third time, Banrisul's Ombudsman received the Brazil Ombudsman Award, in the Best Cases category, promoted by the Brazilian Association of Company-Customer Relations (Abrarec), in São Paulo. The case submitted entitled as A criação da Gerência de Qualidade como mecanismo de acompanhamento de melhorias e de mitigação de registro de demandas nos canais da Ouvidoria (The creation of quality management as a mechanism to monitor improvements, and mitigate the registration of complaints at the Ombudsman channels), stood out in innovation. Brazil 2022 Ombudsman Award is an initiative of the Abrarec Ombudsman International Committee. Various public and private institutions participated in the process, and through their cases, they evidenced considerable advancement and improvement in their activities. Banrisul Ombudsman won its first award in 2018 with the case Sou Banrisul (I am Banrisul) and the second award in 2019 with the case Boas Práticas em Seguridade (Insurance Good Practices).

### March/2023. Banrisul stands out in the Bacen Top 5 (Focus Report).

Banrisul gained an outstanding position in the Top 5 Ranking of Focus Report, published by Bacen. In the February 2023 edition, Banrisul was ranked No. 1 in short-term projection for the Selic benchmark interest rate. The Focus survey collects projections from various economic indicators of more than 140 financial, academic, and advisory institutions; and it is a key factor for Bacen's monetary policy decisions.

### April/2023. Banrisul stands out in various categories of the Marcas de Quem Decide (Brands of Who Decide).

Banrisul stood out amongst the top five most reminded and preferred brands of Rio Grande do Sul citizens in the Bank, Rio Grande do Sul State-Owned Company, Sales Poll Group, and Private Pension categories. This award was bestowed at the 25th edition of the Marcas de Quem Decide event, promoted by Jornal do Comércio in partnership with the Polling Institute - IPO. Banrisul was also ranked amongst the top 10 brands in the Year's Great Brand category.

### April/2023. Banrisul stands out in the Bacen Top 5 (Focus Report).

For the second consecutive month, Banrisul gained an outstanding position in the Top 5 Ranking of Focus Report, published by Bacen. In March 2023 edition, Banrisul again was ranked on the top in Selic interest rate short-term projection and also was ranked No. 1 in the Extended Consumer Price Index – IPCA projection.

### April/2023. Banrisul is Brazil's 6th best bank, according to Forbes.

Banrisul was recognized as Brazil's 6th best bank, according to the annual ranking of the world's best banks, prepared by Forbes in partnership with the market research company, Statista. Among the 415 financial institutions listed by this publication, only 10 Brazilian companies were recognized. Conducted with 48 thousand banking customers in 32 countries, this survey took into account categories, such as digital services, customer services, financial advisory services, and reliability – the latter indicated by this market research company as one of the most relevant pillars in the relationship between a bank and its users. Forbes is the world's most respected business and economy magazine and has been operating in Brazil since 2012.

### April/2023. Top of Mind 2023: Banrisul is the bank most reminded by Rio Grande do Sul state's citizens.

The Grupo Amanhã hosted the event Top of Mind 2023 which awarded the businesses most reminded by Rio Grande do Sul state's citizens. Banrisul was ranked No. 1 in the Services – Banks category and third in the Large Company category. In the Love Brands special category that awards the most loved and admired companies, Banrisul was ranked second among the banks analyzed. This survey was conducted by Engaje Pesquisas.

### May/2023. Investment funds stand out in the national ranking.

Banrisul's investment funds stood out in Guia Valor de Fundos de Investimento (Investment Funds Valor Guide), released on May 30 by the newspaper Valor Econômico specialized in economics and finance. The Fundo Banrisul Índice is ranked amongst the 25 best funds in the Stock Index category, over the past five years; and the Fundo Foco IDKA won two positions in the Fixed Income Real Interest Rate category, among the top 10 most yielded funds and the top five with the highest equity.



**June/2023. BNDES award underscores corporate loan performance.**

Banrisul stood out in the Guarantor Fund for Investments – FGI category, and was ranked third at the event Financial Agents Recognition 2022, promoted by the Brazilian Development Bank - BNDES.

**July/2023. Banrisul stands out in the Campeãs da Inovação (Champions of Innovation) ranking.**

Banrisul was one of the highlights in the 19th Campeãs da Inovação (Champions of Innovation) award for its strong performance in developing and strengthening Rio Grande do Sul state's and Brazil's innovation ecosystem. The accolade was awarded by Grupo Amanhã, in partnership with IXL-Center, from Cambridge. The institution ranked 2nd in the State-owned and Philanthropic category.

**September/2023. Banrisul is Top Consumer – Marcas de Respeito (Respected Brands)**

Banrisul received the Top Consumer – Respected Brands award organized by Geração X Consumer Institute, Academia do Consumidor and Consumidor magazine, in partnership with the Consumidor RS Project. The award's 12th edition recognized companies that stand out for their ethical conduct, quality and commitment to consumer relations. Banrisul Pagamentos - Vero and Rio Grande Seguros were also honored.

## Acknowledgments

In September, Banrisul celebrated 95 years of operations and commitment to the communities in which it operates. The Bank's performance targeted at economic and social development is the result of its employees' dedication and customers', investors' and suppliers' trust, to whom it would like to thank for the institution's importance in the financial market.

**Management**



## CONSOLIDATED INTERIM FINANCIAL STATEMENTS IN IFRS

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### CONSOLIDATED BALANCE SHEETS

(Values in Thousands of Reais)

<b>ASSETS</b>	<b>Note</b>	<b>09/30/2023</b>	<b>12/31/2022</b>
Cash	7	1,049,695	1,004,366
Financial Assets		116,660,720	106,808,085
Central Bank Compulsory Deposits	8	11,483,906	10,798,526
At Amortized Cost		96,048,784	87,047,282
Reverse Purchase Agreements	9	7,772,103	3,521,271
Securities	10	31,610,879	30,471,727
Loans and Financial Leasing Financial Mercantile	11	52,555,990	49,275,307
(Provision for Expected Losses)	11b	(2,279,599)	(2,257,707)
Other Financial Assets	15	6,389,411	6,036,684
At Fair Value through Other Comprehensive Income		56,330	52,979
Securities	12	56,330	52,979
At Fair Value through Results		9,071,700	8,909,298
Securities	13	9,071,700	8,909,298
Other Assets	16	694,836	665,918
Fiscal Assets		4,148,015	3,557,210
Current		252,230	129,128
Deferred	24a	3,895,785	3,428,082
Investments		155,687	163,149
Investments in Subsidiaries	17	155,687	163,149
Property and Equipment	18	837,184	797,363
Acquisition of Property and Equipment		1,815,098	1,706,116
(Accumulated Depreciation)		(977,914)	(908,753)
Intangible Assets	19	623,729	663,699
Intangible Assets		1,998,646	1,885,657
(Accumulated Amortization)		(1,374,917)	(1,221,958)
<b>TOTAL ASSETS</b>		<b>124,169,866</b>	113,659,790

## CONSOLIDATED BALANCE SHEETS

(Values In Thousands Of Reais)

LIABILITIES	Note	09/30/2023	12/31/2022
Financial Liabilities		108,347,846	98,877,505
At Amortized Cost		106,476,895	96,889,558
Deposits	20	68,555,722	67,615,882
Open Market Funding	20	18,495,891	12,421,035
Funds from Acceptance and Issue of Securities	20	4,693,672	2,957,083
Subordinated Debt	20	354,637	314,447
Borrowings	20	751,160	1,012,985
Onlendings	20	2,258,896	2,501,887
Other Financial Liabilities	23	11,366,917	10,066,239
At Fair Value through Results	21	1,759,541	1,840,679
Derivatives		654,915	670,298
Subordinated Debt		1,104,626	1,170,381
Provision for Expected Loss		111,410	147,268
Borrowings Commitments		108,090	143,008
Financial Guarantees		3,320	4,260
Civil, Tax and Labor Provisions	22	2,653,738	2,631,798
Tax Liabilities		1,099,755	807,899
Current		408,471	240,235
Deferred	24b	691,284	567,664
Other Liabilities	25	2,386,240	1,822,282
<b>TOTAL LIABILITIES</b>		<b>114,487,579</b>	<b>104,139,484</b>
<b>EQUITY</b>	<b>26</b>	<b>9,682,287</b>	<b>9,520,306</b>
Share Capital		5,200,000	5,200,000
Capital Reserves		4,511	4,511
Earnings Reserves		4,560,943	4,375,722
Other Comprehensive Income		(197,549)	(66,161)
Accumulated Profits		122,552	-
Shares in Treasury		(14,520)	-
Non-controlling Shareholders' Interests		6,350	6,234
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>124,169,866</b>	<b>113,659,790</b>

The accompanying notes are an integral part of this Financial Statements.

## CONSOLIDATED INCOME STATEMENT

(Values in Thousands Of Reais, Except Earnings Per Share)

		07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
	Nota				
Interest and Similar Income		3,903,931	11,117,433	3,543,572	9,399,587
Interest and Similar Expenses		(2,774,358)	(7,560,471)	(2,604,828)	(6,390,496)
<b>Net Interest Revenue and Equivalent</b>	<b>27</b>	<b>1,129,573</b>	<b>3,556,962</b>	<b>938,744</b>	<b>3,009,091</b>
Dividend Revenue	28	4,611	(192,117)	9,047	(256,666)
Net Gains (Losses) on Financial Assets and Liabilities at Fair Value		37,570	41,939	29,516	108,643
Foreign Exchange Variation on Assets and Liabilities in Foreign Currency	29	587,956	1,664,080	530,286	1,548,108
Fees and Services Revenues		<b>(235,843)</b>	<b>(608,968)</b>	<b>(168,229)</b>	<b>(374,028)</b>
<b>Expected Losses of Financial Assets Provision, Net</b>		<b>(232,148)</b>	<b>(643,666)</b>	<b>(179,329)</b>	<b>(321,583)</b>
Loans and Leases		(3,695)	34,698	11,100	(52,445)
Other Financial Assets		<b>(1,315,757)</b>	<b>(3,773,455)</b>	<b>(1,300,538)</b>	<b>(3,647,591)</b>
<b>Other Operating Income/(Expenses)</b>	30	(613,215)	(1,807,705)	(686,624)	(1,747,460)
Personnel Expenses	31	(410,317)	(1,227,819)	(395,126)	(1,170,666)
Other Administrative Expenses		(129,073)	(376,811)	(114,438)	(343,187)
Tax Expenses	17	25,685	77,697	17,486	52,198
Equity in Subsidiaries	32	102,916	350,898	106,100	500,688
Other Operating Income	33	(165,834)	(459,589)	(124,942)	(358,696)
Other Operating Expenses	22	(125,919)	(330,126)	(102,994)	(580,468)
<b>Income Before Taxes On Income</b>		<b>208,110</b>	<b>688,441</b>	<b>38,826</b>	<b>387,557</b>
<b>Income Tax and Social Contribution</b>	<b>34</b>	<b>(16,708)</b>	<b>(24,364)</b>	<b>37,681</b>	<b>181,213</b>
Current		(93,951)	(270,733)	(77,105)	(226,513)
Deferred		77,243	246,369	114,786	407,726
<b>Profit For The Period</b>		<b>191,402</b>	<b>664,077</b>	<b>76,507</b>	<b>568,770</b>
Profit Attributable to Controlling Shareholders		191,102	663,422	76,344	568,485
Profit Attributable to Non-controlling Shareholders		300	655	163	285
<b>Earnings Per Share</b>	<b>35</b>				
Basic Earnings per Share (in Reais – R\$)					
Common shares		0.47	1.62	0.19	1.39
Preferred Shares A		0.47	1.71	0.19	1.45
Preferred Shares B		0.47	1.62	0.19	1.39

The accompanying notes are an integral part of this Financial Statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values In Thousands Of Reais)

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
<b>Net Profit Attributable Shareholders</b>	<b>191,402</b>	<b>664,077</b>	<b>76,507</b>	<b>568,770</b>
<b>Items that can be Reclassified to the Income Statement</b>	<b>9,525</b>	<b>(5,015)</b>	<b>10,510</b>	<b>(205,798)</b>
Financial Assets at Fair Value through Other Comprehensive Income	286	4,912	2,661	(2,189)
Change in Fair Value	(924)	7,115	4,540	(3,501)
Tax Effect	1,210	(2,203)	(1,879)	1,312
Foreign Exchange Variation on Investments Abroad	9,239	(9,927)	7,849	(203,609)
<b>Items that cannot be Reclassified to the Income Statement</b>	<b>-</b>	<b>(126,373)</b>	<b>-</b>	<b>(35,108)</b>
Remeasurement of Post-Employment Benefit Obligations	-	(126,373)	-	(35,108)
Actuarial Gains/(Losses)	-	(229,465)	-	(63,786)
Tax Effect	-	103,092	-	28,678
<b>Comprehensive Income for the Period, Net of Income Tax and Social Contribution</b>	<b>9,525</b>	<b>(131,388)</b>	<b>10,510</b>	<b>(240,906)</b>
<b>Total Comprehensive Income for the Period, Net of Income Tax and Social Contribution</b>	<b>200,927</b>	<b>532,689</b>	<b>87,017</b>	<b>327,864</b>
Comprehensive Income Attributable to Controlling Shareholders	200,627	532,034	86,854	327,579
Comprehensive Income Attributable Non-controlling Shareholders	300	655	163	285

The accompanying notes are an integral part of this Financial Statements.



## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Values in Thousands Of Reais)

	Note	Attributable to Controlling Shareholders											Non-controlling Shareholding	Banrisul Consolidated
		Profit Reserves					Other Comprehensive Income	Retained Earnings	Shares in Treasury	Banrisul				
		Share Capital	Capital Reserves	Legal Reserve	Statutory Reserve	Expansion Reserve								
<b>Balance as of January 1, 2022</b>		<b>5,200,000</b>	<b>4,511</b>	<b>680,076</b>	<b>2,488,077</b>	<b>720,290</b>	<b>(6,722)</b>	<b>-</b>	<b>-</b>	<b>9,086,232</b>	<b>2,366</b>	<b>9,088,598</b>		
Other Comprehensive Income														
Financial Assets at Fair Value through ORA		-	-	-	-	-	(2,189)	-	-	(2,189)	-	(2,189)		
Actuarial Valuation Adjustment		-	-	-	-	-	(35,108)	-	-	(35,108)	-	(35,108)		
Exchange on Investment Abroad		-	-	-	-	-	(203,609)	-	-	(203,609)	-	(203,609)		
Changes in Non-controlling Shareholding		-	-	-	-	-	-	-	-	-	2,295	2,295		
Realization Deferral Agreement of Exclusivity		-	-	-	-	-	-	4,352	-	4,352	-	4,352		
Net Income in the Period		-	-	-	-	-	-	568,485	-	568,485	285	568,770		
Allocation of Net Income	26d													
Constitution of Reserves		-	-	19,596	84,701	100,226	-	(204,523)	-	-	-	-		
Interest on Capital		-	-	-	-	-	-	(335,520)	-	(335,520)	-	(335,520)		
<b>Balance as of September 30, 2022</b>		<b>5,200,000</b>	<b>4,511</b>	<b>699,672</b>	<b>2,572,778</b>	<b>820,516</b>	<b>(247,628)</b>	<b>32,794</b>	<b>-</b>	<b>9,082,643</b>	<b>4,946</b>	<b>9,087,589</b>		
<b>Balance as of January 1, 2023</b>		<b>5,200,000</b>	<b>4,511</b>	<b>715,823</b>	<b>2,666,811</b>	<b>993,088</b>	<b>(66,161)</b>	<b>-</b>	<b>-</b>	<b>9,514,072</b>	<b>6,234</b>	<b>9,520,306</b>		
Other Comprehensive Income														
Financial Assets at Fair Value through ORA		-	-	-	-	-	4,912	-	-	4,912	-	4,912		
Actuarial Valuation Adjustment		-	-	-	-	-	(126,373)	-	-	(126,373)	-	(126,373)		
Exchange Adjustment on Investment Abroad		-	-	-	-	-	(9,927)	-	-	(9,927)	-	(9,927)		
Changes in Non-controlling Shareholding		-	-	-	-	-	-	-	-	-	(539)	(539)		
Realization Deferral Agreement of Exclusivity		-	-	-	-	-	-	4,351	-	4,351	-	4,351		
Net Income in the Period		-	-	-	-	-	-	663,422	-	663,422	655	664,077		
Allocation of Net Income	26d													
Interest on Capital		-	-	21,965	109,822	53,434	-	(185,221)	-	-	-	-		
Shares in Treasury	26b	-	-	-	-	-	-	(360,000)	-	(360,000)	-	(360,000)		
		-	-	-	-	-	-		(14,520)	(14,520)	-	(14,520)		
<b>Balance as of September 30, 2023</b>		<b>5,200,000</b>	<b>4,511</b>	<b>737,788</b>	<b>2,776,633</b>	<b>1,046,522</b>	<b>(197,549)</b>	<b>122,552</b>	<b>(14,520)</b>	<b>9,675,937</b>	<b>6,350</b>	<b>9,682,287</b>		

The accompanying notes are an integral part of this Financial Statements.





## CONSOLIDATED STATEMENT OF CASH FLOWS

(Values in Thousands Of Reals)

	01/01 to 09/30/2023	01/01 to 09/30/2022
<b>Cash Flow from Operating Activities</b>		
<b>Income before Income Tax and Social Contribution</b>	<b>688,441</b>	<b>387,557</b>
<b>Adjustment to Net Income before Income Tax and Social Contribution</b>		
Depreciation and Amortization	275,242	259,420
Equity Results in Subsidiaries	(77,697)	(52,198)
Subordinated Debt Update Results	69,392	(447,449)
Impairment Losses on Financial Assets	608,968	374,028
Provision for Tax, Labor and Civil Risks	330,126	580,407
Effect of Exchange Rates on Cash and Cash Equivalents	5,655	2,432
<b>Adjusted Income before Income Tax and Social Contribution</b>	<b>1,900,127</b>	<b>1,104,197</b>
<b>Changes in Equities</b>	<b>3,842,461</b>	<b>2,574,829</b>
Increase in Interbank Deposits Investments	(331,834)	83,765
Increase in Compulsory Deposits at Central Bank	(685,380)	(1,472,510)
Increase in Financial Assets at Fair Value through Results	(149,049)	190,181
(Increase) Decrease in Derivatives	(15,383)	1,296,187
(Increase) in Loans and Leasing	(3,879,070)	(7,297,872)
(Increase) in Other Financial Assets	(352,727)	(1,409,783)
(Increase) in Current and Deferred Tax Assets	(344,436)	(395,719)
(Increase) Decrease in Other Assets	(28,918)	693,840
(Decrease) in Civil, Tax and Labor Provisions	(308,186)	(241,198)
Increase in Deposits	941,455	2,298,698
Increase in Reverse Purchase Agreements	6,074,856	3,682,254
Increase in Resources from Acceptance and Issuance of Securities	1,736,589	915,647
Increase (Decrease) in Borrowing and Onlendings Liabilities	(504,816)	1,193,372
Increase in Other Financial Liabilities	1,221,968	2,519,619
Increase in Tax Liabilities	299,951	170,347
Increase in Other Liabilities	421,905	593,669
Income Tax and Social Contribution Paid	(254,464)	(245,668)
<b>NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES</b>	<b>5,742,588</b>	<b>3,679,026</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends Received from Affiliates	87,848	17,498
(Increase) Decrease in Financial Assets at Fair Value through Other Comprehensive Income	(3,351)	(32,627)
Decrease in Financial Assets at Amortization Securities	(1,139,152)	277,234
Disposal of Investments	125	33,941
Sale of Property, Plant and Equipment in Use	7,367	21,804
write-off of intangible assets	-	19
Acquisition of Investments	(2,814)	(23,073)
Acquisition of Property, Plant and Equipment in Use	(124,899)	(62,529)
Investment in Intangible Assets	(114,709)	(92,230)
<b>NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(1,289,585)</b>	<b>140,037</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Subordinated Debts		301,939
Payment, withdraw, interest in Subordinated Debt	(94,957)	(3,071,752)
Dividends Paid	(14,827)	(14,975)
Interest on Capital Paid	(360,000)	(335,520)
Changes in Non-controlling Shareholding	116	2,580
<b>NET CASH GENERATED USED IN FINANCING ACTIVITIES</b>	<b>(469,668)</b>	<b>(3,117,728)</b>
<b>INCREASE NET IN CASH AND CASH EQUIVALENTS</b>	<b>3,983,335</b>	<b>701,335</b>
Cash and Cash Equivalents at the Beginning of Period	3,439,759	6,630,255
Effect of Exchange Rates on Cash and Cash Equivalents	(5,655)	(2,432)
Cash and Cash Equivalents at the End of Period	7,417,439	7,329,158

The accompanying notes are an integral part of this Financial Statements.



## STATEMENT OF ADDED VALUE

(In Thousands of Reais)

	01/01 to 09/30/2023	01/01 to 09/30/2022
<b>INCOME (a)</b>	<b>12.373.265</b>	<b>10.926.332</b>
Financial Income	10.967.255	9.251.564
Services Rendered Income	1.664.080	1.548.108
Provisions for Expected Losses Associated with Credit Risk	(608.968)	(374.028)
Others	350.898	500.688
<b>EXPENSES (b)</b>	<b>(7.560.471)</b>	<b>(6.390.496)</b>
Interests	(7.560.471)	(6.390.496)
<b>INPUTS ACQUIRED FROM THIRD PARTIES (c)</b>	<b>(1.719.188)</b>	<b>(1.833.557)</b>
Supplies, Energy and Other	(1.352.711)	(1.471.005)
Third-party Services	(366.477)	(362.552)
<b>GROSS ADDED VALUE (d=a-b-c)</b>	<b>3.093.606</b>	<b>2.702.279</b>
<b>DEPRECIATION AND AMORTIZATION (e)</b>	<b>(275.229)</b>	<b>(259.420)</b>
<b>NET ADDED VALUE PRODUCED BY THE COMPANY (f=d-e)</b>	<b>2.818.377</b>	<b>2.442.859</b>
<b>ADDED VALUE RECEIVED IN TRANSFER (g)</b>	<b>77.697</b>	<b>52.198</b>
Equity in earnings (losses) in investees	77.697	52.198
<b>ADDED VALUE FOR DISTRIBUTION (h=f+g)</b>	<b>2.896.074</b>	<b>2.495.057</b>
<b>DISTRIBUTION OF ADDED VALUE</b>	<b>2.896.074</b>	<b>2.495.057</b>
<b>Personnel</b>	<b>1.573.124</b>	<b>1.522.843</b>
Salaries	1.114.160	1.097.040
Benefits	388.761	359.184
FGTS	70.203	66.619
<b>Taxes, Fees and Contributions</b>	<b>635.756</b>	<b>386.591</b>
Federal	561.670	315.640
State	54	41
Local	74.032	70.910
<b>Remuneration on Third Party Capital</b>	<b>23.117</b>	<b>16.853</b>
Rentals	23.117	16.853
<b>Equity Remuneration</b>	<b>664.077</b>	<b>568.770</b>
Interest on Equity	360.000	335.520
Retained Earnings	303.422	232.965
Non-controlling Interests	655	285

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



## NOTES TO THE FINANCIAL STATEMENTS

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Please find below the Notes to the Financial Statements, which are an integral part of the consolidated interim financial statements of Banco do Estado do Rio Grande do Sul S.A. (Banrisul), with amounts expressed in thousands of Reais (unless otherwise indicated) and presented as follows:

### NOTE 01 – GENERAL INFORMATION

Banco do Estado do Rio Grande do Sul S.A. (“Banrisul”, “Institution”), Head Company of the Group, controlled by the State of Rio Grande do Sul, is a multiple-service Bank, headquartered in Brazil, at Rua Capitão Montanha, 177 – 4<sup>th</sup> floor, city of Porto Alegre, State of Rio Grande do Sul, engaged in retail banking, lending, financing and investment, mortgage loan, development, lease portfolio, and foreign exchange activities. Through its subsidiaries and affiliated companies, Banrisul engages in various other activities, including securities brokerage, management of sales poll groups, means of payment, insurance and pension 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 ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### 2.1. Basis of Preparation

Banrisul's consolidated interim financial statements were prepared in accordance with the IAS 34 – Interim Financial Reporting issued by International Accounting Standards Board (IASB) and according to Resolution No. 4,818/20, in compliance with the requirements and guidelines from National Monetary Council (CMN).

These consolidated interim financial statements have been elaborated at the historical cost, and were adjusted to reflect fair value assessment of financial assets measured through other comprehensive results and financial assets and financial liabilities measured at fair value through profit or loss.

The preparation of the consolidated interim financial statements requires the use of estimates and assumptions that affect the amounts reported for assets and liabilities, as well as disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements of revenues and expenses during the year. Those areas that require higher degree of judgment and have greater complexity, as well as areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 04.

The presentation of the Value Added Statement (DVA) is required by Brazilian corporate law and by the accounting practices adopted in Brazil applicable to publicly-held companies. The DVA was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Demonstration of Added Value". IFRS do not require the presentation of this statement. As a result, under IFRS, this statement is presented as supplementary information, without prejudice to the consolidated interim financial statements as a whole.

The consolidated interim financial statements prepared for the period presented were approved for issuance by Banrisul's Board of Directors on November 8, 2023.



## 2.2. Main Alterations and Pronouncements Issued

### (a) Adoption of new standards and interpretations

The following amendments to standards came into force for the financial year beginning January 1, 2023:

**IFRS 17 – Insurance Contracts:** The pronouncement replaces IFRS 4 - Insurance Contracts and presents three approaches:

- Standard Model: applicable to all insurance contracts without direct participation;
- Premium Allocation Approach (PAA): applicable to contracts lasting up to 12 months or when it produces results similar to those that would be obtained if the standard model were used. It is more simplified than the standard model;
- Variable Fee Approach (VFA): applicable to insurance contracts with direct participation. Insurance contracts that are substantially investment-related service contracts under which an entity promises a return on investment based on the underlying items.

Insurance contracts must be recognized through the analysis of four components:

- Expected Future Cash Flows: estimate of all components of the contract's cash flow, considering inflows and outflows of funds;
- Adjustment to Risk: estimate of the compensation required for deviations that may occur between cash flows;
- Contractual Margin: difference between any amounts received before the start of contract coverage and the present value of estimated cash flows at the beginning of the contract;
- Discount: projected cash flows must be discounted to present value, in order to reflect the value of money over time, at rates that reflect the characteristics of the respective flows.

Banrisul assessed and concluded that the impact of adopting IFRS 17 for the period from January to September of 2023 is immaterial.

**Changes to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies:** in February 2021, the IASB issued a new amendment to IAS 1 on disclosure of "material" accounting policies instead of "significant" accounting policies. The amendments define what is "material accounting policy information" and explain how to identify it. It also clarifies that immaterial accounting policy information does not need to be disclosed, but if it is, that it should not obscure the relevant accounting information. To support this amendment, the IASB also amended "IFRS Practice Statement 2 Making Materiality Judgments" to provide guidance on how to apply the concept of materiality to accounting policy disclosures. Said amendment is effective as of January 1, 2023 and there is no impact for Banrisul.

**Changes to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** – the amendment issued in February 2021 clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to prior transactions and other prior events, as well as to the current period. This amendment is effective for fiscal years beginning on January 1, 2023 there is no material impact for Banrisul.

**Changes to IAS 12 – Income Taxes** – the amendment issued in May 2021 requires entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This typically applies to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations, as an example, and will require the recognition of additional deferred tax assets and liabilities. These amendments are effective for years beginning on January 1, 2023 and the impacts are mentioned in Note 24.

### (b) Accounting Pronouncements Applicable in Future Periods

**Changes in IAS 1 “Presentation of Financial Statements”** - These amendments clarify how conditions that an entity must meet within twelve months of the reporting period affect the classification of a liability, as current and non-current,



and includes disclosure requirements for Covenant liabilities classified as non-current. The amendments also aim to improve the information that an entity provides regarding responsibilities subject to these conditions. The amendments to IAS 1 are effective as of January 1, 2024.

**Changes in IFRS 16 – Leases** The IASB issued narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16, explaining how an entity accounts for a sale and leaseback after the transaction date. Sale and leaseback transactions where some or all of the lease payments are variable lease payments that do not depend on an index or rate are more likely to be impacted. Any entity that has entered into, or may enter into, a sale and leaseback transaction for which the lease payments include variable payments that do not depend on an index or rate, could be impacted by these changes. The changes are effective for annual periods beginning on or after January 1, 2024.

**Amendments to IAS 7 and IFRS 7 - Supplier financing arrangements** - These amendments require disclosures to increase the transparency of supplier financing arrangements and their effect on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investor concerns that some companies' supplier financing arrangements are not sufficiently visible, making it difficult for investors to review. The changes are effective for annual periods beginning on or after January 1, 2024.

**IFRS S1 - General requirements for disclosing financial information related to sustainability** This standard provides a set of disclosure requirements related to sustainability and its financial impacts, allowing companies to communicate to investors about risks and opportunities, in the short, medium and long term, relating to sustainability. The objective of IFRS S1 is for entities to demonstrate information related to sustainability that is useful to users of financial statements when making decisions. The IFRS S1 standard is effective from January 1, 2024. Banrisul is evaluating the impacts of this new standard.

**IFRS S2 - Climate-related disclosures** - This standard aims to disclose relevant information about climate-related risks and opportunities, so that investors and other users of financial statements can assess the impact of climate change on the entity and its market, including physical, transition risks and climate opportunities. The IFRS S2 standard is effective from January 1, 2024, with early application permitted, provided that IFRS S1 "General Requirements for Disclosure of Financial Information Related to Sustainability" is also applied. Banrisul is evaluating the impacts of this new standard.

There are no other IFRS standards or IFRIC interpretations that have not yet come into force that could have a significant impact on Banrisul's financial statements.

## 2.3 Comparative period reclassifications

In the consolidated interim financial statements as of September 2022, a reclassification between lines of certain accounts of the statement of income and statement of cash flows. These reclassifications were carried out with the aim of improving the quality and consistency of these financial statements. Accordingly, the comparative balances for the nine-month period ended September 30, 2022 were also reclassified as shown below:

INCOME STATEMENT		Banrisul Consolidated		
From	To	Published at 09/30/2022	Reclassifications	09/30/2022 (Resubmission)
Dividend Income		681	(681)	-
	Other Operating Income	-	681	681
Other Operating Income		684,773	(184,766)	500,007
Other Operating Expenses		(1,123,930)	765,234	(358,696)
	Expenses with Civil, Tax and Labor			
	Provisions	-	(580,468)	(580,468)
<b>TOTAL</b>		<b>(438,476)</b>	<b>-</b>	<b>(438,476)</b>



STATEMENT OF CASH FLOWS			Banrisul Consolidated
From	To	Published at	
		09/30/2022	09/30/2022 (Resubmission)
Other Assets		(49,189)	693,840
	Other Financial Assets	(666,754)	(1,409,783)
<b>TOTAL</b>		<b>(715,943)</b>	<b>(715,943)</b>

## NOTE 03 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

### 3.1. Consolidation Basis

The consolidated interim financial statements include the Bank transactions, its foreign branch, subsidiaries, associated companies and investment funds shares in which Banrisul substantially assumes or retains risks and benefits. The balances of the equity and income accounts and the values of transactions between the consolidated companies are eliminated.

**(a) Subsidiaries** - Subsidiaries are companies over which Banrisul has control. The Bank has control over the investee when it is exposed to, or has rights to its variable returns arising from its involvement with the company that has the ability to affect such returns. Subsidiaries are fully consolidated from the date on which control is obtained by Banrisul and no longer consolidated from the date that it ceases to control them.

Subsidiaries Companies	Activity	Total Participation	
		09/30/2023	12/31/2022
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	Management of sales poll groups	99.68%	99.68%
Banrisul Soluções em Pagamentos S.A.	Payment Options	99.82%	99.82%
Banrisul Seguridade Participações S.A. <sup>(1)</sup>	Insurance	100.00%	100.00%

(1) The subsidiary Banrisul Seguridade Participações S.A. fully controls Banrisul Corretora de Seguros S.A.

**(b) Affiliates** - Those in which Banrisul has significant influence, but does not have control. Investments in these companies are initially recognized at acquisition cost and subsequently accounted for using the equity method.

Affiliated Companies	Activity	Total Participation	
		09/30/2023	12/31/2022
Bem Promotora de Vendas e Serviços S.A.	Service	49.90%	49.90%
Banrisul Icatu Participações S.A.	Insurance	49.99%	49.99%

**(c) Transactions with Holdings from Non-Controlling Shareholders** - Banrisul accounts the portion related to non-controlling Shareholders under Equity in the Consolidated Balance Sheet. For the purchases of shares from non-controlling shareholders, the difference between any paid amount and the share acquired of the carrying value of the net assets of the subsidiary is recorded against Equity. Gains or losses on sale of participation of non-controlling companies are also recorded directly against Equity.

### 3.2. Conversion of Foreign Currency

**(a) Functional and Presentation Currency** - The financial statement items of each one of Banrisul's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The consolidated interim financial statements are presented in Brazilian Reais, which is the functional currency and also the presentation currency of Banrisul.

**(b) Transactions and Balance Sheet Items** - Transactions denominated in foreign currency are initially recognized in the functional currency using the exchange rate prevailing on the dates the transaction.

Foreign exchange differences arising on the settlement of such transactions and on the translation of foreign currency-denominated monetary assets and liabilities using exchange rates prevailing at the end of the reporting period are



recognized in the income statement as gains or losses. Exchange differences on foreign investments are recorded in the statement of comprehensive income.

**(c) Conversion to Presentation Currency** - The Statements of entities domiciled abroad (none of which has a from a hyperinflationary economy), whose functional currency is different from the presentation currency, are translated into the presentation currency in accordance with the following criteria: (i) assets and liabilities are converted by exchange rate at the balance sheet date and (ii) revenues and expenses are converted at the average monthly exchange rate.

All exchange differences resulting from the conversion are recognized directly in a separate component of equity, which is the comprehensive income.

### 3.3. Cash and Cash Equivalents

Cash and cash equivalent are represented for Available Cash (Cash, and bank deposits), Liquid Interbank Investments and Securities with original maturity equal or below 90 days and that present insignificant risk of fair value change.

### 3.4. Financial Assets and Financial Liabilities

(Banrisul's financial assets and liabilities are classified and acknowledged from the beginning of the operation according to business models, at Amortization Cost, at Fair Value through Results and at Fair Value through Other Comprehensive Results.

#### (a) Financial Assets Classification and Measurement

Banrisul classifies its financial assets in the following measurement categories:

##### Financial Assets at Amortization Cost

- ✓ Assets managed to obtain cash flows constituted only by payment of principal and interests (SPPI Test);
- ✓ Initially recognized for the contracted value added the cost of transaction; and
- ✓ Subsequently measured at amortization cost, using the effective interest rate.

##### Financial Assets at Fair Value through Other Comprehensive Results

- ✓ Assets managed for obtaining cash flows constituted only for payment of principal and interests (SPPI *Test*), as well as for sale;
- ✓ Initial and subsequently recognition at fair value plus transactions costs; and
- ✓ Non-performed gains and losses (except for expected credit loss, currency differences, dividends and interest revenues) are recorded into Accumulated Comprehensive Result line, net of applicable taxes.

##### Financial Assets at Fair Value through Results and Financial Assets Assigned at Fair Value

- ✓ Assets that do not fulfill the classification criteria for the previous categories or assets assigned at the initial recognition as fair value through results in order to reduce "accounting mismatches";
- ✓ Initial and subsequently recognitions at fair value;
- ✓ The costs of transactions are recorded directly into the Consolidated Income Statement; and
- ✓ Gains and losses resulting from fair value alterations at are recognized at the line Gains (Losses) Net with Financial Assets and Liabilities at Fair Value.

The classification and subsequent measurement of financial assets depends on:

- ✓ The business models in which they are managed;
- ✓ The characteristics of its cash flows (Solely Payment of Principal and Interest Test – SPPI Test).

**Business Models:** indicates how financial assets are managed to generate cash flows, independently of the Management





intentions in relation relating to any instrument in particular. Financial assets may be managed with the intention of (i) obtaining contractual cash flows, (ii) obtaining contractual cash flows for sale, or (iii) other purposes. In order to evaluate the business models, Banrisul takes into account risks that affect their performance, the compensation of the sales team and how the performance of business models is evaluated and reported to the Management. If cash flows perform differently than Banrisul's expectations, the classification of the outstanding financial assets remaining in its business model is not altered. Whenever any financial asset is maintained within the business models options (i) and (ii), the application of the SPPI Test is mandatory.

**SPPI Test:** assessment of cash flows generated by financial instruments aiming at verifying whether they constitute the payment of principal and interests, only.

### **Amortization Cost**

The amortization cost is the value through which the financial asset or liability is measured when they are firstly recorded, in addition to further updates using the effective interest rate method, deducted of interest and the amortization of principal, adjusted to any provision for expected credit loss.

### **Effective Interest Rate**

The effective interest rate is the rate that discounts the amounts received or the estimated future payments during the expected life of the financial asset or liability.

For the calculation of the effective interest rate, Banrisul estimates the cash flows considering all contractual terms of the financial instruments, but does not consider future credit loss. The calculation includes all commissions paid or received between the parts in the contract, the transaction costs and all other premium or discount amounts.

The revenue from interests is obtained by applying the effective interest rate to the gross book value of the financial asset.

### **Fair Value**

Fair Value is the price that would be received for the sale of an asset or that would be paid for the transference of a liability in an orderly transaction between market players on the measurement date.

Details about the fair value of financial assets, including Derivatives, as well as throughout the chain of fair value, are detailed in the Note 5.7.

The fair value is used to determine gains and losses produced from the alienation of financial assets at fair value, which are recorded on the Consolidated Income Statement into Gain (Losses) Net from Financial Assets and Liabilities at Fair Value. Dividends upon fair value assets at fair value obtained through other comprehensive results are booked into the Consolidated Income Statement as Dividend Revenues whenever Banrisul's rights to receiving such dividend are likely.

The regular trading of financial assets are acknowledged and written-off, respectively, on the date of negotiation.

Financial assets and liabilities are compensated and their net value is reported in the Balance Sheet exclusively when there is any rights that could legally be utilized to compensate recorded amounts and there is the intention

### **Expected Credit Loss**

Banrisul evaluates in prospective bases the expected credit loss associated with financial assets measured at amortization cost or at fair value through other comprehensive results, to borrowings commitments and to contracts of financial guarantee.

**Financial Assets:** The loss is measured by the present value of the difference between the contractual cash flows and the





expected payments due Banrisul, discounted by the interest rate effectively charged.

**Commitments on Borrowing:** The loss is measured by the present value of the difference between the contractual cash flows that would be due if the transactions are hired and the cash flows Banrisul expects to receive; and

**Financial Guarantees:** The loss is measured by the difference between expected payments to repay the collaterals and the amounts Banrisul expects to obtain.

Banrisul evaluates individually or collectively whether credit risk increases significantly. For the purposes of collective assessment, financial assets are grouped based on their credit risk characteristics, the date of their initial recognition, the remaining time, business sectors and, geographical location of counterparties, among other relevant factors.

Banrisul uses the three-stage approach, in which any financial asset migrates from one stage to another based on the extension of credit deterioration since its inception, as follows:

**Stage 1:** from the initial recording of a financial asset until the date the asset has passed through a significant increase on credit risk in relation to its initial recognition, given that it has not been delayed for more than 30 days, the provision for losses is recorded in ways to represent credit losses resulting from probable expected defaults for the next 12 months. In this stage, incomes are calculated upon the gross balance of the financial asset.

**Stage 2:** After a significant increase in credit risk in relation to the initial recording of the financial asset, or in case of arrears between 30 and 90 days, the provision for loss is registered in ways to represent the expected credit losses during the asset remaining useful life. Yet, income remains calculated upon the gross balance of the financial asset.

**Stage 3:** Assets recorded in this stage are financial instruments with a recovery problem, falling into either quantitative (assessed by days of delay - 90 days) or qualitative noncompliance, characterized by indications that the client will not fully honor the transaction credit. In this case, the expected loss until the end of the asset's life is calculated.

One asset will migrate from stage as its credit risk increase or decrease. One financial asset that migrate to stages 2 and 3 could return to stage 1, unless it's a financial asset originated or bought with credit recovery troubles.

It is considered financial assets with low credit risk and, therefore, remain on stage 1, public treasury bonds, according to a study performed by Banrisul.

#### **Default and Write-Off definition**

The IFRS 9 does not define default, but contains a refutable presumption that default may occur when any exposition is delayed for more than 90 days, which is the parameter used by the Bank. Assets are written-off when no longer exists reasonable expectations for the recovering of contractual cash flows in full or partially upon the corresponding financial asset.

#### **Macroeconomic Factors, Prospective Information and Multiple Scenarios**

Macroeconomic factors comprise inherent risks, market uncertainties and other factors that may lead to different results than expected. According to IFRS 9, such factors are used to evaluate a range of possible outcomes that incorporate forecasts of future economic conditions and prospective data are incorporated in the ECL measurement, as well as on the determination of the existence of significant increase in credit risk since the beginning of the operation.

#### **(b) Financial Liabilities Classification and Measurement**

Banrisul liabilities operations are classified according to their business models and measure pursuant to the rules for each category.

**Financial Liabilities at Amortization Cost**

An instrument is classified as financial liability when there is a contractual obligation that its termination be effected through the delivery of moneys or other financial assets, regardless its legal form. Financial liabilities include debt issued for short and long term and are initially recognized by its notional value, which is added to the transaction costs.

**Financial Liabilities at Fair Value through Results**

This category includes the financial liabilities that are defined, upon initial recognition, as measured by fair value through results.

Financial liabilities are classified as fair value through profit or loss if they have been acquired or incurred principally for the purpose of selling it in the near term. Derivatives are also classified as fair value through profit and loss. The subordinated bond, due to be hedged, is classified in this category.

**(c) Open Market Investments**

Banrisul has financial assets and liabilities purchase transactions with resale commitment and sale with repurchase commitments. The resale and repurchase commitments are recorded under lines Investments on Open Market and Funding on Open Market, respectively.

The difference between sales and repurchase prices is treated as interests and is recognized during the time of the deal using the method of effective interest rate.

The financial assets accepted as guarantees in resales commitments may be used as guarantees for the repurchase commitments, when allowed by the terms of the deal, or may be sold.

Financial assets given as guarantee to counterparties are also kept on the consolidated interim financial statements. When the counterparty has the right to sell or use as guarantee the public notes and securities given as guarantee, such as securities as reclassified on the Balance Sheet in appropriated classes of financial assets.

**(d) Derivatives Financial Instruments**

Derivative Financial Instruments are classified on the date of their acquisition in accordance with management's intention to use them as hedge vehicles or not.

Banrisul will continue to apply the requirements of hedge accounting fixed on IAS 39, pursuant to the faculty provided for in IFRS 9.

Derivative financial instruments are valued at fair value at the time of monthly trial balances and balance sheets. Gains or losses are recognized in income or expense accounts in the Income Statement.

Banrisul participates in transactions involving derivative financial instruments in the swap modality, recorded in equity and offsetting accounts, which are intended to meet its own needs to manage its global exposure in foreign currency.

The use of derivative financial instruments is predominantly aimed at mitigating the risks arising from exchange rate fluctuations in the external funding operation carried out by Banrisul, mentioned in Note 14, which result in the conversion of these rates to the variation of the CDI rate.

Derivative transactions are based on over-the-counter contracts registered with B3 S.A. - Brazil, Bolsa, Balcão, and have financial institutions classified as first class as counterparties.



Banrisul makes the documented designation, at the beginning of the transaction, which describes the relationship between the objects and the hedging instruments, as well as the risk management objectives and the strategy for carrying out the protections. In this risk management, Banrisul periodically tests and documents the tests performed to determine the level of effectiveness of hedge accounting operations in offsetting changes in the fair value of hedged items during the period in which this protection is in effect.

**Fair Value Hedge** – are classified in this category derivative financial instruments intended to offset risks arising from exposure to changes in fair value of the hedged item.

Banrisul included in this category derivative financial assets contracted into to protect itself from foreign currency variation derived from the issuance of USD US\$300 million, maturing on January 28, 2031, with a five-year repurchase option, pursuant to conditions previously agreed by the Offering Memorandum of this issue, described in Note 21.

Banrisul also operates with DI Futures Contract, a derivative whose underlying asset is the average daily rate of Interbank Deposits (DI), calculated and disclosed by B3, between the trading date, inclusive, and the expiration date, excluding, and is used for hedging and managing the interest rate risk of assets and/or liabilities.

Banrisul operates with DI Futures contracts, in a “matched” way with investments made in treasury bonds (LTN), which have a fixed rate, in order to offset the risk of fluctuation in the DI rate, and the price adjustments of these derivatives are recorded daily, using the accrual method based on the price calculation date.

#### **(e) Credit Operations**

The credit risk area and the financial area are responsible for defining the methodology for measuring expected loss in credit operations and for recurrently evaluating the evolution of provision amounts.

This areas monitor observed trends on provision for expected credit loss per segment, besides establishing the initial understanding of any variables that may trigger off alterations in provisions, on probability of default or on loss given default.

Once the trends are identified and the initial assessment of variables is carried out on corporative level, business areas become responsible for improving the analysis of these trends in further detailed levels and by segment, for assessing related reasons to said trends and to for deciding whether it will be necessary changings on policies for calculating expected credit losses.

#### **(f) Financial Leasing Operations (as lessor)**

When assets are recorded under financial lease, in which the Bank is the lessor, the present value of payments is recognized as a receivable into Credit Operations and Financial Leasing, according to Note 11.

The initial direct costs, when incurred by Banrisul, are included on the leasing's initial measurement of receivable, reducing the value for the recognized income throughout the term of the lease. Such initial cost usually includes commissions and legal billable hours.

The recognition of interest revenues reflects the constant rate of return upon Banrisul's net investment and it is booked under Interest Revenues and Similar.

#### **(g) Borrowings Commitments and Financial Guarantees**

Banrisul recognizes in the Consolidated Balance Sheet as an obligation, within the group of Financial Liabilities, under Provision for Expected Loss, the fair value of issued guarantees, on the date of their issuance. The fair value is usually represented by the fees charged to customers upon the issuing of the guarantee. This amount is amortized throughout the



period of the issued guarantee and recognized in the Consolidated Income Statement in Revenues for the Provision of Services.

If after any collateral is issued, basing on its best assessments, Banrisul concludes that the event of loss in relation to the issued guarantee is likely and the amount of the lost is higher than the initial fair value deducted by the accumulated amortization, a provision for such amount is recognized.

### 3.5 Investments in Affiliates

The investments in affiliates are initially recognized at cost and subsequently assessed for using the equity method, based on the value of net income or loss or other comprehensive results of the affiliate's equity, observing the same accounting practices of the investor, being recognized in profit or loss for the period or in other comprehensive income, respectively.

### 3.6 Impairment of non-financial assets

Assets with non-defined useful life, such as goodwill, are not subject to amortization and are tested annually to identify any impairment reduction need. Assets that are subject to amortization are reviewed for verification of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds its recoverable amount, which represents the greater between the fair value of an asset less its selling costs to sell and its value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. With the exception of goodwill, non-financial assets that have been adjusted for impairment are reviewed subsequently for the analysis of a possible reversal of the impairment at the date of balance sheet.

### 3.7 Property, Plant and Equipment

Properties in use comprise mainly land and buildings. Properties in use are stated at their historical cost, less depreciation, as with any other item of property, plant and equipment. Historical cost includes expenditures directly attributable to the acquisition or construction of the assets.

Subsequent costs are added to the carrying amount of the asset or recognized as a separate asset, where appropriate, only when it is probable that future economic benefits associated to the item will flow into the Bank and cost can be measured reliably. All other repair and maintenance costs are recognized in profit or loss for the year as operating expenses, provided that they do not effectively result in an increase in the useful life, efficiency or productivity, when incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as presented below:

Property, Plant and Equipment	Average Useful Life Estimate in Years
Use Properties	60
Facilities	25
Furniture and Equipment in Use	19
Other	7

The residual values and the useful lives of the assets are reviewed and revised, where appropriate, at the end of each reporting period. Annually we perform the review of useful life.

Assets subject to depreciation are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Gains and losses on disposals are determined based on the comparison with carrying amounts and are recorded in income statement in line item Other Operating Income (Expenses), in the income statement.



### 3.8 Leasing Commitments (as Lessee)

Banrisul is lessee, mostly for real estate assets for its operational activities. The initial recognition occurs as of the date of the signing of the contract, into Other Financial Liabilities, which corresponds to the total of future payments at present value in counterpart to Assets of Right of Use, uniformly depreciated throughout the leasing time.

The financial expense corresponding to the interest of leasing liabilities is recognized in the line Interest and Similar Expenses on the Consolidated Income Statement.

Most of the lease agreements have terms of 60 or 120 months.

The total amount paid in 1H2023 as commercial lease is R\$83,499.

### 3.9 Intangible Assets

Consist of resource allocations whose associated benefits will occur in future years, and are initially recognized at cost. This line item comprises banking service agreements and acquisition of software with defined useful lives, which are amortized on a straight-line basis at the rates disclosed:

Intangible Assets	Estimated Useful Life in Years
Payroll	5 to 10
Software	8

#### Payroll Acquisition Rights

**(i) Public Sector** - refer to the contracts signed for the assignment of services related to payroll through the onerous grant of exclusivity rights with the State of Rio Grande do Sul, city halls and other public bodies. Internal and expert studies were conducted and no evidence of impairment related to this asset was identified.

**Private Sector** - refer to the five-year contracts signed with the private sector, being amortized over the contractual elapsed period. Impairment losses of these assets were not identified.

#### Software

The software licenses are capitalized based on the costs incurred to acquire the software and make them ready for use. These costs are amortized over the estimated useful life of the software.

Costs associated with software maintenance are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank are recognized as intangible assets.

The directly attributable costs, capitalized as part of the software product, include the employee costs in developing the software and an appropriate portion of relevant overhead expenses. Costs also include financing costs incurred during the development of software.

Other development expenditures that do not meet these criteria are recognized as expenses as incurred. Development costs previously recognized as expenses are not recognized as assets in the subsequent period.

The accounting value of an intangible asset is immediately written down to its recoverable value if it is greater than the estimated recoverable amount. The recoverable value is reviewed annually.

### 3.10 Assets Designated for Sale

Assets designated for sale are registered at the Consolidated Financial Sheet at the moment of their effective seizure or intention of sale. These assets are initially accounted for their fair value. Subsequent reductions to the book value of the



asset are recorded as a loss by reductions at fair value less costs to sell and are recorded in the Consolidated Statement of Income under Other Operating Expenses. In case of recovery of the fair value less any selling costs, the recognized loss can be reversed.

### 3.11 Income Tax and Social Contribution

Tax expenses for the period comprise current and deferred income and social contribution taxes. The tax is recognized in the statement of income, except when it is related to items recognized directly into other comprehensive income or in the shareholder's equity. In this case, the tax is also recognized in the same group.

Deferred Income Tax and Social Contribution are recognized due to triggering events, and are determined using tax (and fiscal laws) rates, valid on the balance sheet date, which must be applied when the respective triggering event is observed or terminated.

Deferred income tax and social contribution assets are recognized when it is probable that future taxable profits will be available against which they can be realized.

The deferred tax income and social contribution related to the measurement of fair value of financial assets by means of other comprehensive income are credited or debited to the comprehensive income and subsequently recognized on the result at the time of the sale together with any deferred gains and losses.

### 3.12 Provisions, Contingent Liabilities and Assets

The provision for contingent liabilities discussed in courts is recognized when the Bank has legal or constructive obligation as a result of past events; it is probable that a disbursement of resources will be required to settle the obligation, and its present value can be reliably estimated.

The recognition, measurement and disclosure of contingent assets and liabilities and legal obligations are made in accordance with IAS 37, being recorded based on the opinion of legal counsel, through the use of the most adequate measuring models and benchmarks, despite the uncertainty about their value and possible outcome. Criteria used according to the nature of the contingency are as follows:

**(i) Contingent Assets** - not recognized in the financial statements, except when there is evidence that ensures its outcome on which there can be no further appeals.

**(ii) Contingent liabilities** - the provision for contingent liabilities is recognized in the financial statements when, based on the opinion of legal counsel and Management as the likelihood risk of loss of a judicial or administrative proceeding, with a probable outflow of resources to settle the obligation and when the discussed amounts are measurable with sufficient reliability.

When legal permits are issued as a result of a favorable outcome, the provisioned amounts and respective escrow deposits are adjusted for inflation and withdrawn.

### 3.13 Obligations with Long Term Benefits Post Employment to Employees

**(a) Pension 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 completion of retirement benefits and medical care to its employees.

**(i) Pension Plans** - Banrisul sponsors "defined benefit", "variable contribution" and "defined contribution" plan types.

A defined benefit plan is different from a defined contribution plan. In general, defined benefit plans provide a value of retirement benefit that an employee will receive upon retirement. Usually, dependent on one or more factors such as age,



length of service and remuneration.

The liability recognized in the balance sheet in relation to defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. Independent actuaries calculate the defined benefit obligation periodically, using the method of the Projected Credit Unit. The defined benefit obligation value is determined by discounting the estimated future cash outflows using interest rates consistent with market yields, which are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to those of the respective obligations of the pension plan.

The actuarial valuation is prepared based on assumptions and projections of interest rates, inflation, increases in benefits, life expectancy, effects of any limit over the share of the employer in the cost of future benefits, contributions from employees or third parties that reduce the final cost of those benefits to the Company, 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 arising from experience and adjustments for changes in actuarial assumptions are recognized directly in Equity as Other Comprehensive Income when they occur.

The cost of benefits under the defined benefit plans is established separately for each plan, using the Projected Unit Credit Method. The past service costs, when occur, are recognized immediately in income.

The variable contribution plans include benefits with defined contribution characteristics, which are the normal retirement, early retirement and funeral assistance. In this case, Banrisul has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when due. Contributions made in advance are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Beyond these benefits with defined benefit characteristics, there is disability retirement, proportional benefit, illness assistance, annual bonus, minimum benefit and pension for death.

**(ii) Health Plans** - Related to benefits that are provided by 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), covering health care benefits in general, which are funded by membership agreements.

The Bank also offers the benefit of post-retirement health care to their employees. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology used for pension plans of Defined benefit. Actuarial gains and losses arising from adjustments based on experience and changes in actuarial assumptions are charged against or credited to equity, under other comprehensive income. These obligations are valued periodically by independent qualified actuaries.

The plan assets are not available to creditors of Banrisul and may not be paid directly to it. The fair value is based on market price information and in the case of unlisted securities, the existing prices in the market. The value of any defined benefit asset recognized is limited to the sum of any past service cost not yet recognized and at the present value of any economic benefits available in the form of reductions in future contributions to the plan employers.

**(iii) Retirement Award** - For retiring employees, a retirement award shall be granted in a proportional amount to that of the employee's fixed monthly salary in force at the time of retirement.

Additionally, the result of the actuarial valuation can generate an asset to be recognized. Such asset is recorded by the Bank only when:

- the Bank controls a resource, which is the ability to use the surplus to generate future benefits;
- such control is the outcome of past events (contributions paid by the institution and service provided by the employee);
- and





(a) future economic benefits are available to the Bank in the form of reductions in future contributions or as cash refund, either directly to the Bank or indirectly to compensate for the insufficiency of another post-employment benefit plan (as per legal requirements).

These evaluations are reviewed periodically by independent qualified actuaries.

**(b) Profit Sharing** - Banrisul recognizes a liability and an expense in connection with profit sharing (stated in the line item Personnel Expenses in the Income Statement) based on the relevant collective bargaining agreement. The Bank recognizes a provision when it is contractually mandatory or when there is a past practice that created a constructive obligation.

### 3.14 Social capital

The common shares and preferred shares, which for accounting purposes are considered common shares without voting rights, are classified as equity. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the amount raised, net of tax.

### 3.15 Dividends and Interest on Capital

Statutorily, the shareholders are guaranteed minimum dividend of 25% of net income each year, adjusted in accordance with current legislation. At each Annual Shareholders' Meeting, it is set the minimum and extraordinary dividend payout ratio in the Bylaws, which are recorded as liabilities at the end of each year.

The amount of interest on capital is considered as dividend and presented in the consolidated financial statements as a direct equity reduction.

Dividends have been and continue to be calculated and paid based on the accounting practices adopted in Brazil applicable to the institutions authorized to operate by the Central Bank of Brazil ("Brazilian GAAP").

### 3.16 Earning per Share

The Earning per Share (EPS) can be calculated both in its basic and diluted form. In the basic form, the effects of potentially dilutive instruments are not considered, while taking into account in the calculating when using the diluted earnings per share. Amongst the potentially dilutive financial instruments, there are convertible preferred shares, convertible debentures and subscription bonuses that can be converted into common shares, characterizing the very dilutive potential of those instruments.

Banrisul does not have any instruments that were included in the calculation of diluted earnings per share; hence, basic and diluted earnings per share are the same.

### 3.17 Interest Income and Expenses

Interest income and expenses for all interest-bearing financial instruments, except from those instruments held for sale or designated at fair value through profit or loss, are recognized using the effective interest rate method in line items Interest and Similar Income and Interest and Similar Expenses in the Consolidated Income Statement.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating interest income or expense over the relevant period. The effective interest rate is the discount rate that results in the net carrying amount of the financial asset or financial liability, when applied on future payments or receipts over the expected life of the financial instrument or, where appropriate, over a shorter period. When calculating the effective interest rate, Banrisul estimates cash flows considering all contractual terms of the financial instrument, but does not consider future credit losses. The calculation includes all commissions paid or received between contract parties, transaction costs, and any other premiums or discounts.





### 3.18 Services Income

Services related to checking accounts, assets under management, collection and custody fees are measured at the received income fair value. The income recognition is made when control and the provision of agreed services to be provided by the Company are placed at the disposition of the customers.

As to acquiring products, revenues from the capturing of transactions made with the use of credit and debit cards are allotted immediately to the result at the date of the capture/processing of the transactions. Other revenues from services rendered to partners and business establishments are recognized as income when the service is actually rendered. The Services Income Composition is detailed on Note 29.

### 3.19 Operating Segments

Banrisul's Management treats the Retail, Corporate, Correspondent and Treasury businesses as distinct operating segments. Business valuation is managed in a segmented manner, based on specific reports used to make strategic decisions, periodically reviewed by the Board of Executive Officers.

The report by operating segments is presented in a manner consistent with the internal reporting provided to the chief operating decision maker, responsible for the allocating of resources and for evaluating the performance of the operating segments, represented by the Board of Executive Officers, according to Note 06.

## NOTE 04 – ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS

Management makes estimates and uses certain assumptions that can affect the value of the assets and liabilities reported. The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, considered reasonable in the circumstances.

The estimates and assumptions that present significant risks and which are likely to cause material adjustments to the carrying amounts of assets and liabilities for the next fiscal year, are presented below:

**(a) Fair Value of Financial Instruments Not Quoted in an Active Market** - The fair values of financial instruments that are not quoted in an active market are determined using market accepted valuation techniques (for example, models) that are validated and periodically reviewed by qualified personnel independent from the area that created such models. Before being used, all models are certified and validated to ensure that the results reflect actual data and comparable market prices. In practice, the models use observable data; however, calculations involving volatilities and credit risk correlations (own or counterparty's) require estimates by management. Changes in the assumptions built on these factors may influence the reported fair values of financial instruments.

**(b) Defined Benefit Pension Plans** - The current value of the liabilities of defined benefit pension plan is obtained by actuarial calculations that use a series of assumptions. The assumptions used to determine the net cost (revenue) for such plans include the discount rate. Any changes in assumptions will affect the carrying amount of pension plan liabilities.

Banrisul sets the appropriate discount rate at the end of each the reporting period, which is used to determine the present value of future estimated cash disbursements that should be required to settle the pension plan obligations. The real discount rates were calculated considering the interpolation of the rates of the IMA-B index, released by ANBIMA, with reference date 06/27/2023 according to the duration of each plan.

Other important assumptions for pension plan liabilities are partially based on current market conditions. Please refer to Note 36 for additional information.

**(c) Provisions for Tax, Civil, and Labor Contingencies** - Banrisul reviews its provisions for tax, civil and labor contingencies on an ongoing basis. Such provisions are valued based on the management's best estimates taking into account the opinion of the legal counsel and using of models and criteria that allow their measurement as adequately as



possible, despite the inherent uncertainty as to timeframe, amount, and outcome of the relevant proceedings. The current accounting policy is detailed in Note 22.

**(d) Expected Credit Losses** - Banrisul measures, on a prospective basis, the expected credit loss associated with financial assets measured at amortized cost or at fair value through other comprehensive income, loan commitments and financial guarantee contracts.

When measuring the expected credit loss, the Bank considers the maximum contractual period over which it is exposed to credit risk, adapting the calculation of the expected credit loss to the stage of the asset.

For all credit lines, the expected life is the maximum time of the operation, the exception being revolving credit lines, whose expected life is estimated basing on the historical behavior of use and considering the period of which the Bank expects to remain exposed to credit risk. The main products of revolving credit lines that the Bank is exposed to are credit cards and overdraft/corporate accounts.

**Assessment of the Significant Increase in Credit Risk** – to assess whether the credit risk on a financial asset has increased significantly since the origination, the Bank compares the risk of default over the expected life of the financial asset against the expected risk of default at origin, using key risk indicators from risk management processes existing at the Bank. On each reporting date, the identification of changes in credit risk will be assessed individually for those considered individually significant, and with the use of mass models at portfolio level. This assessment allows the credit risk of financial assets to return to stage 1 if the increase in credit risk since its inception has decreased and it is no longer considered significant.

Banrisul applies the three-stage approach when measuring expected credit losses, as described on Note 3.4 (a).

**Macroeconomic Scenario:** This information involves inherent risks, market uncertainties and other factors that may generate results other than expected, including changes in market conditions and economic policy, recessions or fluctuations in indicators other than expected.

**Transference of Financial Assets** - Financial Assets are written off when the rights to receive cash flows cease or when Banrisul substantially transfers all risks and benefits of property and such transference qualifies as write off according to IFRS 9 requirements. Should it not be possible to identify the transference of all risks and benefits, the controls to determine if the ongoing involvement related to the transaction does not prevent any write off must be evaluated.

Should the retention of risks and benefits be characterized upon evaluation, the financial asset remains recorded and it is registered the recognition of a liability for the receiving counterparty.

**Financial Asset Written Off** - When there is no reasonable expectation of recovering a financial asset, considering historical data, its total or partial write off is realized simultaneously with the reversion of related provision for expected credit loss, with no effects on Banrisul's Consolidated Income Statement. The subsequent recoveries of previously written off amounts are accounted as revenue on the Consolidated Income Statement.

## NOTE 05 - CAPITAL MANAGEMENT AND CORPORATE RISK

The management of capital and corporate risks is a fundamental and strategical tool for a financial institution. The constant improvement in the processes for (i) monitoring, controlling, evaluation and capital and goals planning, as well as the (ii) identification, classification, evaluation, monitoring, control, and mitigation of risks, makes it possible to improve the good practices of governance in line with Banrisul's strategical objectives.

National Monetary Council (CMN) Resolution No. 4557/17 and further changes determines that financial institutions and other institutions authorized by the Central Bank of Brazil (Bacen) to operate within the Segments S1 and S5 implement structures for the permanent management of capital and ongoing and integrated management of risk.



Banrisul is included in S2 of CMN Resolution No. 4553/17. Institutional structures and policies for Integrated Capital and Corporate Risk Management aim to enable the permanent and integrated management of capital and risks of credit, market and interest rate for instruments classified under the Bank's IRRBB liquidity portfolio, operational, social, environmental, climate, and other risks deemed relevant by Banrisul. In addition, they establish basic principles, compliance with legal requirements and ensure that all activities are carried out in accordance with current regulations.

The optimization of the management of assets and liabilities, the use of regulatory capital and the maximization of profitability to investors reflect the adoption of the best market practices by the Bank. The improvement of institutional structures and policies, systems, internal controls and safety standards, integrated to the Institutional's strategic and marketing objectives, are continuous processes in this scope.

### 5.1 Integrated Structure of Management

The integrated structure of capital management and corporate risk of Banrisul Group is coordinated by Corporate Risk Management Unit (UGRC), responsible for managing capital and credit, market, IRRBB, liquidity, operational, social, environmental and climate risks, with the support of Control and Risk Directories. The information produced by the Unit subsidize the Risk Committee (Consultive body to the Board of Directors) and other Management Committees, the Board of Directors and the Board of Directors in the decision-making process.

Banrisul's capital and corporate risk management process encompass the companies that are part of the Prudential Conglomerate (as defined accordingly to CMN Resolution No. 4950/21, they are Banrisul SA Administradora de Consórcios, Banrisul S.A. Corretora de Valores Mobiliários e Câmbio and Banrisul Soluções em Pagamentos S.A.), considering them jointly and individually. This process also identifies and monitors risks related to other companies within Banrisul Group, controlled by members of the Conglomerate, or of which they hold participation.

The corporate capital and corporate risk management are reviewed at least annually and are available on the Investor Relations website <[www.banrisul.com](http://www.banrisul.com)>, in the Corporate Governance > Risk Management section, together with other public risk management reports on and the risk weighted assets – RWA calculation, referent equity – RE and the leverage ratio – LR.

### 5.2. Risk Appetite Statement

BIS (Bank for International Settlements) defines Risk Appetite as the aggregate and individual risk levels that any institution is willing to assume within their ability to achieve strategic objectives and pursue their business plans. CMN Resolution No. 4557/17 mandates that levels of risk appetite be documented in the Risk Appetite Statement (RAS).

RAS is a document that describes the levels of risk that the institution is willing to accept or avoid in order to achieve its business objectives. It should include quantitative and qualitative measures relating to revenues, capital, risk measures, liquidity and other relevant items.

In addition, RAS reflects the operating environment, strategy and objectives of Banrisul's business. This document defines the different acceptable levels of each of the risks incurred by the Institution and carries out strictly monitoring and controlling tasks so that they remain in accordance with the desired strategy. In this way, each level of the Organization's operation plays a role in the identification, measurement, evaluation, monitoring, reporting, control and mitigation or risks.

Therefore, the Risk Appetite Statement is an essential tool for capital management and credit, operation, market, liquidity, social, environmental and climate risks that helps integrating and connecting management processes.

Banrisul has developed a series of indicators and markers to monitor its risk appetite, which are periodically monitored and reported to the Management levels by means of reports and dashboard displays. Main purpose is to maintain



indicators in line with established appetites and identify possible actions required according to the existing scenario, whether positive or negative in relation to the strategy drawn by the Institution.

### 5.3. Lines of Defense

Risk and control management is a strategic and fundamental tool for financial institutions. All their employees, interns and outsourced service providers are responsible for the adoption of behavioral measures that avoid exposure to risk, within the limits defined by their attributions. Seeking to clarify the roles and responsibilities of the areas and the personnel involved in the risk management process, Banrisul uses the Three Lines of Defense model to segment groups within the governance structure, according to the Companies' strategic objectives.

The **first defensive line** is assigned to risk-managing areas that are responsible for them. It is composed by strategic, business and supporting areas and must ensure the effective management of risks and controls within the scope of their activities. Their main attribution is to identify, measure, evaluate, monitor, report, control and mitigate the risks associated with processes, products, services, systems and personnel under their management. It is responsible for maintaining effective internal controls and for conducting risk and control procedures on a daily basis, as well as implementing corrective actions to solve deficiencies in processes and controls.

The **second defensive line** is assigned to the areas that play a role in assisting the development and monitoring of risk management, control and compliance, composed by Company's controlling areas. It is responsible for providing the methodology and for supporting needed to manage the risks assumed by the first line, assisting in the identification, measuring, evaluating, controlling and mitigation of risks. Independent monitoring and reporting of risk management, in the first line, is also a part of the scope of action from the second line.

The **third defensive line** is assigned to the internal audit area, and it is responsible for evaluating the first two lines, including how they achieve the objectives on the scope of risk and control management. It acts by proposing improvements and imputing the necessary corrective measures. It reports independently to senior management and to the Governance Bodies.

### 5.4. Credit risk

Credit risk is defined as by the possibility of incurring losses associated with non-compliance by the counterparty of its contracted obligations, the devaluation, the reduction of remuneration, earnings expected in a financial instrument due to deterioration on credit quality of the counterparty, the intervener or mitigation instrument; restructure of financial instruments or recovery costs of exposure characterized as troubled assets.

The definition of credit risk also includes the credit risk of the counterparty, understood as the possibility of losses arising from non-compliance with obligations related to the settlement of transactions involving bilateral flows, including the trading of financial or derivative assets.

The continuous and growing implementation of statistical methodologies for customer risk assessment, improvement of customer segmentation, parameterization of credit policies and business rules, and optimization of controls strengthens Banrisul's credit risk management, continuity of sustainable expansion of the loan portfolio, with agility and security.

Banrisul operates in the southern region of Brazil, with its credit operations concentrated in the state of Rio Grande do Sul.

Credit operations segmented by exposure risk are presented in Note 5.4.5.

The amount of the Bank's loans and receivables operations segmented by activity sector is presented below:

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09/30/2023

12/31/2022



<b>Public Sector</b>	<b>123,477</b>	119,837
Direct and indirect public administration	123,477	119,837
<b>Private Sector</b>	<b>52,432,513</b>	49,155,470
Companies	11,045,033	11,378,454
Farming and Livestock	181,340	184,125
Food, Beverages and Tobacco	1,610,237	1,662,756
Automotive	542,419	532,817
Pulp and Paper, Wood and Furniture	266,367	296,428
Food Wholesale Trade	644,549	723,910
Wholesale Trade (except food)	741,537	773,734
Retail Trade - Other	1,292,039	1,277,271
Construction and Real Estate	885,960	790,004
Education, Health and other Social Services	1,229,274	1,107,914
Electronics and technology	373,031	432,182
Financial and Insurance	178,768	318,570
Machines and equipment	292,852	256,223
Metallurgy	272,467	367,584
Infrastructure	45,453	42,878
Oil and Natural Gas	387,307	423,744
Chemical and Petrochemical	550,807	705,494
Private Services	495,953	421,908
Textile, Apparel and Leather	304,820	312,850
Transportation	379,598	374,812
Other	370,255	373,250
Individuals	41,387,480	37,777,016
<b>Total</b>	<b>52,555,990</b>	49,275,307

#### 5.4.1. Identification, Measurement and Assessment

In the process of identification, measurement and assessment of credit risk, Banrisul adopts statistical methods and/or the principle of collegiate technical decision. When granting credit based on scoring models, emphasis is grounded upon the establishment of pre-approved credits according to risk ratings provided for the statistical models.

The credit granting based on collegial decision occurs according to pre-established credit limits, the branches' credit committees at the branches may grant/refuse credit to the limits of their jurisdiction, established according to each branch or product category. For customers in amounts above those of the branches' committees the Head Office Credit and Risk Committees will defer operations and sets risk limits (LR). The Board approves specific operations and risk limits (LRs) to operations whose amounts do not exceed 3% of equity. Operations in excess of such limit are submitted to the Board of Directors, complying with the limits established in the Institution's Risk Appetite Statement.

For customers from the corporate segment, Banrisul uses technical studies conducted by a specializing risk analysis department that evaluate companies qualitatively and quantitatively under the prisms: economic-financial; management and governance; marketing and production, where environmental and social aspects are also observed. The analyzes are periodically reviewed and also observe the micro and macroeconomic scenarios in which the companies are inserted, and the result of the evaluation has a systemic process for defining Risk Limits by client and economic group, with defined exposure limits and with the evaluation individual qualitative. For companies not included in the mass market or with risk limit analysis, the risk assessment is individualized for each transaction request. The management of the credit risk exposure is based on a selective, conservative approach, pursuant the strategies set by Banrisul's management and the Board of Directors.

Credit operations, or not covered in the scoring models are sorted in ascending order of risk, considering aspects related to the debtor and its guarantors and in relation to the operation. In relation to the debtor and its guarantors are measured: financial situation, level of indebtedness, ability to generate profits, cash flow, management and quality control, timeliness and delays in payments, contingencies, economic activity and credit limit. In relation to credit operations: the value should be considered, the nature and purpose of the transaction, in addition to the characteristics of securities, particularly as to



the adequacy and liquidity. Credit operations are monitored by the Credit Risk Unit to identify the minimum rating due to the longest delay. All client operations have calculated ratings, which added to the minimum, result in the highest risk rating for the client.

#### **5.4.2. Monitoring, Control and Mitigation**

For all customer segments, analysis of overdue, pending and concession volume indicators is carried out, in different granularities and groupings, such as by product, risk classification, credit concentration, branch, among others. It should be noted that the classification of credit operations at appropriate risk levels is frequently reviewed. Analysis of adherence to credit scoring models is also performed using statistical validation techniques; in addition to monitoring the amount of exposure to credit risk, with segmentations defined by the Central Bank and by the Institution itself; Provision Backtesting procedures through crop monitoring and; Loan portfolio Stress Tests, with the objective of estimating required capital and the impact on Capital Ratios.

The mitigation of credit risk occurs from the structuring of guarantees and pricing, appropriate to the level of risk to be incurred due to the characteristics of the borrower and the operation, at the time of granting.

Based on Bacen Circular No. 3,809/16, Banrisul considers as a credit risk mitigation instrument: financial collateral, bilateral agreement for clearing and settlement of obligations, personal guarantee and credit derivative. It also considers as a guarantee i) the transfer of payroll deductions or retirement and pension benefits for death, carried out by federal government institutions or the Federal Public Ministry, linked to payroll-deductible credit operations, except for exposures arising from payroll-deductible credit card and ii) operations with financial institutions and other institutions authorized to operate by Bacen, as well as securities issued by them.

The Bank implements already consolidated guidelines and policies on the acceptance of specific classes of guarantees, signed in credit agreements, such as, for example, the right to sell or re-present the guarantee in the absence of compliance by the debtor with its obligations. It should be noted that the control of guarantees takes place throughout the course of the operation, recomposing it when necessary, and writing off the surplus at the end of the transaction. In cases of execution of guarantees linked to an insolvent contract, the assets guaranteed by the counterparty are duly repossessed, subsequently selling them through auctions. Exceptionally, the guarantee may be considered difficult to convert into monetary values. This contextualization takes into account the occurrence of contingencies that make it impossible to carry out this guarantee, such as, for example, the occurrence of natural phenomena, the obsolescence and/or deterioration of these assets, making their liquidity in the market unfeasible.

#### **5.4.3. Provision Policies**

Allowances for expected losses are recognized for the purpose of preparing financial reports through individual and collective analysis.

The operational policy requires the evaluation of individual financial assets quarterly or when required in light of individual circumstances. This treatment is applicable to loan transactions that are individually material for the entity. For financial assets assessed collectively, defined by financial assets grouped in accordance with similar credit risk features, the assessment is performed monthly.

Banrisul determines the allowances for expected losses on individually valued line items using a case-by-case review where it is used prospective and market information. It is considered exposures individually significant line items credit operations of clients with balance higher than minimum level of limit criterion by the level of authority of executive committee's credit committees, aligned to delay and client risk criteria.

The allowances for expected losses valued on a collective basis are set for portfolios of similar assets that are not individually significant taking to consideration its historical behavior, projections of macroeconomic scenarios, and





statistical techniques.

#### 5.4.4. Maximum Credit Risk Exposure before Collateral or Other Mitigations

The exposure to credit risk related to assets recorded in the balance sheet as well as the exposure to credit risk related to unregistered items in the balance sheet is as follows:

	09/30/2023	12/31/2022
<b>Financial Assets at Amortization Cost</b>	<b>98,401,147</b>	<b>89,376,326</b>
Reverse Purchase Agreements	7,772,282	3,521,401
Bonds and Securities	31,632,472	30,492,530
Credit Operations and Financial Leasing	52,555,990	49,275,307
Other Financial Assets	6,440,403	6,087,088
<b>Financial Assets at Fair Value through Other Comprehensive Income</b>	<b>56,330</b>	<b>52,979</b>
Bonds and Securities	56,330	52,979
<b>Financial Assets at Fair Value through Results</b>	<b>9,071,700</b>	<b>8,909,298</b>
Bonds and Securities	9,071,700	8,909,298
<b>Off Balance</b>	<b>18,915,011</b>	<b>17,427,053</b>
Financial Guarantees	150,233	238,840
Real Estate Credit	483,313	413,618
Overdraft	4,892,783	4,947,277
Credit Cards	4,164,079	3,694,298
Pre-dated Electronic Limits – Banricompras	3,976,265	3,975,641
Pre-approved Installments Limits - Crédito 1 Minuto	3,992,654	3,174,762
Other Pre-approved Limits	1,255,684	982,617
<b>Total</b>	<b>126,444,188</b>	<b>115,765,656</b>

#### 5.4.5. Credit Operations and Financial Leasing

Credit operations and financial leasing, segregated by stages, are summarized below:

	Stage 1		Stage 2		Stage 3		Total	
	Total Loans	Expected Loss	Total Loans	Expected Loss	Total Loans	Expected Loss	Total Loans	Expected Loss
<b>Individuals</b>	<b>37,775,388</b>	<b>284,105</b>	<b>2,717,928</b>	<b>115,030</b>	<b>904,305</b>	<b>685,902</b>	<b>41,397,621</b>	<b>1,085,037</b>
Credit Cards	1,953,491	33,834	54,192	9,440	115,714	79,688	2,123,397	122,962
Payroll Loans	19,746,646	104,952	187,550	35,317	329,153	267,947	20,263,349	408,216
Personal Loans – not Payroll	2,310,911	73,921	71,716	12,470	271,413	230,766	2,654,040	317,157
Real Estate	5,212,417	32,345	151,888	1,571	19,033	8,528	5,383,338	42,444
Rural Loans, Development and								
Guarantee Funds	7,712,110	23,783	2,073,035	26,635	83,278	35,434	9,868,423	85,852
Other	839,813	15,270	179,547	29,597	85,714	63,539	1,105,074	108,406
<b>Companies</b>	<b>9,114,572</b>	<b>297,448</b>	<b>1,755,913</b>	<b>706,279</b>	<b>287,884</b>	<b>190,835</b>	<b>11,158,369</b>	<b>1,194,562</b>
Exchange	975,638	34,272	83,092	37,250	1,988	1,589	1,060,718	73,111
Working Capital	2,820,047	146,096	317,133	78,769	55,950	46,759	3,193,130	271,624
Guarantee / Business Account	428,606	46,618	12,934	5,855	35,339	25,062	476,879	77,535
Real Estate	194,949	587	155,451	767	-	-	350,400	1,354
Rural Loans, Development and								
Guarantee Funds	4,065,861	49,691	490,698	46,436	149,868	80,982	4,706,427	177,109
Other	629,471	20,184	696,605	537,202	44,739	36,443	1,370,815	593,829
<b>Total as of 09/30/2023</b>	<b>46,889,960</b>	<b>581,553</b>	<b>4,473,841</b>	<b>821,309</b>	<b>1,192,189</b>	<b>876,737</b>	<b>52,555,990</b>	<b>2,279,599</b>
<b>Total as of 12/31/2022</b>	<b>44,861,737</b>	<b>671,389</b>	<b>3,594,977</b>	<b>945,383</b>	<b>818,593</b>	<b>640,935</b>	<b>49,275,307</b>	<b>2,257,707</b>

**Stage 1** – are classified in Stage 1 credit operations that do not present a significant increase in credit risk and have not matured for more than 30 days.

	09/30/2023	12/31/2022
Not Overdue	45,909,415	44,250,507
Overdue up to 30 days	980,545	611,230
<b>Total</b>	<b>46,889,960</b>	<b>44,861,737</b>





	09/30/2023	12/31/2022
Collective Evaluation	46.889.960	44,861,737
<b>Total</b>	<b>46.889.960</b>	<b>44,861,737</b>

**Stage 2** – are classified in stage 2 credit operations that are delayed between 30 and 90 days and/or present a significant increase in credit risk. These criteria are applied in both individualized and collective evaluation.

	09/30/2023	12/31/2022
Not Overdue	3.640.297	3,060,469
Overdue up to 30 days	67.256	81,676
Overdue from 31 to 60 days	466.145	307,656
Overdue from 61 to 90 days	300.143	145,176
<b>Total</b>	<b>4.473.841</b>	<b>3,594,977</b>

	09/30/2023	12/31/2022
Collective Evaluation	3.575.863	2,622,493
Individual Evaluation	897.978	972,484
<b>Total</b>	<b>4.473.841</b>	<b>3,594,977</b>

**Stage 3** – are classified in stage 3 operations that are more than 90 days in arrears and/or present evidence of credit deterioration, both in the individualized and in collective valuation.

	09/30/2023	12/31/2022
Not overdue	86.733	18,043
Overdue up to 30 days	14.896	5,811
Overdue from 31 to 60 days	20.524	7,728
Overdue from 61 to 90 days	26.553	8,526
Overdue for more than 90 days	1.043.483	778,485
<b>Total</b>	<b>1.192.189</b>	<b>818,593</b>

	09/30/2023	12/31/2022
Collective Evaluation	1,145,163	757,131
Individual Evaluation	47,026	61,462
<b>Total</b>	<b>1,192,189</b>	<b>818,593</b>

**Concentration Analysis of Clients Individually Significant** - The concentration analysis presented below is based on the total balance of the portfolio of clients considered individually significant in the amount of R\$1,060,246 (12/31/2022 – R\$1,033,946), excluding financial institutions and dependencies abroad.

	09/30/2023	12/31/2022
Largest Debtor	10.62%	9.91%
Five Largest Debtors	37.49%	36.79%
Ten Largest Debtors	58.41%	55.88%
Twenty Largest Debtors	81.40%	77.63%

**Restructured credit operations and financial leasing** – Credit operations and financial leasing restructuring activities commonly practiced and used by Banrisul include extended payment arrangements and the restructuring of previously agreed rates.

After the restructuring, the term of credit and financial leasing operations is extended, even if it is not yet past due, and it returns to a performing status. The transaction is then managed as other similar accounts, whether or not renegotiated.

The restructuring acceptance policies and practices are based on predefined indicators or criteria that, in the judgment of management, indicate that payment will most likely continue.



Total restructured credit operations from January to September of 2023 amounted to R\$520.966 (01/01 – 09/30/2022 – R\$544.700).

#### 5.4.6 Repossessed Assets

Reposessed assets are classified and recognized as assets in the effective registration of the property.

Assets for sale are reported in the Consolidated Balance Sheet upon their effective receive or intention of sale. These assets are reported for their fair value.

Subsequent reductions to an asset's fair value are recorded as an allowance for Impairment, with a corresponding charge to profit or loss. Maintenance costs associated with such assets are expensed as incurred. The sales policy of these assets includes conducting regular sales biddings previously announced to the market. From January to September, the retaken assets (nature of the Assets) totaled R\$21,224 (01/01 – 09/30/2022 - R\$9,333).

#### 5.5. Market Risk and Interest Rate Risk in the Banking Portfolio

Banrisul is exposed to market risk arising from the possibility of occurrence of losses resulting from fluctuation in the market values of instruments held by the institution. This definition includes the risk of interest rate variation of stock market, for instruments classified under trading book and risk of exchange variation and the price of commodities, for instruments classified under trading book or banking book.

Banrisul manages market risk in accordance with best market practices. As the Policy Management Market Risk, the Institution sets limits to monitor operational risk exposures, and identify, evaluate, monitor and manage exposure to risks of trading portfolios and non-trading.

The identification of transactions that are subject to market risk is performed by means of operational processes, considering the Bank's business lines, risk factors of operations, contracted amounts and tenors, as well as the classification of financial instruments as trading or not trading portfolios. The classification is carried out as follows:

**(a) Trading Book:** Includes operations in financial instruments held for trading, intended for resale, to obtain benefits from price fluctuations or arbitration.

**(b) Non-Trading Book or Banking Book:** Comprises all operations of the Institution not classified in the trading book, without any intent to sell, i.e., the loan portfolio, portfolio of securities held to maturity, funding from time and savings deposits and other transactions held to maturity.

#### Internal Communication

In order to ensure that information from the area responsible for managing market risks reaches the whole organization, the Market Risk Report is periodically made available to the members of the senior management and periodically the monitoring report produced of the Institution's risk exposures is delivered to the Risk Management Committee. Annually, or at smaller intervals when necessary, the Market Risk Management Policy is proposed to the Board of Directors, responsible for its approval. Dashboards are also produced for the main risk drivers for the Trading and the Non-Trading Books (IRRBB), such as unmatched between assets and liabilities and main determinants of results fluctuations.

#### External Communication

In order that information coming from the area responsible for managing market risks reaches the whole organization, the description of the structure for managing market risk is available by means of a public report according to Resolution No. 4557/17 of CMN – National Monetary Council, at least once a year. The Market Risk Management Structure Management and the Risk Management Report are available at the following address: <http://ri.banrisul.com.br/banrisul/>.



### 5.5.1. Methodologies for Calculating Market Risk and Interest Rate Risk in the Banking Portfolio

Banrisul monitors the market risk and interest rate risk of its operations through the use of methodologies such as Value at Risk (VaR), Maturity Ladder or EVE - impact of changes in interest rates on the present value of cash flows of the instruments classified in the institution's banking book, the NII - impact of changes in interest rates on the result of financial intermediation of the Institution's banking book and by carrying out a sensitivity analysis of the portfolios that have exposure to market risk. The following are the measurement methodologies for these:

**(a) Mark to Market:** in exceptional cases, where, by regulatory definition, the mark-to-market attributions that are first-line attributions (especially middle/back office) are not being observed, the calculation of the market value of the assets and liabilities will be carried out using the prices and rates captured at Anbima – Brazilian Association of Financial and Capital Market Entities and at B3 (Brasil, Bolsa, Balcão). From these prices, the cubic spline interpolation function (year in 252 working days) is applied to obtain the interest rates in the terms of the operations, intermediate to the vertices presented.

**(b) Value at Risk and Maturity Ladder:** Banrisul uses standard methodologies for calculating the allocation of capital of market risk installments (Pjur1, Pjur2, Pjur3, Pjur4, Pacs e Pcam) for the Trading Book. For fixed rate operations (Pjur1), it is used the Var methodology according to Central Bank Circular no. 3,634/13. The Value at Risk or VaR is a statistical estimate based on losses that may arise from the current portfolio by adverse changes in market conditions. The model expresses the maximum amount Banrisul can lose, taking into account a confidence level of 99% and volatilities and correlations calculated using statistical methods that give more weight to recent returns. In operations referenced in currency coupons (Pjur2), price index (Pjur3) and interest rate (Pjur4), share portfolio (Pacs) and Exchange Book (Pcam), the metrics used is the Maturity Ladder that is based on the concept of Duration, establishing a relation between how much the price is altered when changing the rate of its respective coupon, as defined by the Central Bank in the instructions no 3,635/13, 3,636/13, 3,637/13, 3,638/13 and 3,641/13.

**(c) Economic Value Approach (EVE):** for assessing the impact of changes in interest rates upon the present value of cash flows of instruments classified in the Company's banking portfolio.  $\Delta\text{EVE}$  is defined as the difference between the present value of the sum of the repricing flows of instruments subject to the IRRBB in a base scenario and the present value of the sum of the repricing flows of those same instruments in a scenario of shock in interest rates.  $\Delta\text{EVE}$  is the economic value of the banking portfolio and its solvency capacity, obtained by calculating the present value of the installments with the use of future interest rate curves. These future curves, also called the interest rate term Structure, are applied with shock to verify the portfolio's sensitiveness to changes in rates and the variation in economic value. The Equity value sensitivity measures the interest risk on the Equity value based on the effect of changes in interest rates on the present values of financial assets and liabilities.

**(d) Financial Intermediation Result Approach (NII):** the assessments of the impact of changes in interest rates upon the results of financial intermediation of the Company's banking portfolio.  $\Delta\text{NII}$  is defined as the difference between the result of financial intermediation of the instruments subject to IRRBB in a base scenario and the result of financial intermediation of these same instruments in a scenario of shock in interest rates. It is the variation in the result of financial intermediation in the banking portfolio (income/expense), considering the base scenario and scenarios of high and low interest rates. Calculated for a period of one year only. The sensitivity of the financial margin measures the variation in the expected receivable amounts for a 12-months when there is a shift in the interest rate curve. The calculation of the sensitivity of the financial margin is done by simulating the margin in a scenario of variations in the curvature of rates and in the current scenario. Sensitivity is the difference between the two calculated margins.

**(e) Embedded Gains and Losses (PGE):** The calculation of embedded gains and losses is performed as determined by the standard model adopted by the institution. The calculation of embedded gains and losses is a metric that compares the economic value (EVE) in the normal versus the accounting scenario, comparing the present value of the portfolios with the



accounting value. When the present value of an asset is greater than its book balance or when the present value of a liability is less than its book balance, an unrealized gain is computed through this metric; when the opposite occurs, a loss.

**(f) Spread Risk (CSRBB):** The Spread Risk on the Banking Book (CSRBB) is one of the four scopes of interest rate risk in the banking book (IRRBB). Thus, this report observes the definition set by the regulator in Circular No. 3,876/18, which defines the CSRBB as the possibility of incurring losses associated with the variation of interest rates required by the market that exceed the risk-free rate, for instruments subject to credit risk classified in the banking book.

**(g) Sensitivity Analysis:** The sensitivity analysis is performed quarterly or in adverse situations, through the application of scenario-specific risk factor, in order to quantify the impact on their wallets. Shocks were applied to more and less in the following scenarios: 1% (Scenario 1), 25% (Scenario 2) and 50% (Scenario 3), prefixed in the yield curves, foreign exchange and stock, based on the information B3 S.A. - Brasil, Bolsa, Balcão market and ANBIMA and the US Dollar exchange rate set by the option Ptax informed by the Sisbacen (BACEN's system).

**(h) Trading Portfolio Stress Tests (Market Risk):** the scenario analysis methodology allows assessing, over a given period, the impact resulting from simultaneous and coherent variations in a set of relevant parameters in the institution's capital, liquidity or portfolio value.

The scenarios developed internally for market risk at Banrisul under the stress test program aim to calculate and estimate the exchange rate risk (Pcam), stock market risk (Pacs), the Price Index Coupon risk (Pjur3) and exposures subject to the variation of prefixed interest rates (Pjur1) considering the bank's current operations. The exposure estimate is calculated as follows: For stocks, it is calculated using a quantitative model based on macroeconomic variables; for exposures at prefixed interest rates due to variations in the CDI rate; for exposures in Price Index Coupons due to changes in the IPCA and for foreign exchange, exchange rate fluctuation is used for risk exposures.

**(i) Non-Trading Portfolio Stress Tests (Interest Rates Risk):** The scenario analysis methodology allows assessing, over a given period, the impact resulting from simultaneous and coherent variations in a set of relevant parameters in the institution's capital, liquidity or portfolio value. The scenarios developed internally for IRRBB at Banrisul within the scope of the stress test program aim to project the flows and calculate the interest rate risk of the banking portfolio - IRRBB, in its standardized model, based on the bank's current operations. The fluctuation of the macroeconomic scenarios on the balance existing on the test reference date was considered. From these, we projected the post-fixed operations and tested the variation for the stressed high parallel scenario (scenario that presents the greatest historical loss), using the  $\Delta$ NII (main metric for determining PR sufficiency for this risk). The procedures adopted for the preparation of stress tests for the IRRBB are described in internal manuals of the Corporate Risk Management Unit.

The following table presents the results of sensitivity analysis on September 30, 2023.

#### Sensitivity Test: Trading Portfolio

Scenarios		Risk Factors			Total
		Interest Rate	Foreign Currency	Stocks	
1	1%	15,494	71	228	15,793
2	25%	12,738	1,771	5,710	20,219
3	50%	9,298	3,543	11,420	24,261

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 on September 30, 2023.

**Scenario 2:** Possible situation. Assumptions: a deterioration of 25% in market risk variables, taking into account prevailing conditions on September 30, 2023.



**Scenario 3:** Remote situation. Assumptions: a deterioration of 50% in market risk variables, taking into account prevailing conditions on September 30, 2023.

The following table shows the highest expected loss considering scenarios 1, 2 and 3 and its variations for more or for less.

For Foreign Exchange Risk, the rate of R\$5.0076/USD1.00 on September 30, 2023. (PTAX - Central Bank of Brazil) was used.

Sensitivity analyses above identified 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.

Definitions:

**Interest Rate** - exposures subject to variations in prefixed 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 “Fixed Rates - Prefixed” Risk Factor identifies the largest expected loss, which represents approximately 98.1% of all expected loss for the three scenarios. Scenario 3 amounts to 40% of the expected loss. Scenarios 2 and 1, respectively, amount to 34% and 26% of expected loss. The greatest expected loss in these Sensitivity Test Scenarios occurs in Scenario 3 in the total amount of R\$24,261.

**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 USD300 million (300 million U.S. Dollars) recorded in the Banking Portfolio (Note 21), 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\$5.0059 on September 30, 2023 (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 September 30, 2023.

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 on September 30, 2023.

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) September 30, 2023.

**Trading and Banking Portfolio**

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Increase in U.S. Dollar Coupon	(3,816)	(87,909)	(162,541)
<b>Line Item Being Hedged</b>					
Debt 1	Banking	Increase in U.S. Dollar Coupon	3,816	87,909	162,542
<b>Net Effect</b>			<b>-</b>	<b>1</b>	<b>1</b>

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.

**5.5.2. Summary Trading and Non-Trading Book on June 30, 2023**

The following table shows the result of the Trading Book.

Risk factor	Reference	Trading Book
Fixed Interest	Prefixed Rate	3,889
	IGP-M	1
<b>Total</b>		<b>3,890</b>

The following table shows the result of  $\Delta$ NII of the Banking Book (Non trading), which presents the potential loss of instruments classified due to scenarios of variation in interest rates classified at the Banking Book (Scenario 1 – parallel of high in Interest Rates).

Risk Factor	Reference	Non Trading Book
Prefixed	Prefixed Rate	(219,073)
	IGP-M	-
Price Index Coupon	TLP	(85)
	Other	(78)
	US Dollar	5,882
Exchange Coupon	Euro	87
	Pound Sterling	-
	Canadian Dollar	1
Interest Rate Coupon	TR	107,006
	TJLP	267
DI	CDI	2,106,307
Sellic	SELIC	(1,712,055)
<b>Total</b>		<b>288,259</b>

**5.5.3. Exposures subject to the Exchange Risk**

Banrisul is exposed to effects of fluctuations in exchange rates on its financial position and cash flows. The exchange rate risk is monitored daily through the ascertainment of foreign currency exchange exposure. Banrisul's institutional policy for risk, defines that capital consumption for this risk must be managed in a way to maintain its exposure in inferior limit of 3.55% of its Reference Equity. The exposure presented for the period ended on September 30, 2023 is R\$441,694 (12/31/2022 – R\$393,738). The capital consumption presented in the period ended on September 30, 2023 is R\$106,614 (12/31/2022- R\$92,632)

Banrisul is adhering the new rules of Central Bank of Brazil - Bacen - and determines the amount of risk-weighted assets - RWAcam, the value recorded for year ended September 30, 2023 was R\$1,332,679 (12/31/2022 - R\$1,157,899).



#### 5.5.4. Exposures subject to Interest Rate Risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk on fair value is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. Banrisul is exposed to the impact of market interest rates fluctuations on both the fair values of its financial instruments and its cash flows. The interest margins may increase because of such changes, but they may also reduce losses in case of unexpected movements. The Executive Committee and the Board of Administration approve, on an annual basis, the limits proposed for the interest rate mismatch that may be taken by Banrisul.

The table below summarizes Banrisul's exposure to interest rate risk, considering financial instruments at their carrying amounts, classified by the oldest contractual amendment or by maturity dates.

		Current		Long-Term		
	Up to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total as of 09/30/2023	Total as of 12/31/2022
<b>Financial Assets</b>						
Compulsory Deposits at the Central Bank	10,148,343	-	-	-	10,148,343	9,451,171
At Amortization Cost						
Reverse Purchase Agreements	6,344,177	1,428,105	-	-	7,772,282	3,521,401
Bonds and Securities	-	8,045,349	23,035,650	551,473	31,632,472	30,492,530
Credit Operations and Financial Leasing	7,655,687	13,864,456	22,294,135	8,741,712	52,555,990	49,275,307
Other Financial Assets	-	4,233,903	2,206,500	-	6,440,403	6,087,088
At Fair Value through Other Comprehensive Income						
Securities	56,330	-	-	-	56,330	52,979
At Fair Value through Results						
Securities	180,576	2,687,990	6,203,134	-	9,071,700	8,909,298
<b>Total of Financial Assets</b>	<b>24,385,113</b>	<b>30,259,803</b>	<b>53,739,419</b>	<b>9,293,185</b>	<b>117,677,520</b>	<b>107,789,774</b>
<b>Financial Liabilities</b>						
At Amortization Cost						
Deposits	18,457,331	5,064,145	22,812,152	18,566,482	64,900,110	62,827,666
Funding on Open Market	18,495,891	-	-	-	18,495,891	12,421,035
Resources of Acceptance and Issuance of Securities	533,607	671,124	3,488,941	-	4,693,672	2,957,083
Subordinated Debt	-	-	-	354,637	354,637	314,447
Obligations for Borrowings	193,587	542,552	15,021	-	751,160	1,012,985
Obligations for Onlendings	161,875	860,463	968,373	268,185	2,258,896	2,501,887
Other Financial Liabilities	23,937	11,208,305	130,667	4,008	11,366,917	10,066,239
At Fair Value through Results						
Derivatives	-	45,541	609,374	-	654,915	670,298
Subordinated Debts	-	72,248	1,032,378	-	1,104,626	1,170,381
<b>Total of Financial Liabilities</b>	<b>37,866,228</b>	<b>18,464,378</b>	<b>29,056,906</b>	<b>19,193,312</b>	<b>104,580,824</b>	<b>93,942,021</b>
<b>Total Lag in Interest Renegotiation</b>	<b>(13,481,115)</b>	<b>11,795,425</b>	<b>24,682,513</b>	<b>(9,900,127)</b>	<b>13,096,696</b>	<b>13,847,753</b>

#### 5.6. Liquidity Risk

The definition of Liquidity Risk is the possibility of incurring losses due to the lack of sufficient liquid resources to meet the payment obligations - expected and unexpected, current and future - in a horizon of set time and, in the impossibility to negotiate at market prices a certain position due to its sheer size in relation to the volume usually transacted or by reason of any interruption of the market itself.

In order to effectively manage liquidity risk, Banrisul considers operations in the financial and capital market, as well as possible contingent or unexpected exposures, such as liquidation services, provision of guarantees and contracted credit lines and not used; and liquidity risk in currencies to which it is exposed, observing any restrictions on the transfer of liquidity and convertibility between currencies, and also considers potential impacts on the Company's liquidity position due to risk factors associated with other companies within the prudential conglomerate.





The Corporate Risk Management Unit, which is responsible by the daily monitoring of the institution's liquidity risk, performs the liquidity risk management in the Bank and executes and annually updates the policy and management strategies of the Bank's liquidity risk. Liquidity management is centralized in the Treasury and aims 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 with taking corrective action, if necessary.

In the compliance process, the mismatches arising from the use of short-term liabilities to ballast long-term assets in order to avoid liquidity shortfalls and ensure that the Institution reserves are sufficient to meet the daily cash needs, both cyclical as non-cyclic, as well as the long-term needs. The Bank maintain proper levels of assets with high market liquidity, along with access to other sources of liquidity, and seeks to ensure a base of funding adequately diversified operations.

The management and control of liquidity risk are performed daily, based on the preparation and reporting of reports with indicators and risk positions, measured using internal methodologies defined in the institution's risk management policy.

On a monthly basis, the information regarding the liquidity risk exposure is submitted to the BACEN and reports are periodically submitted to liquidity risk positions and limits established in policies, as well as projections for total liquidity from internal models to the Bank's cash flow.

Under the Liquidity Contingency, the Bank aims to early identify and minimize potential crises and their effects on business continuity. The parameters used for the identification of crisis situations consist of a range of responsibilities and procedures to be followed to ensure the stability of the required level of liquidity.

Liquidity risk management processes and the Institutions' Statement of Risk Appetite are in line with the guidelines of the Liquidity Risk Management Institutional Policy, which are reviewed annually (or less frequently, if necessary) and submitted to the Board of Directors for approval.

### 5.6.1. Non-derivative Cash Flows

The table below shows the cash flows payable according to non-derivative financial liabilities, described by the remaining contractual term at the end of the reporting period. The amounts disclosed in this table represent the undiscounted contractual cash flows whose liquidity risk is managed according to expected undiscounted cash inflows.

	Current		Long-Term			
	Up to 3 Months	From 3 to 12 Months	From 1 to 5 Years	Over 5 years	09/30/2023	12/31/2022
<b>Financial Liabilities</b>						
At Amortization Cost						
Deposits	22,124,117	5,136,677	22,818,809	18,571,900	68,651,503	67,729,027
Funding on Open Market	18,507,428	-	-	-	18,507,428	12,425,267
Resources of Acceptance and Issuance of Securities	533,833	671,409	3,490,422	-	4,695,664	2,960,923
Subordinated Debt	-	-	-	354,637	354,637	314,447
Obligations for Borrowings	193,587	542,552	15,021	-	751,160	1,012,985
Obligations for Onlendings	176,544	939,531	1,057,941	293,090	2,467,106	2,672,824
Other Financial Liabilities	25,279	11,210,659	150,619	4,381	11,390,938	10,094,217
At Fair Value through Results						
Subordinated Debts	-	80,748	1,623,401	-	1,704,149	1,866,192
<b>Total Financial Liabilities (Contracts Expiration Dates)</b>	<b>41,560,788</b>	<b>18,581,576</b>	<b>29,156,213</b>	<b>19,224,008</b>	<b>108,522,585</b>	<b>99,075,882</b>
<b>Total Financial Assets (Expected Expirations)</b>	<b>26,682,407</b>	<b>33,790,854</b>	<b>64,551,723</b>	<b>16,821,148</b>	<b>141,846,132</b>	<b>129,868,094</b>
Cash	1,049,695	-	-	-	1,049,695	1,004,366
Financial Assets	25,632,712	33,790,854	64,551,723	16,821,148	140,796,437	128,863,728
Compulsory Deposits at Central Bank	11,483,906	-	-	-	11,483,906	10,798,526
At Amortization Cost	13,911,900	31,102,864	58,348,589	16,821,148	120,184,501	109,102,925
At Fair Value through Other Comprehensive Income	56,330	-	-	-	56,330	52,979
At Fair Value through Results	180,576	2,687,990	6,203,134	-	9,071,700	8,909,298

The assets available to meet all obligations and cover outstanding loan commitments include Cash and Financial Assets.



### 5.6.2. Off-balance Sheet Items

Banrisul must transfer to the State of Rio Grande do Sul up to 95% from escrow deposits made to the Reserve Fund for Guarantee of Return Legal Deposit Guarantee, in which the disputing parties are neither the State or municipalities on September 30, 2023, the amount of R\$10,040,503 (12/31/2022 - R\$10,040,503) was transferred to the State. In the case of redemptions by depositors in volumes higher than those kept in a specific fund to ensure liquidity, the State must immediately meet cash requirements.

### 5.7. Fair Value of Financial Assets and Financial Liabilities

**(a) Financial Instruments Measured at Fair Value** - When measuring and disclosing the fair value of financial instruments, Banrisul uses the following order:

**(i) Level 1** - prices quoted in active markets for the same instrument without any modification.

**(ii) Level 2** - prices quoted in an active market for similar instruments or valuation techniques whose significant inputs are based on observable market data.

**(iii) Level 3** - valuation techniques whose significant inputs are not based on observable market data.

Fair value measurement for the years ended June 30, 2023 and December 31, 2022:

	06/30/2023			12/31/2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Financial Assets</b>						
<b>At Fair Value through Income</b>	<b>9,056,969</b>	<b>14,731</b>	<b>9,071,700</b>	<b>8,895,920</b>	<b>13,378</b>	<b>8,909,298</b>
Financial Treasury Letter (LFT)	5,831,952	-	5,831,952	5,931,397	-	5,931,397
National Treasury Letter (LTN)	3,059,172	-	3,059,172	2,732,890	-	2,732,890
Publicly Traded Shares	22,840	-	22,840	19,231	-	19,231
Investment Funds	143,005	14,731	157,736	212,402	13,378	225,780
<b>At Fair Value through Other Comprehensive Income</b>	<b>2,243</b>	<b>54,087</b>	<b>56,330</b>	<b>2,256</b>	<b>50,723</b>	<b>52,979</b>
Investment Funds	2,243	29,307	31,550	2,256	25,434	27,690
Privatization Certificates	-	14	14	-	14	14
Other	-	24,766	24,766	-	25,275	25,275
<b>Total Assets Measured at Fair Value</b>	<b>9,059,212</b>	<b>68,818</b>	<b>9,128,030</b>	<b>8,898,176</b>	<b>64,101</b>	<b>8,962,277</b>
<b>Financial Liabilities Measured at Fair Value</b>						
<b>through Results</b>	-	<b>1,759,541</b>	<b>1,759,541</b>	-	<b>1,840,679</b>	<b>1,840,679</b>
Derivatives (Swaps)	-	654,915	654,915	-	670,298	670,298
Subordinated Debt	-	1,104,626	1,104,626	-	1,170,381	1,170,381
<b>Total Liabilities Measured at Fair Value</b>	-	<b>1,759,541</b>	<b>1,759,541</b>	-	<b>1,840,679</b>	<b>1,840,679</b>

Banrisul does not have other financial instruments classified in Level 3 of the fair value order.

**(b) Financial instruments not measured at fair value** - The table below summarizes the carrying amounts and fair values of financial assets and financial liabilities that are presented at amortized cost.



	09/30/2023		12/31/2022	
	Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial Assets</b>				
Reverse Repurchase Agreements	7,772,103	7,772,856	3,521,271	3,532,137
Compulsory Deposits at Central Bank of Brazil	11,483,906	11,483,906	10,798,526	10,798,526
Bonds and Securities <sup>(1)</sup>	31,610,879	31,645,318	30,471,727	30,508,962
Credit Operations and Financial Leasing <sup>(2)</sup>	52,555,990	49,748,753	49,275,307	44,766,476
Other Financial Assets	6,389,411	6,389,411	6,036,684	6,036,684
<b>Total</b>	<b>109,812,289</b>	<b>107,040,244</b>	<b>100,103,515</b>	<b>95,642,785</b>
<b>Financial liabilities <sup>(3)</sup></b>				
Deposits (a)	68,555,722	68,522,067	67,615,882	67,586,023
Money Market funding (b)	18,495,891	18,495,891	12,421,035	12,421,035
Funds from Acceptance and Issuance of Securities (a)	4,693,672	4,689,167	2,957,083	2,959,728
Subordinated Debt (a)	354,637	357,052	314,447	317,205
Borrowings (c)	751,160	751,160	1,012,985	1,012,985
Onlendings (c)	2,258,896	2,258,896	2,501,887	2,501,887
Other Financial Liabilities	11,366,917	11,366,917	10,066,239	10,066,239
<b>Total</b>	<b>106,476,895</b>	<b>106,441,150</b>	<b>96,889,558</b>	<b>96,865,102</b>

**(1) Bonds and Securities** - The fair value calculated for bonds and securities is based on market prices or quotations of brokers or dealers. When such information is not available, fair value is estimated using quoted prices in the market for securities with similar credit, maturity and return characteristics.

**(2) Credit Operations and Financial Leasing** - the estimated fair values of credit operations and financial leasing represent the discounted value of future cash flows expected to be received. Expected cash flows are discounted at current exchange rate plus the risk of the counterparty in determining the fair market value.

**(3) Financial liabilities** - The estimated fair value of deposits with undefined maturity, which includes non-interest bearing deposits, is the amount repayable at sight. The estimated fair value of fixed-rate and post-fixed deposits and other borrowings not quoted in an active market is based on undiscounted cash flows, using interest rates for new debts with similar maturity plus the risk rate of the Bank.

**(a) Deposits, Funds from Acceptance and Issuance of Securities and Subordinated Debt:** fair value is calculated by discounting the difference between future cash flows, adopting discount rates equivalent to the weighted average rates of the most recent contracting or similar negotiations, of securities with similar characteristics.

**(b) Money Market Funding:** for operations with fixed rates, the fair value was determined by calculating the discounted estimated cash flows, adopting a discount rate equivalent to those observed in contracting of similar operations at the last market day.

**(c) Borrowings and Onlendings:** such operations are exclusive to the Bank without similar on the market. Meet its specific features, exclusive rates for each fund entered and no active market and similar instruments, the fair value of these operations was considered equivalent to the book value.

## 5.8. 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, as shown at the table:

Operational Risk Management Phase	Activity
Risk Identification	The identification of operational risks aims to indicate the areas of incidence, causes and potential financial impacts of the risks associated with the processes, products and services to which the subsidiaries of Banrisul Group are exposed.
Risk Measurement and Assessment	The assessment consists of quantifying the risk, leading to the consequent measurement of its level of criticality according to previously established parameters, with the objective of estimating the impact of its eventual occurrence on the Institution's business.
Monitoring	Monitoring aims to monitor exposure to identified operational risks, anticipating critical situations, so that the weaknesses detected are brought to the attention of decision-makers in a timely manner.
Control	Control consists of recording the behavior of operational risks, limits, indicators and operational loss events, as well as implementing mechanisms to ensure that operational risk limits and indicators remain within the desired levels.



Mitigation	Mitigation consists of creating and implementing mechanisms to modify the risk, seeking to reduce operational losses by eliminating the cause, changing the probability of occurrence or mitigating the consequences. At this stage, the manager is asked to determine the risk response, considering all impacts.
Report	Consists in the preparation of texts and reports related to operational risk management, as defined in the Communication Plan of the Corporate Risk Management Unit.

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.

Additionally, through Business Continuity Management (BCM), we seek to encourage a culture of preparedness within the institution to avoid or mitigate the risks materialized by a crisis scenario, by an interruption in its critical and essential business processes or by prolonged unavailability, establishing roles and responsibilities, as well as assisting those responsible on the first line. It aims to ensure business continuity and mitigate operational risks, providing an adequate level of coverage and assisting in strategic decisions.

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.

### 5.9. Social, Environmental and Climatic Risk

Social risk is defined as the possibility of losses for the institution caused by events associated with the violation of fundamental rights and guarantees or acts harmful to the common interest.

Environmental risk is defined as the possibility of losses for the institution caused by events associated with environmental degradation, including the excessive use of natural resources.

Climate risk is defined, in its transition risk and physical risk aspects, as:

I - Transition climate risk: possibility of losses for the institution caused by events associated with the process of transition to a low carbon economy, in which the emission of greenhouse gases is reduced or compensated and the natural mechanisms of capture of these gases are preserved; and

II - Physical climate risk: possibility of losses for the institution caused by events associated with frequent and severe weather or long-term environmental changes, which may be related to changes in weather patterns.

Social, environmental and climate risk management encompasses the Bank's own products, services, activities and processes and activities performed by its counterparties, controlled entities and relevant suppliers and outsourced service providers.

The Corporate credit portfolio is periodically monitored, quantifying the balances allocated to sectors with greater exposure to climate and environmental risks.

The results of the analyzes are reported to the decision-making committees, following the governance structure defined in the corporate risk policies, including the Executive Board, the Risk Committee and the Board of Directors.

### 5.10. 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, environmental and climate 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 in September 2023 was 5.38%.

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 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;
- e) Margin on Principal Capital after Pillar I considering ACP and
- f) Margin After Pillar 2.



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 CMN Resolution No. 4,958/21, 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<sub>SIMP</sub> 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<sub>SIMP</sub> 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<sub>SIMP</sub> 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 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.

### Capital Ratio

As set forth by the CMN Resolution No. 4,950/21, 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 Soluções em Pagamentos 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 shares 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:

<b>Conglomerate Prudential</b>	<b>09/30/2023</b>	<b>12/31/2022</b>
<b>Reference Equity - RE</b>	8,907,324	9,291,817
<b>Tier I</b>	7,448,061	7,806,989
<b>Core Capital</b>	7,448,061	7,806,989
Equity	5,201,447	5,205,891
Capital Reserve and Earnings Revaluation	4,478,412	4,325,934
Credit Income Accounts	4,951,650	-
Deduction from Core Capital - Except for prudential adjustments	(5,150,219)	(115,668)
Prudential Adjustments	(2,454,731)	(2,041,085)
Positive Adjustments to the Market Value of Derivatives Recorded in Liabilities	421,502	431,917
Temporary Difference Tax Credits and Higher Investments	1,611,788	-
<b>Tier II</b>	1,459,263	1,484,828
Tier II Eligible Instruments	1,459,263	1,484,828
<b>RWA - Risk Weighted Assets</b>	55,469,600	52,887,990
RWA <sub>CPAD</sub> (Credit Risk)	46,012,801	42,994,328
RWA <sub>MPAD</sub> (Market Risk)	1,455,031	1,458,546
RWA <sub>JUR1</sub> (Interest Rate Risk)	48,616	262,156
RWA <sub>JUR3</sub> (Interest Rate Risk)	12	29
RWA <sub>ACS</sub> (Equity Risk)	45,680	38,462
RWA <sub>CAM</sub> (Exchange Risk)	1,330,058	1,157,899
RWA <sub>CAM</sub> (Counterparty Credit Assessment Risk)	30,665	-
RWA <sub>OPAD</sub> (Operational Risk)	8,001,768	8,435,116
Banking Portfolio (IRRBB)	288,260	502,057
<b>Reference Equity Margin - with Banking Portfolio after Additional Capital</b>	2,794,756	3,236,521
<b>Capital Ratio</b>		
Basel Ratio	16.06%	17.57%
Tier I Ratio	13.43%	14.76%
Core Capital Ratio	13.43%	14.76%
Permanent Assets Ratio	11.61%	9.74%
Leverage Ratio	5.38%	6.78%

CMN Resolution No. 4,958/21 establishes the percentage to be applied to the RWA amount, for purposes of calculating the amount of the ACPCONSERVAÇÃO installment. Banrisul must only pay this additional amount. Thus, the percentages applied, according to the regulator's schedule, in the coming periods can be seen in the following table:





Requirement	As of 04/01/2022
Core Capital	4.50%
Level I	6.00%
PR	8.00%
<b>ACP<sup>Conservation</sup> <sup>(1)</sup></b>	<b>2.50%</b>
ACP <sup>Contracyclic</sup> <sup>(1)</sup> (up to)	2.50%
ACP <sup>Systemic</sup> <sup>(1)</sup> (up to)	2.00%
<b>Total ACT <sup>(1)</sup> (up to)</b>	<b>7.00%</b>
Factor F	8.00%

(1) According to CMN Resolution No. 4,958/21 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 September 2023, 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 2.50%, totaling 10.50% for Basel Ratio, 8.50% for Tier I and 7.0% for Core Capital.

The Reference Equity reached R\$8,907,324 in September 2023, decreasing R\$384,493 from December 2022.

BACEN Resolution No. 3,876/18 sets forth that the Prudential Conglomerate determines and discloses the IRRBB (Interest Rate Risk of the Banking Book) in substitution of the  $R_{BAN}$ , 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 calculated by using the  $\Delta EVE$  (Variation of Economic Value of Equity) and  $\Delta NII$  (Variation of Net Interest Income: variation in the result of financial intermediation).

Accordingly, IRRBB reached R\$288,260 as of September 2023, decreasing R\$213,797 in relation to the capital allocation of R\$502,057 as of December 2022.

To calculate the Reference Equity using  $R_{BAN}/IRRBB$ , 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 2.5% from April 2022).

On June 30, 2023, the Basel Ratio of the Prudential Conglomerate was 16.06%, higher than the minimum required by BACEN. Tier 1 ratio and Core Capital were 13.43% in the same period.

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 06 – SEGMENT INFORMATION

The Board of Banrisul deals with Retail, Corporate, Treasury and Payroll as separate operating business. The assessment of the business is managed on a segment basis, from specific reports used for strategic decision-making, periodically reviewed by the Board. The approach presented in this note reflects the model of business goals for fundraising and allocation products for each of the Bank's management segments.

The Retail segment encompasses a group of banking services, funding from the branch network and loan transactions for individual and corporate customers, including micro and small- and medium-sized entities. Banrisul has metrics detailed by branch, that support decision-making in this segment. Assigning score the goals is targeted allocation of resources and fundraising.

The Payroll Loan Correspondents segment is responsible for origination of payroll loans in specific channel, outside the Banrisul network. The acquisition of the shares of sales promotion company, Bem Promotora de Vendas e Serviços S.A., in March 2012, by the Bank added the possibility of expanding its operational geographic area, reaching other regions of the country. The origination of payroll loans operation outside the Banrisul's network now represents 16.7% of total registered with clients and non-account holders, therefore, requesting specific granting policies and controls, becoming an object of



segmented valuation from the point of view of management.

The Corporate segment is responsible for the management of products and services linked to funding, as well as business, long-term, agricultural, mortgages and foreign exchange loan transactions for government agencies, public institutions and large corporations. Banrisul's operations within the corporate segment are focused on seizing market opportunities through transactions with the entities themselves, like payroll, billing and other services, and seeking to establish a business relationship with employees in retail operations, the return of which is allocated to the Retail segment.

The Treasury segment is responsible for Banrisul's cash flow management and control and the management of its own financial assets portfolio. In the income statement, financial and interest-like income does not include the result of derivatives in the treasury segment, while financial and interest-like expenses were affected, in the periods, by the exchange variation of the foreign funding, settlement of the remaining balance of external funding carried out in January 2012, due to the maturity of the obligation, and new external funding carried out in January 2021, in the amount of US\$300 million, operation for which the Bank uses hedging instruments, whose result is shown as net gains and liabilities financial assets to the fair value.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies. Revenues from services, general and administrative expenses, expected losses on financial assets, and income tax are centrally monitored and, therefore, were not allocated by segment.

The balance sheet by business segment is described below. The aforementioned segment reporting format includes in the column "unallocated" the reconciliation of reportable segment items amounts with the corresponding total amounts.

Interest income and expenses and similar by segments are presented below. Income from Payroll Correspondents are stated net of expenses of commission origination, there is no fundraising through this segment, being used as funding only funds raised in the Retail. The result of the derivative financial instruments, hired to mitigate exchange rate fluctuations over external funding, as well as the result of exchange rate changes on foreign transactions, are demonstrated as the result of operations with financial assets and liabilities. Thus, given the significant exchange rate variation recorded in the periods, the financial result by business segment is shown under adjusted net interest income.

Banrisul does not have transactions with customers whose revenues represent 10% or more of the revenue of the period with interest and similar.

BALANCE SHEET							
	Retail	Corporate	Payroll Correspondent	Treasury	Others <sup>(1)</sup>	09/30/2023	12/31/2022
<b>Assets</b>	37,998,958	5,667,244	7,612,852	62,410,139	10,480,673	<b>124,169,866</b>	<b>113,659,790</b>
<b>Liabilities</b>	58,014,603	11,290,857	-	36,265,332	8,916,787	<b>114,487,579</b>	<b>104,139,484</b>

(1) Composed of accounting items of assets/liabilities that do not generate income/interest expenses, except for lease liabilities, according to IFRS 16.

INCOME STATEMENT							
	Retail	Corporate	Payroll Correspondent	Treasury	Others	01/01 to 09/30/2023	01/01 to 09/30/2022
Financial and interest-like income	4,924,255	406,670	630,321	5,156,187	-	11,117,433	9,399,587
Financial and interest-like expenses	(4,109,946)	(826,034)	-	(2,622,194)	(2,297)	(7,560,471)	(6,390,496)
<b>Net Interest Income</b>	<b>814,309</b>	<b>(419,364)</b>	<b>630,321</b>	<b>2,533,993</b>	<b>(2,297)</b>	<b>3,556,962</b>	<b>3,009,091</b>
<b>Other noninterest income/expenses</b>	<b>-</b>	<b>41,939</b>	<b>-</b>	<b>(192,117)</b>	<b>-</b>	<b>(150,178)</b>	<b>(148,023)</b>
Earnings (Losses) Net on Financial Assets and Liabilities	-	-	-	(192,117)	-	(192,117)	(256,666)
Exchange Variation Result on Transactions Abroad	-	41,939	-	-	-	41,939	108,643
<b>Adjusted Net Interest Income</b>	<b>814,309</b>	<b>(377,425)</b>	<b>630,321</b>	<b>2,341,876</b>	<b>(2,297)</b>	<b>3,406,784</b>	<b>2,861,068</b>

## NOTE 07 – CASH AND CASH EQUIVALENTS

For the purposes of the Consolidated Statement of Cash Flows, the value of Cash and Cash Equivalents is as follows:



	09/30/2023	12/31/2022
<b>Cash</b>	<b>1,049,695</b>	<b>1,004,366</b>
In Local Currency	781,558	824,699
In Foreign Currency	268,137	179,667
<b>Interbank Investments<sup>(1)</sup></b>	<b>6,344,009</b>	<b>2,425,011</b>
Reverse Repurchase Agreements	5,600,721	1,850,305
Investments in Interbank Deposits	743,288	574,706
<b>Securities</b>	<b>23,735</b>	<b>10,382</b>
Investment Funds	23,735	10,382
<b>Total</b>	<b>7,417,439</b>	<b>3,439,759</b>

(1) Refers to securities in Note 9 with an original maturity of not more than 90 days and that present insignificant risk of change in fair value.

## NOTE 08 – COMPULSORY DEPOSITS IN CENTRAL BANK OF BRAZIL

Compulsory Deposits - BACEN	Form of Remuneration	09/30/2023	12/31/2022
Demand Deposits and Other Resources	No Remuneration	1,335,563	1,035,147
Savings Deposits	Savings Rate	2,228,644	2,262,979
Term Resources	SELIC Rate	7,494,588	7,188,192
Instant Payment Account	SELIC Rate	209,038	306,375
Electronic Currency Deposits	SELIC Rate	216,073	5,833
<b>Total</b>		<b>11,483,906</b>	<b>10,798,526</b>

## NOTE 09 – INTERBANK INVESTMENTS

	Up to 3 Months	3 to 12 Months	09/30/2023	12/31/2022
<b>Reverse Repurchase Agreements</b>	<b>5,600,721</b>	<b>-</b>	<b>5,600,721</b>	<b>1,850,305</b>
Resales to Liquidate – Bench Position				
Financial Treasury Letter – LFT	2,000,154	-	2,000,154	1,000,165
National Treasury Letter – LTN	1,600,252	-	1,600,252	850,140
National Treasury Notes – NTN	2,000,315	-	2,000,315	850,140
<b>Investments on Interbank Deposits</b>	<b>743,288</b>	<b>1,428,094</b>	<b>2,171,382</b>	<b>1,670,966</b>
Investments on Interbank Deposits	743,288	1,428,094	2,171,382	1,670,966
<b>Total as of 09/30/2023</b>	<b>6,344,009</b>	<b>1,428,094</b>	<b>7,772,103</b>	
<b>Total as of 12/31/2022</b>	<b>2,425,011</b>	<b>1,096,260</b>		<b>3,521,271</b>

## NOTE 10 – FINANCIAL ASSETS AT AMORTIZATION COST – SECURITIES

The Composition of Financial Assets at Amortization Cost by type of paper, demonstrated by its value of cost, plus income, is as follows:

	09/30/2023				12/31/2022	
	Amortized Cost	Expected Loss	Net Amortized Cost	Amortized Cost	Expected Loss	Net Amortized Cost
<b>Securities</b>						
Federal Government Securities						
Financial Treasury Letter – LFT	31,231,664	(21,544)	31,210,120	30,410,060	(20,744)	30,389,316
Federal Bonds - CVS	66,461	(49)	66,412	80,138	(59)	80,079
Financial Letters - LF	332,339	-	332,339			
Certificate of Real Estate Receivables - CRI	2,008	-	2,008	2,332	-	2,332
<b>Total</b>	<b>31,632,472</b>	<b>(21,593)</b>	<b>31,610,879</b>	<b>30,492,530</b>	<b>(20,803)</b>	<b>30,471,727</b>

Composition by maturity:

	09/30/2023					12/31/2022	
	Up to 3 Months	From 3 to 12 Months	From 1 to 3 Years	From 3 to 5 Years	More than 5 Years	Net Amortized Cost	Net Amortized Cost
<b>Securities</b>							
Federal Government Securities							
Financial Treasury Letter – LFT	-	8,039,799	12,216,032	10,405,203	549,086	31,210,120	30,389,316
Federal Bonds - CVS	-	-	-	66,412	-	66,412	80,079
Financial Letters - LF	-	-	332,339	-	-	332,339	



Certificate of Real Estate Receivables - CRI	-	-	-	-	2,008	2,008	2,332
<b>Total as of 09/30/2023</b>	-	<b>8,039,799</b>	<b>12,548,371</b>	<b>10,471,615</b>	<b>551,094</b>	<b>31,610,879</b>	
<b>Total as of 12/31/2022</b>	<b>1,561,921</b>	<b>3,406,213</b>	<b>12,860,010</b>	<b>9,936,135</b>	<b>2,707,448</b>		<b>30,471,727</b>

Securities at amortized cost were classified in stage 1, because there were no delays or significant risk increase. The Bank's portfolio is majorly composed of Treasury Bills, which are classified as sovereign risk.

## NOTE 11 – CREDIT OPERATIONS AND FINANCIAL LEASING

### (a) Breakdown of Credit Operations by Portfolio segregated by stages:

	Stage 1	Stage 2	Stage 3	09/30/2023	12/31/2022
<b>Individuals</b>	<b>37,775,388</b>	<b>2,717,928</b>	<b>904,305</b>	<b>41,397,621</b>	<b>37,771,475</b>
Credit Cards	1,953,491	54,192	115,714	2,123,397	2,006,367
Payroll Loans	19,746,646	187,550	329,153	20,263,349	20,358,928
Personal Loan – not Payroll	2,310,911	71,716	271,413	2,654,040	2,304,836
Real Estate	5,212,417	151,888	19,033	5,383,338	4,952,814
Rural, Development Loans and Guarantee Funds	7,712,110	2,073,035	83,278	9,868,423	7,102,879
Others	839,813	179,547	85,714	1,105,074	1,045,651
<b>Companies</b>	<b>9,114,572</b>	<b>1,755,913</b>	<b>287,884</b>	<b>11,158,369</b>	<b>11,503,832</b>
Exchange	975,638	83,092	1,988	1,060,718	1,365,791
Working Capital	2,820,047	317,133	55,950	3,193,130	3,507,402
Business / Guarantee Checking Accounts	428,606	12,934	35,339	476,879	385,012
Real Estate	194,949	155,451	0	350,400	187,022
Rural, Development Loans and Guarantee Funds	4,065,861	490,698	149,868	4,706,427	4,607,287
Others	629,471	696,605	44,739	1,370,815	1,451,318
<b>Total</b>	<b>46,889,960</b>	<b>4,473,841</b>	<b>1,192,189</b>	<b>52,555,990</b>	<b>49,275,307</b>
(-) Expected Credit Loss	(581,553)	(821,309)	(876,737)	(2,279,599)	(2,257,707)
<b>Total Net of Expected Credit Loss – 09/30/2023</b>	<b>46,308,407</b>	<b>3,652,532</b>	<b>315,452</b>	<b>50,276,391</b>	
<b>Total Net of Expected Credit Loss – 12/31/2022</b>	<b>44,190,348</b>	<b>2,649,594</b>	<b>177,658</b>		<b>47,017,600</b>

The following table shows the maturity flow of credit operations and financial leasing, followed by the concentration of the largest borrowers in relation to all portfolio exposure.

Maturity	09/30/2023	12/31/2022
Overdue since 1 day	901,610	631,952
Due up to 3 months	7,528,576	6,656,114
Due from 3 to 12 months	13,864,456	12,681,908
Due over 1 year	30,261,348	29,305,333
<b>Total Portfolio</b>	<b>52,555,990</b>	<b>49,275,307</b>

By Concentration	09/30/2023		12/31/2022	
	Amount	%	Amount	%
Main borrower	138,949	0.26	147,995	0.30
Next 10 largest borrowers	999,708	1.90	1,017,433	2.06
Next 20 largest borrowers	1,661,688	3.16	1,771,605	3.60
Next 50 largest borrowers	2,935,178	5.58	3,317,648	6.73
Next 100 largest borrowers	4,043,108	7.69	4,484,514	9.10

**(b) Composition of Expected Credit Loss for Credit Operations and Financial Leasing, segregated by stages:**

	Opening Balance 12/31/2022	Transfer To Stage 2	Transfer To Stage 3	Transfer From Stage 2	Transfer From Stage 3	Write Off	Constitution/ (Reversion)	Closing Balance 09/30/2023
<b>Stage 1</b>								
<b>Individuals</b>	<b>273,658</b>	<b>(11,469)</b>	<b>(31,574)</b>	<b>9,543</b>	<b>8,771</b>	-	<b>35,176</b>	<b>284,105</b>
Credit Cards	25,608	(223)	(190)	2	-	-	8,637	33,834
Payroll Loans	104,774	(4,071)	(3,976)	1,425	157	-	6,643	104,952
Personal Loans – not Payroll	72,130	(3,936)	(26,276)	170	7,951	-	23,882	73,921
Real Estate	41,847	(986)	(144)	698	195	-	(9,265)	32,345
Rural, Development Loans and Guarantee Funds	18,796	(1,075)	(112)	2,298	372	-	3,504	23,783
Others	10,503	(1,178)	(876)	4,950	96	-	1,775	15,270
<b>Companies</b>	<b>397,731</b>	<b>(21,254)</b>	<b>(5,765)</b>	<b>43,287</b>	<b>2,090</b>	-	<b>(118,641)</b>	<b>297,448</b>
Exchange	52,743	(53)	-	-	-	-	(18,418)	34,272
Working Capital	208,475	(15,227)	(541)	7,930	-	-	(54,541)	146,096
Business/Guarantee Checking Accounts	80,547	(2,179)	(3,640)	58	677	-	(28,845)	46,618
Real Estate	571	(40)	-	150	-	-	(94)	587
Rural, Development Loans and Guarantee Funds	33,673	(906)	(599)	395	307	-	16,821	49,691
Others	21,722	(2,849)	(985)	34,754	1,106	-	(33,564)	20,184
<b>Total</b>	<b>671,389</b>	<b>(32,723)</b>	<b>(37,339)</b>	<b>52,830</b>	<b>10,861</b>	-	<b>(83,465)</b>	<b>581,553</b>

	Opening Balance 12/31/2022	Transfer To Stage 1	Transfer To Stage 3	Transfer From Stage 1	Transfer From Stage 3	Write Off	Constitution/ (Reversion)	Closing Balance 09/30/2023
<b>Stage 2</b>								
<b>Individuals</b>	<b>125,241</b>	<b>(9,543)</b>	<b>(71,773)</b>	<b>11,469</b>	<b>748</b>	-	<b>58,888</b>	<b>115,030</b>
Credit Cards	4,717	(2)	(3,246)	223	5	-	7,743	9,440
Payroll Loans	39,358	(1,425)	(34,921)	4,071	59	-	28,175	35,317
Personal Loans – not Payroll	28,288	(170)	(29,638)	3,936	110	-	9,944	12,470
Real Estate	1,277	(698)	(132)	986	336	-	(198)	1,571
Rural, Development Loans and Guarantee Funds	13,780	(2,298)	(1,169)	1,075	216	-	15,031	26,635
Others	37,821	(4,950)	(2,667)	1,178	22	-	(1,807)	29,597
<b>Companies</b>	<b>820,142</b>	<b>(43,287)</b>	<b>(100,857)</b>	<b>21,254</b>	<b>598</b>	-	<b>8,429</b>	<b>706,279</b>
Exchange	52,069	-	-	53	-	-	(14,872)	37,250
Working Capital	158,329	(7,930)	(64,955)	15,227	-	-	(21,902)	78,769
Business/Guarantee Checking Accounts	3,089	(58)	(1,366)	2,179	353	-	1,658	5,855
Real Estate	523	(150)	-	40	-	-	354	767
Rural, Development Loans and Guarantee Funds	13,482	(395)	(7,013)	906	154	-	39,302	46,436
Others	592,650	(34,754)	(27,523)	2,849	91	-	3,889	537,202
<b>Total</b>	<b>945,383</b>	<b>(52,830)</b>	<b>(172,630)</b>	<b>32,723</b>	<b>1,346</b>	-	<b>67,317</b>	<b>821,309</b>

	Opening Balance 12/31/2022	Transfer To Stage 1	Transfer To Stage 2	Transfer From Stage 1	Transfer From Stage 2	Write Off	Constitution/ (Reversion)	Closing Balance 09/30/2023
<b>Stage 3</b>								
<b>Individuals</b>	<b>470,281</b>	<b>(8,771)</b>	<b>(748)</b>	<b>31,574</b>	<b>71,773</b>	<b>(662,494)</b>	<b>784,287</b>	<b>685,902</b>
Credit Cards	48,552	-	(5)	190	3,246	(79,448)	107,153	79,688
Payroll Loans	229,897	(157)	(59)	3,976	34,921	(331,574)	330,943	267,947
Personal Loans – not Payroll	128,013	(7,951)	(110)	26,276	29,638	(165,564)	220,464	230,766
Real Estate	5,000	(195)	(336)	144	132	(1,044)	4,827	8,528
Rural, Development Loans and Guarantee Funds	14,020	(372)	(216)	112	1,169	(17,259)	37,980	35,434
Others	44,799	(96)	(22)	876	2,667	(67,605)	82,920	63,539

<b>Companies</b>	<b>170,654</b>	<b>(2,090)</b>	<b>(598)</b>	<b>5,765</b>	<b>100,857</b>	<b>(246,206)</b>	<b>162,453</b>	<b>190,835</b>
Exchange	3,305	-	-	-	-	(6,736)	5,020	1,589
Working Capital	17,942	-	-	541	64,955	(76,366)	39,687	46,759
Bussiness/Guarantee Checking Accounts	21,771	(677)	(353)	3,640	1,366	(23,727)	23,042	25,062
Real Estate	71	-	-	-	-	(139)	68	-
Rural, Development Loans and Guarantee Funds	46,246	(307)	(154)	599	7,013	(24,338)	51,923	80,982
Others	81,319	(1,106)	(91)	985	27,523	(114,900)	42,713	36,443
<b>Total</b>	<b>640,935</b>	<b>(10,861)</b>	<b>(1,346)</b>	<b>37,339</b>	<b>172,630</b>	<b>(908,700)</b>	<b>946,740</b>	<b>876,737</b>

	Opening Balance 12/31/2022	Write Off	Constitution/(Reversion)	Closing Balance 09/30/2023
<b>3 Stages Consolidated</b>				
<b>Individuals</b>	<b>869,180</b>	<b>(662,494)</b>	<b>878,351</b>	<b>1,085,037</b>
Credit Cards	78,877	(79,448)	123,533	122,962
Payroll Loans	374,029	(331,574)	365,761	408,216
Personal Loans – not Payroll	228,431	(165,564)	254,290	317,157
Real Estate	48,124	(1,044)	(4,636)	42,444
Rural, Development Loans and Guarantee Funds	46,596	(17,259)	56,515	85,852
Others	93,123	(67,605)	82,888	108,406
<b>Companies</b>	<b>1,388,527</b>	<b>(246,206)</b>	<b>52,241</b>	<b>1,194,562</b>
Exchange	108,117	(6,736)	(28,270)	73,111
Working Capital	384,746	(76,366)	(36,756)	271,624
Bussiness/Guarantee Checking Accounts	105,407	(23,727)	(4,145)	77,535
Real Estate	1,165	(139)	328	1,354
Rural, Development Loans and Guarantee Funds	93,401	(24,338)	108,046	177,109
Others	695,691	(114,900)	13,038	593,829
<b>Total</b>	<b>2,257,707</b>	<b>(908,700)</b>	<b>930,592</b>	<b>2,279,599</b>

(1) In the Income Statement, the expected losses on Credit Operations and Financial Leasing in the amount of R\$646,333 represents the constitution of R\$930,592 net of credit recoveries previously written off as loss in the amount of R\$286,926.

	Opening Balance 12/31/2021	Transfer To Stage 2	Transfer To Stage 3	Transfer from Stage 2	Transfer from Stage 3	Write Off	Constitution/ (Reversion)	Closing Balance 12/31/2022
<b>Stage 1</b>								
<b>Individuals</b>	<b>437,136</b>	<b>(26,601)</b>	<b>(23,317)</b>	<b>10,191</b>	<b>4,488</b>	-	<b>(128,239)</b>	<b>273,658</b>
Credit Cards	15,472	(26)	(17)	8	-	-	10,171	25,608
Payroll Loans	214,563	(8,518)	(4,225)	860	109	-	(98,015)	104,774
Personal Loans – not Payroll	96,594	(14,668)	(18,298)	211	3,700	-	4,591	72,130
Real Estate	73,613	(1,242)	(102)	392	513	-	(31,327)	41,847
Rural, Development Loans and Guarantee Funds	24,631	(662)	(55)	598	105	-	(5,821)	18,796
Others	12,263	(1,485)	(620)	8,122	61	-	(7,838)	10,503
<b>Companies</b>	<b>228,762</b>	<b>(30,599)</b>	<b>(3,198)</b>	<b>42,194</b>	<b>1,047</b>	-	<b>159,525</b>	<b>397,731</b>
Exchange	54,425	(98)	(192)	-	-	-	(1,392)	52,743
Working Capital	109,920	(25,399)	(328)	37,687	9	-	86,586	208,475
Bussiness/Guarantee Checking Accounts	13,698	(337)	(928)	8	512	-	67,594	80,547
Real Estate	83	(15)	-	60	-	-	443	571
Rural, Development Loans and Guarantee Funds	23,798	(1,389)	(389)	88	479	-	11,086	33,673
Others	26,838	(3,361)	(1,361)	4,351	47	-	(4,792)	21,722
<b>Total</b>	<b>665,898</b>	<b>(57,200)</b>	<b>(26,515)</b>	<b>52,385</b>	<b>5,535</b>	-	<b>31,286</b>	<b>671,389</b>



	Opening Balance 12/31/2021	Transfer To Stage 1	Transfer To Stage 3	Transfer from Stage 1	Transfer from Stage 3	Write Off	Constitution/ (Reversion)	Closing Balance 12/31/2022
<b>Stage 2</b>								
<b>Individuals</b>	<b>139,056</b>	<b>(10,191)</b>	<b>(50,106)</b>	<b>26,601</b>	<b>449</b>	-	<b>19,432</b>	<b>125,241</b>
Credit Cards	950	(8)	(522)	26	6	-	4,265	4,717
Payroll Loans	29,025	(860)	(29,102)	8,518	75	-	31,702	39,358
Personal Loans – not Payroll	16,951	(211)	(15,377)	14,668	49	-	12,208	28,288
Real Estate	1,051	(392)	(84)	1,242	262	-	(802)	1,277
Rural, Development Loans and Guarantee Funds	8,286	(598)	(351)	662	28	-	5,753	13,780
Others	82,793	(8,122)	(4,670)	1,485	29	-	(33,694)	37,821
<b>Companies</b>	<b>1,011,350</b>	<b>(42,194)</b>	<b>(71,224)</b>	<b>30,599</b>	<b>1,040</b>	-	<b>(109,429)</b>	<b>820,142</b>
Exchange	73,594	-	-	98	-	-	(21,623)	52,069
Working Capital	239,148	(37,687)	(6,341)	25,399	-	-	(62,190)	158,329
Bussiness/Guarantee Checking Accounts	346	(8)	(420)	337	925	-	1,909	3,089
Real Estate	18,782	(60)	-	15	-	-	(18,214)	523
Rural, Development Loans and Guarantee Funds	27,540	(88)	(3,469)	1,389	82	-	(11,972)	13,482
Others	651,940	(4,351)	(60,994)	3,361	33	-	2,661	592,650
<b>Total</b>	<b>1,150,406</b>	<b>(52,385)</b>	<b>(121,330)</b>	<b>57,200</b>	<b>1,489</b>	-	<b>(89,997)</b>	<b>945,383</b>

	Opening Balance 12/31/2021	Transfer To Stage 1	Transfer To Stage 2	Transfer from Stage 1	Transfer from Stage 2	Write Off	Constitution/ (Reversion)	Closing Balance 12/31/2022
<b>Stage 3</b>								
<b>Individuals</b>	<b>478,840</b>	<b>(4,488)</b>	<b>(449)</b>	<b>23,317</b>	<b>50,106</b>	<b>(846,486)</b>	<b>769,441</b>	<b>470,281</b>
Credit Cards	35,629	-	(6)	17	522	(72,218)	84,608	48,552
Payroll Loans	289,297	(109)	(75)	4,225	29,102	(476,381)	383,838	229,897
Personal Loans – not Payroll	94,618	(3,700)	(49)	18,298	15,377	(188,086)	191,555	128,013
Real Estate	7,203	(513)	(262)	102	84	(2,101)	487	5,000
Rural, Development Loans and Guarantee Funds	6,001	(105)	(28)	55	351	(8,712)	16,458	14,020
Others	46,092	(61)	(29)	620	4,670	(98,988)	92,495	44,799
<b>Companies</b>	<b>258,875</b>	<b>(1,047)</b>	<b>(1,040)</b>	<b>3,198</b>	<b>71,224</b>	<b>(313,506)</b>	<b>152,950</b>	<b>170,654</b>
Exchange	10,052	-	-	192	-	(9,836)	2,897	3,305
Working Capital	33,188	(9)	-	328	6,341	(56,055)	34,149	17,942
Bussiness/Guarantee Checking Accounts	18,507	(512)	(925)	928	420	(22,718)	26,071	21,771
Real Estate	66,331	-	-	-	-	(66,411)	151	71
Rural, Development Loans and Guarantee Funds	10,553	(479)	(82)	389	3,469	(10,733)	43,129	46,246
Others	120,244	(47)	(33)	1,361	60,994	(147,753)	46,553	81,319
<b>Total</b>	<b>737,715</b>	<b>(5,535)</b>	<b>(1,489)</b>	<b>26,515</b>	<b>121,330</b>	<b>(1,159,992)</b>	<b>922,391</b>	<b>640,935</b>





	Opening Balance			Closing Balance
3 Stages Consolidated	12/31/2021	Write Off	Constitution/ (Reversion)(1)	12/31/2022
<b>Individuals</b>	<b>1,055,032</b>	<b>(846,486)</b>	<b>660,634</b>	<b>869,180</b>
Credit Cards	52,051	(72,218)	99,044	78,877
Payroll Loans	532,885	(476,381)	317,525	374,029
Personal Loans – not Payroll	208,163	(188,086)	208,354	228,431
Real Estate	81,867	(2,101)	(31,642)	48,124
Rural, Development Loans and Guarantee Funds	38,918	(8,712)	16,390	46,596
Others	141,148	(98,988)	50,963	93,123
<b>Companies</b>	<b>1,498,987</b>	<b>(313,506)</b>	<b>203,046</b>	<b>1,388,527</b>
Exchange	138,071	(9,836)	(20,118)	108,117
Working Capital	382,256	(56,055)	58,545	384,746
Bussiness/Guarantee Checking Accounts	32,551	(22,718)	95,574	105,407
Real Estate	85,196	(66,411)	(17,620)	1,165
Rural, Development Loans and Guarantee Funds	61,891	(10,733)	42,243	93,401
Others	799,022	(147,753)	44,422	695,691
<b>Total</b>	<b>2,554,019</b>	<b>(1,159,992)</b>	<b>863,680</b>	<b>2,257,707</b>

(1) In the DRE, the expected losses from Credit Operations and Financial Leases in the amount of R\$466,394 represent the constitution of R\$863,680 net of credit recoveries previously written off as losses in the amount of R\$397,286.

**(c) Financial Leasing Operations (Lessor):**

The following table presents the analysis of present value for future minimum payments to be received from financial leasing according to their maturity.

Maturity	Future Minimum Payments	Income to Own	Present Value
<b>Current</b>	<b>3,739</b>	<b>(2,031)</b>	<b>3,135</b>
Up to 1 year	3,739	(2,031)	3,135
<b>Long Term</b>	<b>7,821</b>	<b>(4,244)</b>	<b>5,432</b>
Between 1 to 5 years	7,821	(4,244)	5,432
<b>Total on 09/30/2023</b>	<b>11,560</b>	<b>(6,275)</b>	<b>8,567</b>
<b>Total on 12/31/2022</b>	<b>14,721</b>	<b>(8,067)</b>	<b>10,875</b>

## NOTE 12 – FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - SECURITIES

Composition of the Financial Assets at Fair Value through Other Comprehensive Income by type of paper and at fair value:

	09/30/2023			12/31/2022		
	Cost	Adjustments to Fair Value (on equity)	Fair Value	Cost	Adjustments to Fair Value (on equity)	Fair Value
<b>Securities</b>						
Investment Fund Shares	23,615	7,935	31,550	23,801	3,889	27,690
Privatization Certificates	14	-	14	14	-	14
Other	24,766	-	24,766	25,275	-	25,275
<b>Total <sup>(1)</sup></b>	<b>48,395</b>	<b>7,935</b>	<b>56,330</b>	<b>49,090</b>	<b>3,889</b>	<b>52,979</b>

(1) During the period there was no record for expected loss.

Composition by maturity:

	09/30/2023		12/31/2022
<b>Securities</b>	No Maturity	Fair Value	Fair Value
Investment Fund Shares	31,550	31,550	27,690
Privatization Certificates	14	14	14
Other	24,766	24,766	25,275
<b>Total as of 09/30/2023</b>	<b>56,330</b>	<b>56,330</b>	
<b>Total as of 12/31/2022</b>	<b>52,979</b>		<b>52,979</b>

Securities at Fair Value through Other Comprehensive Income were classified at Stage 1 because they did not present delay or significant increase in risk.

## NOTE 13 – FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME – SECURITIES

Composition of Financial Assets at Fair Value through Income portfolio (securities held for trading) by type of paper and by fair value:

	09/30/2023			12/31/2022		
<b>Securities</b>	Cost Value	Adjustments to Fair Value (on Results)	Fair Value	Cost Value	Adjustments to Fair Value (on Results)	Fair Value
Financial Treasury Letter - LFT	5,830,887	1,065	5,831,952	5,934,641	(3,244)	5,931,397
National Treasury Letter - LTN	3,016,769	42,403	3,059,172	2,767,335	(34,445)	2,732,890
Publicly Traded Shares	6,725	16,115	22,840	17	19,214	19,231
Investment Fund Shares	157,736	-	157,736	225,780	-	225,780
<b>Total</b>	<b>9,012,117</b>	<b>59,583</b>	<b>9,071,700</b>	<b>8,927,773</b>	<b>(18,475)</b>	<b>8,909,298</b>



Composition by maturity:

					09/30/2023	12/31/2022
	No	From 3 to	From 3 to	From 3 to		
Securities	Maturity	Up to 12 months	From 1 to 3 years	to 5 years	Fair Value	Fair Value
Financial Treasury Letter - LFT	-	-	1,739,128	4,092,824	-	5,831,952
National Treasury Letter - LTN	-	-	948,862	2,110,310	-	3,059,172
Publicly Traded Shares	22,840	-	-	-	-	22,840
Investment Fund Shares	157,736	-	-	-	-	157,736
<b>Total on 03/31/2023</b>	<b>180,576</b>	<b>-</b>	<b>2,687,990</b>	<b>6,203,134</b>	<b>-</b>	<b>9,071,700</b>
<b>Total on 12/31/2022</b>	<b>243,195</b>	<b>380,558</b>	<b>-6,580,592</b>	<b>1,704,953</b>		<b>8,909,298</b>

## NOTE 14 – DERIVATIVE FINANCIAL INSTRUMENTS

Banrisul conducts transactions involving derivatives in the form of swaps recorded in balance sheet and clearing accounts, which are designed to meet its needs to manage its global exposure in foreign currency.

The use of derivatives is mainly to mitigate the risks from currency fluctuations in the international funding operation carried out by Banrisul, as cited in Note 21, which result in the conversion of rates to the variation of the CDI rate.

With this objective, operations with derivative instruments in the swap modality are short-term and long-term, following the flow and maturity of the issues (hedge objects) that they protect.

The operations are based on OTC contracts registered in the B3 S.A. – Brasil, Bolsa, Balcão and have as counterparty top-tier financial institutions.

The table below presents the effectiveness of the structure of hedge accounting developed by the Bank, demonstrating the curve value, market value and market adjustments of the object (Subordinated Debt) and the hedging instrument (swaps).

				09/30/2023	12/31/2022
Derivatives Used as Fair Value Hedge	Reference Value	Curve Value	Market Value Adjustment	Market Value	Market Value
<b>Hedge Instrument</b>					
Swaps	1,711,260	(233,413)	(421,502)	(654,915)	(670,298)
Foreign Currency (USD)	1,711,260	(233,413)	(421,502)	(654,915)	(670,298)
<b>Hedge Object</b>					
Subordinated Debt (Note 21)	1,629,000	1,524,117	(417,499)	1,106,618	1,168,993
Foreign Currency (USD)	1,629,000	1,524,117	(417,499)	1,106,618	1,168,993

The following table shows the breakdown of derivatives (assets and liabilities) by curve value and market value:

	Parent Company and Consolidated			
	Reference Value	Receivable (Payable) Curve Value <sup>(1)</sup>	Market Value Adjustments to Results <sup>(1)</sup>	Market Value <sup>(1)</sup>
<b>Swaps</b>				
<b>Assets</b>				
Foreign Currency (USD) + fixed rate	1,711,260	(182,993)	(421,646)	(604,639)
<b>Liabilities</b>				
% of Interbank Deposit Rate (CDI) + fixed rate	(1,711,260)	(50,420)	144	(50,276)
<b>Net Adjustment in 09/30/2023</b>		<b>(233,413)</b>	<b>(421,502)</b>	<b>(654,915)</b>
<b>Net Adjustment in 12/31/2022</b>		<b>(238,381)</b>	<b>(431,917)</b>	<b>(670,298)</b>

(1) Values presented net of the reference value.

The table below presents derivatives segregated by maturity adjustments:



Swaps	Reference Value	Market Value <sup>(1)</sup>	Up to 3 Months	3 to 12 Months	1 to 3 Years	3 to 5 Years
<b>Assets</b>						
Foreign Currency (USD) + fixed rate	1,711,260	(604,639)	-	(38,315)	(566,324)	-
<b>Liabilities</b>						
% of Interbank Deposit Rate (CDI) + fixed rate	(1,711,260)	(50,276)	-	(7,226)	(43,050)	-
<b>Net Adjustment in 09/30/2023</b>		<b>(654,915)</b>	<b>-</b>	<b>(45,541)</b>	<b>(609,374)</b>	
<b>Net Adjustment in 12/31/2022</b>		<b>(670,298)</b>	<b>(29,712)</b>	<b>(26,632)</b>	<b>(85,875)</b>	<b>(528,079)</b>

(1) Values presented net of the reference value.

Banrisul or counterparties are subject to providing guarantees on a reciprocal basis if the derivatives exceed the market value limits stipulated by contract.

The margin deposited in guarantee of operations with derivative financial instruments by Banrisul is composed of Interbank Deposits, in the amount of R\$408,771.

Banrisul uses hedge accounting practices 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 international accounting standards, as adopted by the Bank's accounting policy described in Note 3.4(d).

Banrisul also carries out DI Futures Contract operations, a derivative whose underlying asset is the average daily rate of Interbank Deposits (DI), calculated and published by B3, between the trading date, inclusive, and the maturity date, exclusive, and is used for hedging and managing interest rate risk on assets and/or liabilities.

Banrisul operates with DI Futures contracts, in a "matched" way with investments made in LTN, which have a fixed rate, in order to offset the risk of fluctuation in the DI rate, and the price adjustments of these derivatives are recorded daily, using the accrual method based on the price calculation date. The contracts have the maturities shown below:

Compensation Account/Referential Value	From 3 to 12 months	From 1 to 3 years	From 3 to 5 Years	Total
DI Futures Contracts		948,531	2,110,792	3,059,323
<b>Total as of 09/30/2023</b>		<b>948,531</b>	<b>2,110,792</b>	<b>3,059,323</b>
<b>Total as of 12/31/2022</b>		<b>2,034,376</b>	<b>700,140</b>	<b>2,734,516</b>



## NOTE 15 – OTHER FINANCIAL ASSETS

	Up to 12 Months	Over 12 Months	Total as of 09/30/2023	Up to 12 Months	Over 12 Months	Total as of 12/31/2022
Interbank Accounts	2,872,751	1,038,814	3,911,565	2,528,635	988,103	3,516,738
Credits with the National Housing System <sup>(1)</sup>	-	1,038,814	1,038,814	-	988,103	988,103
Outstanding Payments and Receipts	2,867,057	-	2,867,057	2,520,738	-	2,520,738
Others	5,694	-	5,694	7,897	-	7,897
Interbranch Accounts	11,717	-	11,717	36,804	-	36,804
Foreign Exchange Portfolio	885,966	26,088	912,054	1,056,343	18,012	1,074,355
Income Receivable	105,720	-	105,720	89,122	-	89,122
Securities Negotiation and Intermediation	7,030	-	7,030	50,950	-	50,950
Debtors by Guarantee Deposits	-	908,739	908,739	-	778,051	778,051
Payments to Reimburse	47,150	-	47,150	46,241	-	46,241
Securities and Receivables <sup>(2)</sup>	127,775	232,859	360,634	88,036	257,849	345,885
Other	124,802	-	124,802	98,538	-	98,538
<b>Total</b>	<b>4,182,911</b>	<b>2,206,500</b>	<b>6,389,411</b>	<b>3,994,669</b>	<b>2,042,015</b>	<b>6,036,684</b>

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

(a) R\$85,018 (12/31/2022 - R\$100,036), 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\$950,662 (12/31/2022 - R\$885,060), refers to principal and interest installments over acquired loan 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\$3,134 (12/31/2022 - R\$3,007), 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. On September 30, 2023, the receivables were stated at the acquisition cost including interest accrued at the rate used to determine the purchase price, amounting to R\$1,035,680 (12/31/2022 - R\$985,096). The face value is R\$1,047,083 (12/31/2022 - R\$1,001,316). 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 Receivables** mainly comprise:

(a) Credits receivable relating to judicial deposits made by the Federal Union arising from the right to receive from companies that belonged to the same economic group, with final judgment, which Banrisul received in payment and payment for repayment of loans. These judicial deposits are linked to the rescission action filed by the Federal Union, judged unfounded by the TRF of the 1st Region, awaiting judgment on a special appeal filed by the Union with the STJ. Therefore, the release of the amounts to the Bank depends on the outcome of the judicial rescission action. Management understands that there is no need to set up a provision for losses. These judicial deposits, assigned to Banrisul, whose release depends on the final decision of the rescission court action, on September 30, 2023, totaled R\$217,974 (12/31/2022 - R\$205,259) and are remunerated by the Reference Rate (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\$54,304 (12/31/2022 - R\$54,741) related to receivables arising from transactions of the State Government of Rio Grande do Sul or its controlled entities, 2029. For these credits, there is a provision constituted in the amount of R\$47,819 (12/31/2022 - R\$47,199); and

(c) Credits Receivable related to BanriCard business and benefit agreements and the acquiring network Vero in the amount of R\$17,898 (12/31/2022 - R\$28,073) in the Consolidated.

## NOTE 16 – OTHER ASSETS

	09/30/2023	12/31/2022
Assets for Sale	43,106	17,054
Advances to Employees	210,886	188,857
Actuarial Assets - Post-employment Benefit (Note 36e)	241,531	210,053
Other Debtors - Domestic	144,861	151,738
Prepaid Expenses	44,386	89,814
Other	10,066	8,402
<b>Total</b>	<b>694,836</b>	<b>665,918</b>

## NOTE 17 – INVESTMENTS IN ASSOCIATES

The following table shows the related companies in which the Bank has investments:

	Adjusted Equity	Equity	Investment	Net	Equivalence
On June 30, 2023	09/30/2023	Participation (%)	Value	Results	Result
	09/30/2023	09/30/2023	09/30/2023	9M2023	9M 2023



<b>Associated Companies</b>	<b>311,564</b>		<b>155,687</b>	<b>155,472</b>	<b>77,697</b>
Bem Promotora de Vendas e Serviços S.A.	72,240	49,90	36,048	25,916	12,932
Banrisul Icatu Participações S.A.	239,324	49,99	119,639	129,556	64,765

	<b>Adjusted Equity</b>	<b>Equity Participation (%)</b>	<b>Investment Value</b>	<b>Net Results</b>	<b>Equivalence Result</b>
<b>On March 31, 2022</b>	<b>12/31/2022</b>	<b>12/31/2022</b>	<b>12/31/2022</b>	<b>9M2022</b>	<b>9M2022</b>
<b>Associated Companies</b>	326,474		163,149	104,450	52,198
Bem Promotora de Vendas e Serviços S.A.	62,083	49.90	30,980	18,884	9,423
Banrisul Icatu Participações S.A.	264,391	49.99	132,169	85,566	42,775

**Bem Promotora de Venda's e Serviços S.A.:** operates in the provision of services as an originator of payroll deductible loans for retirees and pensioners from INSS and federal public employees.

**Banrisul Icatu Participações S.A. - BIPAR:** Banrisul holds 49.99% of the capital of Banrisul Icatu Participações S.A. - BIPAR, a holding company formed in partnership with Icatu Seguros S.A. BIPAR operates, through its subsidiaries, in the areas of Personal Insurance, Private Pension Plans and Capitalization. Rio Grande Seguros e Previdência S.A. and Rio Grande Capitalização S.A. operate exclusively in the sale of Personal Insurance, Private Pension Plans and Capitalization in Banrisul's channels.

## NOTE 18 – PROPERTY, PLANT AND EQUIPMENT

<b>Own Fixed Assets</b>	<b>Properties in use</b>	<b>Equipment</b>	<b>Facilities</b>	<b>Equipment</b>	<b>Data Processing Systems</b>	<b>Other</b>	<b>Total</b>
<b>As of December 31, 2022</b>							
Cost	200,018	45,496	259,834	165,753	521,509	25,743	1,218,353
Accumulated Depreciation	(99,488)	-	(113,097)	(91,459)	(326,599)	(21,083)	(651,726)
<b>Net carrying amount</b>	<b>100,530</b>	<b>45,496</b>	<b>146,737</b>	<b>74,294</b>	<b>194,910</b>	<b>4,660</b>	<b>566,627</b>
Purchases	3,193	54,433	27,264	8,364	31,442	203	124,899
Disposals – Cost Write-offs	(3,490)	(178)	-	(2,488)	(13,062)	(238)	(19,456)
Disposals – Depreciation Write-offs	-	-	-	2,381	11,744	244	14,369
Accumulated Depreciation	(1,197)	-	(6,960)	(5,466)	(39,721)	(601)	(53,945)
Transfers Net Cost	-	(52,089)	(8)	2,391	51,485	(59)	1,720
Transfers Net Depreciation	-	-	-	(50)	(92)	49	(93)
<b>Net Changes in the period</b>	<b>(1,494)</b>	<b>2,166</b>	<b>20,296</b>	<b>5,132</b>	<b>41,796</b>	<b>(402)</b>	<b>67,494</b>
<b>As of September 30, 2023</b>							
Cost	199,721	47,662	287,090	174,020	591,374	25,649	1,325,516
Accumulated Depreciation	(100,685)	-	(120,057)	(94,594)	(354,668)	(21,391)	(691,395)
<b>Net carrying</b>	<b>99,036</b>	<b>47,662</b>	<b>167,033</b>	<b>79,426</b>	<b>236,706</b>	<b>4,258</b>	<b>634,121</b>

<b>Leased Fixed Assets</b>	<b>Properties in use</b>	<b>Data Processing Systems</b>	<b>Other</b>	<b>Total</b>
<b>As of December 31, 2022</b>				
Leasing Cost	478,709	8,657	397	487,763
Accumulated Depreciation	(255,745)	(984)	(298)	(257,027)
<b>Net Book Value</b>	<b>222,964</b>	<b>7,673</b>	<b>99</b>	<b>230,736</b>
Purchases	42,450	-	402	42,852
Disposals – Cost Write-offs	(40,636)	-	(397)	(41,033)
Disposals – Depreciation Write-offs	38,356	-	397	38,753
Accumulated Depreciation	(66,175)	(1,770)	(300)	(68,245)
<b>Net Changes in the period</b>	<b>(26,005)</b>	<b>(1,770)</b>	<b>102</b>	<b>(27,673)</b>
<b>As of September 30, 2023</b>				
Leased Fixed Assets Cost	480,523	8,657	402	489,582
Accumulated Depreciation	(283,564)	(2,754)	(201)	(286,519)
<b>Net carrying amount</b>	<b>196,959</b>	<b>5,903</b>	<b>201</b>	<b>203,063</b>



	Properties in use	Equipment	Facilities	Equipment	Data Processing Systems	Other	Total
<b>Total Fixed Assets</b>							
<b>As of September 30, 2023</b>							
Cost	680,244	47,662	287,090	174,020	600,031	26,051	1,815,098
Accumulated Depreciation	(384,249)		(120,057)	(94,594)	(357,422)	(21,592)	(977,914)
<b>Net carrying amount</b>	<b>295,995</b>	<b>47,662</b>	<b>167,033</b>	<b>79,426</b>	<b>242,609</b>	<b>4,459</b>	<b>837,184</b>

The composition of Lease Operations where the Bank is the Lessee is presented below. The contracts are adjusted annually according to price indexes.

	09/30/2023	12/31/2022
Under 12 months	95,107	100,793
1 to 5 years	144,227	173,666
Over 5 years	4,381	8,325
<b>Total <sup>(1)</sup></b>	<b>243,715</b>	<b>282,784</b>

(1) Amounts not discounted to present value.

## NOTE 19 – INTANGIBLE ASSETS

	Software Licenses	Rights From Acquisition of Payrolls <sup>(1)</sup>	Other	Total
<b>As of December 31, 2022</b>				
Cost	230,566	1,653,166	1,925	1,885,657
Accumulated Amortization	(144,012)	(1,077,071)	(875)	(1,221,958)
<b>Net Carrying Amount</b>	<b>86,554</b>	<b>576,095</b>	<b>1,050</b>	<b>663,699</b>
Purchases	38,848	75,861	-	114,709
Accumulated Amortization	(18,210)	(134,842)	-	153,052
Net Transfers Cost	(1,720)	-	-	(1,720)
Net Transfers Amortization	93	-	-	93
<b>Net Changes in the period</b>	<b>19,011</b>	<b>(58,981)</b>	<b>-</b>	<b>(39,970)</b>
<b>As of September 30, 2023</b>				
Cost	267,694	1,729,027	1,925	1,998,646
Accumulated Amortization	(162,129)	(1,211,913)	(875)	(1,374,917)
<b>Net Carrying Amount</b>	<b>105,565</b>	<b>517,114</b>	<b>1,050</b>	<b>623,729</b>

(1) The net balance of R\$517,114 (12/31/2022 – R\$576,095) is comprised mainly by:

**a)** R\$359,520 (12/31/2022 – R\$460,635) related to the agreement signed with the State of Rio Grande do Sul granting Banrisul the exclusive right of servicing the payroll of state civil servants for the next ten years. In the second half of 2021, as defined in the contract, there was a price adjustment in the amount of R\$48,781, which makes up the total balance that will be deferred for the remainder of the contract term. No indications that these assets are impaired were identified by internal or experts analyses;

**b)** R\$147,530 (12/31/2022 – R\$103,801) refers to agreements entered into with municipalities and other agencies, to provide payroll services for public servants. No impairment losses were identified for these assets; and

**d)** R\$10,064 (12/31/2022 - R\$11,659) 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 20 – FINANCIAL LIABILITIES AT AMORTIZED COST

	No Maturity	Up to 3 Months	From 3 to 12 Months	Over 12 Months	Total as of 09/30/2023	Total as of 12/31/2022
Deposits	14,937,044	7,175,899	5,064,145	41,378,634	68,555,722	67,615,882
Demand Deposits <sup>(1)</sup>	3,655,612	-	-	-	3,655,612	4,788,216
Savings Deposits <sup>(1)</sup>	11,086,515	-	-	-	11,086,515	11,294,457
Interbank Deposits	-	270,854	2,119,633	-	2,390,487	2,563,711
Time Deposits <sup>(2)</sup>	-	6,905,045	2,944,512	41,378,634	51,228,191	48,953,388
Other Deposits	194,917	-	-	-	194,917	16,110
Repo Operations <sup>(3)</sup>	-	18,495,891	-	-	18,495,891	12,421,035
Funds from Acceptance and Issuance of Securities	-	533,607	671,124	3,488,941	4,693,672	2,957,083
Subordinated Debt - LFS <sup>(4)</sup>	-	-	-	354,637	354,637	314,447
Borrowings <sup>(5)</sup>	-	193,587	542,552	15,021	751,160	1,012,985
Onlendings <sup>(6)</sup>	-	161,875	860,463	1,236,558	2,258,896	2,501,887
Other Financial Liabilities (Note 23)	-	11,234,019	-	132,898	11,366,917	10,066,239
<b>Total</b>	<b>14,937,044</b>	<b>37,794,878</b>	<b>7,138,284</b>	<b>46,606,689</b>	<b>106,476,895</b>	<b>96,889,558</b>

(1) Classified as without maturity since there is no contractual maturity date.

(2) Time deposits are made up of individuals and companies, with floating or fixed rates equivalent to 99.28% and 0.72% of the total portfolio, respectively. The average funding rate for floating-rate deposits corresponds to 83.28% (12/31/2022 – 82.11%) of CDI, and for fixed-rate deposits, to 8.31% (12/31/2022 – 8.66%) p.a. Of total time deposits, 70.47% (12/31/2022 – 69.10%) have some kind of early redemption condition previously agreed, 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.

(4) On September 16, 2022, Banrisul issued Subordinated Financial Bills - LFS, in the amount of R\$300,000 (three hundred million reais) with remuneration of CDI + 3.5% p.a., for a period of 10 years, with an option of repurchase by Banrisul from the 5th year, counted from the issuance date. Subordinated Financial Bills are authorized to compose Tier II Capital of Banrisul's Reference Equity, pursuant to BCB Resolution No. 122, of August 2, 2021.

(5) They are represented by funds raised from banks abroad for investment in foreign exchange transactions incurring the exchange variation of the respective currencies, plus interest and fees.

(6) Domestic onlendings represent, basically, 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 funds are collateralized by the same guarantees received for the related loans.

## NOTE 21 – FINANCIAL LIABILITIES AT FAIR VALUE THROUGH INCOME

	Up to 12 Months	Over 12 Months	Total as of 09/30/2023	Up to 12 Months	Over 12 Months	Total as of 12/31/2022
Derivatives	45,541	609,374	654,915	56,344	613,954	670,298
Subordinated Debt <sup>(1)</sup>	72,248	1,032,378	1,104,626	84,634	1,085,747	1,170,381
Mark-to-Market Subordinated Debts (Note 14)	70,125	1,036,493	1,106,618	78,499	1,090,494	1,168,993
Expenses Provision and Charges to Incorporate	2,123	(4,115)	(1,992)	6,135	(4,747)	1,388
<b>Total</b>	<b>117,789</b>	<b>1,641,752</b>	<b>1,759,541</b>	<b>140,978</b>	<b>1,699,701</b>	<b>1,840,679</b>

(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, on 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. This debt was settled in February 2022.

On January 28, 2021 Banrisul issued a new subordinated debt (Tier II), in the amount of US\$300 million, with interest of 5.375% p.a. The Notes have a 10-year term, with a 5-year repurchase option, according to condition previously accorded in the Offering Memorandum of this issuance.

## NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

## (a) Contingent Assets

No contingent assets are recognized and there are no ongoing proceedings with probable favorable outcomes.

## (b) Provisions and Contingent Liabilities

In the normal course of their activities, Banrisul and its subsidiaries are party to tax, labor and civil judicial and administrative proceedings.



The provisions were recognized based on the opinion of the legal counsel, based on the models and criteria they allow their measurement, despite the inherent uncertainty as to the outcomes. Banrisul recognizes a provision equivalent to the total amount in dispute in proceedings classified as probable.

Management understands that the recognized provisions are sufficient to cover possible losses on lawsuits.

The flow of provisions is as follows:

	<b>Tax</b>	<b>Labor</b>	<b>Civil</b>	<b>Other</b>	<b>Total</b>
<b>Opening balance at 12/31/2022</b>	<b>785,394</b>	<b>1,624,048</b>	<b>220,452</b>	<b>1,904</b>	<b>2,631,798</b>
Recognized and Inflation Adjustment	29,844	267,208	33,519	52	330,331
Reversal of Provision	(173)		(32)	-	(205)
Write-offs Due to Payment	(283)	(282,876)	(25,027)		(308,186)
<b>Closing balance at 09/30/2023</b>	<b>814,782</b>	<b>1,608,380</b>	<b>228,620</b>	<b>1,956</b>	<b>2,653,738</b>
Debtors by Guarantee Deposits at 06/30/2023	132,308	696,809	79,622	-	908,739

	<b>Tax</b>	<b>Labor</b>	<b>Civil</b>	<b>Other</b>	<b>Total</b>
<b>Opening balance at 12/31/2021</b>	<b>664.483</b>	<b>1.275.278</b>	<b>217.463</b>	<b>158.306</b>	<b>2.315.530</b>
Recognized and Inflation Adjustment	114.680	592.150	55.894	2.510	765.234
Reversal of Provision	(531)	(301)	(25.005)	(158.929)	(184.766)
Write-offs Due to Payment	(282)	(196.248)	(44.729)	-	(241.259)
<b>Closing balance at 09/30/2022</b>	<b>778.350</b>	<b>1.670.879</b>	<b>203.623</b>	<b>1.887</b>	<b>2.654.739</b>
Debtors by Guarantee Deposits at 09/30/2022	112.062	564.978	65.989	-	743.029

### 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 which Banrisul, through its legal counsel, has been discussing the matter in court and recorded a provision for contingencies in the amount of R\$783.000 (12/31/2022 - R\$761,363); and **(ii)** other contingencies related to federal and municipal taxes classified by our legal counsel as probable loss in the amount of R\$6,436 (12/31/2022 - R\$6,344).

There are also some tax contingencies whose likelihood of loss, based on their nature, is considered as possible, in the amount of R\$699,612 (12/31/2022 - R\$635,349). 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\$212,521 (12/31/2022 - R\$321,824), 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\$187,389 (12/31/2022 - R\$304,358), and as of probable loss, the amount of R\$25,132 (12/31/2022 - R\$17,466), 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 9M2023, a provision of R\$5,349 (12/31/2022 – R\$363,386) was made for collective labor lawsuits, whose probability of loss had been classified as likely. Management considers the set up provision to be sufficient for collective lawsuits and will continue to monitor the evolution of judicial decisions, constantly evaluating their risk 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. Of the aforementioned provision, R\$597,529 (12/31/2022 - R\$494,005) have been deposited in an escrow account. Additionally, R\$99,280 (12/31/2022 - R\$98,418) 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\$1,654,027 (12/31/2022 - R\$1,476,483), 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 are defined by the average historic cost of the court decisions and the respective legal costs. Management will continue to monitor the evolution of judicial decisions over time.

From the previously mentioned allowance, the amount of R\$79,622 (12/31/2022 - R\$68,827) has been deposited in court.

There is also the amount of R\$285,722 (12/31/2022 - R\$723,594) 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 a fine notification issued by the Central Bank of Brazil in connection with administrative proceedings filed by the monetary authority regarding alleged irregularities in foreign exchange transactions between 1987 and 1989. The administrative appellate court decision establishes that Banrisul must pay a fine equivalent to 100% of the amount of the allegedly irregular transactions, a decision that is being challenged in courts by Banrisul's management which, preventively and in compliance with the Central Bank's requirements, in March 2022, there a provision for losses amounting to R\$159,360. In April 2022, with a final decision handed down by the STJ, which recognized the statute of limitations for the fines imposed, with the exception of a tiny portion, whose conviction remained, there was a reversal of the provision in R\$158,929, remaining provisioned in the amount of R\$1,956 (12/31/2022 – R\$1,904).



## NOTE 23 – OTHER FINANCIAL LIABILITIES

	Up to 12 Months	Over 12 Months	Total as of 09/30/2023	Up to 12 Months	Over 12 Months	Total as of 12/31/2022
Interbank Relations	317,522	-	317,522	34,772	-	34,772
Interbranch Relations	512,098	-	512,098	360,449	-	360,449
Foreign Exchange Portfolio	941,868	-	941,868	1,102,688	-	1,102,688
Trading and Intermediation of Values	12,281	-	12,281	53,667	-	53,667
Financial Subordinated Letters – LFS <sup>(1)</sup>	5,349,721	-	5,349,721	4,283,259	-	4,283,259
Creditors for Resources to be Released	178,947	-	178,947	108,595	-	108,595
Payable Card Transactions	1,577,104	-	1,577,104	1,485,453	-	1,485,453
Acquiring Payable Liabilities	2,047,368	-	2,047,368	2,232,034	-	2,232,034
Leasing Obligations	91,600	129,104	220,704	96,581	164,919	261,500
Other	205,510	3,794	209,304	138,906	4,916	143,822
<b>Total</b>	<b>11,234,019</b>	<b>132,898</b>	<b>11,366,917</b>	<b>9,896,404</b>	<b>169,835</b>	<b>10,066,239</b>

(1) Refers mainly to the fund constituted by the portion not made available to the State of Rio Grande do Sul, of judicial deposits, intended to guarantee the restitution of said deposits (Note 37(b)).

## NOTE 24 – DEFERRED TAXES

Banrisul has Tax Credits and deferred income tax and social contribution liabilities on net income, as shown below:

**(a) Tax Credits** - The balances of tax credits, segregated by sources and disbursements, are as follows:

	12/31/2022	Recognition	Realization	09/30/2023
Allowance for Impairment Losses Of Financial Assets	1,528,122	383,586	(284,545)	1,627,163
Provision for Labor Contingencies	730,560	106,338	(113,455)	723,443
Provision for Tax Contingencies	219,066	15,710	(3,584)	231,192
Provision for Civil Contingencies	98,931	15,152	(11,501)	102,582
Fair Value Adjustments Variations	202,250	67,032	(79,606)	189,676
Benefits Post Employment	244,672	111,869	(48)	356,493
Other Temporary Provisions	191,604	107,915	(148,666)	150,853
Tax Loss	212,877	210,128	-	423,005
Leases – IFRS 16 <sup>(1)</sup>	-	123,115	(31,737)	91,378
<b>Total Tax Credits on Temporary Differences</b>	<b>3,428,082</b>	<b>1,140,845</b>	<b>(673,142)</b>	<b>3,895,785</b>
Deferred Tax Liabilities	(567,664)	(235,092)	111,472	(691,284)
<b>Tax Assets, Net of Deferred Liabilities</b>	<b>2,860,418</b>	<b>905,753</b>	<b>(561,670)</b>	<b>3,204,501</b>

(1) Refers to deferred tax on lease transactions, Right-of-use assets and lease liabilities – Amendment to IAS12, (Note 24 (b) and Note 2.2 (a)).

The expected settlement of these credits are as follows:

Year	Income tax	Social Contribution - CSLL	Total Registered
2023	82,573	66,059	148,632
2024	398,565	318,852	717,417
2025	419,386	335,509	754,895
2026	382,711	306,168	688,879
2027	367,615	294,092	661,707
2028 to 2029	411,525	329,220	740,745
2030 to 2032	101,950	81,560	183,510
<b>Total on 09/30/2023</b>	<b>2,164,325</b>	<b>1,731,460</b>	<b>3,895,785</b>
<b>Total on 12/31/2022</b>	<b>1,904,490</b>	<b>1,523,592</b>	<b>3,428,082</b>

The total present value of the tax credits is R\$2,978,984 (12/31/2022 – R\$2,594,785), calculated according to the expectation of settlement of income tax and deferred social contribution by the average funding rate, projected for the corresponding periods.



**(b)Deferred Tax Liabilities** - The balances of the provision for deferred income tax and social contribution are as follows:

	09/30/2023	12/31/2022
Depreciation Surplus	7,117	7,803
Securities at Fair Value through Other Comprehensive Results	3,505	1,686
Securities - Adjustments to Fair Value through Income	28,435	823
Change at Fair Value Subordinated Debt - Hedge Accounting	187,875	194,362
Renegotiated Operations Law No, 12715/12	272,412	273,547
Actuarial Surplus	100,562	89,443
Leases – IFRS 16 <sup>(1)</sup>	91,378	-
<b>Total</b>	<b>691,284</b>	<b>567,664</b>

(1) Refers to deferred tax on lease transactions, Right-of-use assets and lease liabilities – Amendment to IAS12.

Deferred tax assets and liabilities are utilized when the entity has the legal right to set off current tax assets against tax liabilities, when deferred taxes are levied by the same tax authority.

## NOTE 25 – OTHER LIABILITIES

	09/30/2023	12/31/2022
Collection of Taxes and Similar	180,381	12,429
Social and Statutory Obligations	81,799	129,581
Personnel Expenses Provision	239,690	273,870
Liabilities under Official Agreements and Payment Services	485,165	127,765
Domestic Creditors	224,529	295,087
Actuarial Liabilities - Post-Employment Benefit <sup>(1)</sup>	893,802	657,110
Provisions for Outgoing Payments	145,377	181,525
Anticipated Income	129,986	139,378
Other	5,511	5,537
<b>Total</b>	<b>2,386,240</b>	<b>1,822,282</b>

(1) Refers mostly to the sponsor's obligations regarding deficits found in defined benefit plans offered to employees and former employees of Banrisul and group companies (Note 36e).



## NOTE 26 - EQUITY

## (a) Capital

Fully subscribed paid-up capital on September 30, 2023 is R\$5,200,000 (12/31/2022 - R\$5,200,000), represented by 408,974 thousand shares with no par value as follows:

	Ordinary Shares		Class A Preferred Shares		Class B Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%	Quantity	%
<b>Rio Grande do Sul State</b>								
Shareholding on 12/31/2022	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Shares Conversion and Transfers	-	-	-	-	-	-	-	-
Shareholding on 06/30/2023	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
<b>Executive Officers, Board of Directors and Committee Members</b>								
Shareholding on 12/31/2022	58	-	30	-	3,005	-	3,093	-
Shares Conversion and Transfers	-	-	-	-	-	-	-	-
Shareholding on 06/30/2023	58	-	30	-	3,005	-	3,093	-
<b>Free Float</b>								
Shareholding on 12/31/2022	3,839,424	1.87	621,582	45.27	202,533,540	100.00	206,994,546	50.61
Shares Conversion and Transfers	-	-	-	-	-	-	-	-
Shareholding on 06/30/2023	3,839,424	1.87	621,582	45.27	202,533,540	100.00	206,994,546	50.61
<b>Outstanding Shares on 12/31/2022</b>	205,064,841	100.00	1,373,091	100.00	202,536,545	100.00	408,974,477	100.00
Shares Conversion and Transfers	-	-	-	-	-	-	-	-
<b>Outstanding Shares on 09/30/2023</b>	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) Shares in Treasury - Opening of the Share Buyback Program**

Banrisul opened its first Share Buyback Program with the objective of maximizing the generation of value for shareholders through an efficient management of the Capital structure. The acquisition of up to 10,126,677 preferred shares is authorized, equivalent to 5% of the preferred shares issued by the Company, without reducing the value of the share capital, for maintenance in treasury, cancellation or replacement in the market. Acquisitions will take place on the stock exchange, from December 15, 2022 to June 15, 2024, at market value. Until September 30, 2023, a total of 1,202,500 shares were repurchased for the amount of R\$14,520.

**(c) Reserves**

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.

**(d) 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 Interest on Equity and Dividend Policy, Banrisul paid the amount of R\$360,000 relating to interest on equity in the period of 9M2023 (9M2022 - R\$335,520), 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\$162,000 (9M2022 - R\$150,984) (Note 34).

Banrisul has maintained, since the beginning of 2008, Interest on Equity and Dividend Policy, with quarterly payments and, historically, has paid its shareholders with payment of interest on equity and dividends higher than the minimum legally required.

On April 27, 2023, at the Annual Shareholders' Meeting, the proposal for the distribution of additional dividends for fiscal year 2023 in the percentage equivalent to 25% of the Net Income deducted from the Legal Reserve was approved, totaling 50%.

**NOTE 27 – NET INTEREST INCOME AND SIMILAR**

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
<b>Interest and Similar Income</b>	<b>3,903,931</b>	<b>11,117,433</b>	<b>3,543,572</b>	<b>9,399,587</b>
Compulsory Deposits at Central Bank of Brazil	335,085	978,852	326,912	832,210
Financial Assets Measured at Fair Value	169,045	496,893	206,142	577,194
Financial Assets Measured at Amortized Cost	3,399,801	9,641,688	3,010,518	7,990,183
Interbank Liquidity Applications	251,020	548,775	251,698	640,316
Securities	1,072,655	3,124,341	1,029,368	2,591,052
Loans	2,068,800	5,961,246	1,716,571	4,719,182
Other Financial Assets	7,326	7,326	12,881	39,633
<b>Interest and Similar Expenses</b>	<b>(2,774,358)</b>	<b>(7,560,471)</b>	<b>(2,604,828)</b>	<b>(6,390,496)</b>





Net Result from Financial Liabilities at Fair Value	(75,600)	(14,786)	(78,151)	35,129
Net Result from Financial Liabilities at Amortized Cost	(2,698,758)	(7,545,685)	(2,526,677)	(6,425,625)
Deposits	(1,725,770)	(5,056,656)	(1,657,720)	(4,300,656)
Money Market Funding	(586,257)	(1,431,199)	(515,228)	(1,284,624)
Funds from Acceptance and Issuance of Securities	(117,822)	(316,012)	(74,315)	(169,827)
Lendings and Onborrowings	(95,414)	(189,723)	(109,290)	(287,186)
Other Financial Liabilities	(173,495)	(552,095)	(170,124)	(383,332)
<b>Net Total</b>	<b>1,129,573</b>	<b>3,556,962</b>	<b>938,744</b>	<b>3,009,091</b>

## NOTE 28 – NET GAINS (LOSSES) WITH ASSETS AND LIABILITIES AT FAIR VALUE

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
Net Gains (Losses) with Financial Liabilities at Fair Value through Profit and Losses	7,545	(14,415)	107,991	412,320
Net Gains (Losses) with Financial Assets at Fair Value through Profit and Losses	(14,168)	78,058	28,660	36,912
Gains (Losses) with Derivatives	11,234	(255,760)	(127,604)	(705,898)
<b>Total</b>	<b>4,611</b>	<b>(192,117)</b>	<b>9,047</b>	<b>(256,666)</b>

## NOTE 29 – REVENUES FROM FEES AND SERVICES

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
Asset Management	20,662	60,114	21,890	61,451
Income from Bill Collection and Custody Services	12,095	42,189	16,871	51,110
Income from Management of Sales Poll Groups	34,330	96,276	25,306	70,498
Banrisul Pagamentos Service Revenues	206,794	597,027	179,759	537,468
Check Returns	2,861	8,734	2,751	8,073
Account Debits	13,973	37,443	13,330	37,453
Collection Services	8,908	31,099	10,372	35,021
Insurance Commissions	70,759	213,674	67,580	192,079
Credit Cards	49,118	74,761	13,213	39,666
Bank Fees from Checking Accounts	136,765	409,411	148,671	432,640
Income from Brokerage	17,483	49,479	12,501	28,013
Other Income	14,208	43,873	18,042	54,636
<b>Total</b>	<b>587,956</b>	<b>1,664,080</b>	<b>530,286</b>	<b>1,548,108</b>

## NOTE 30 – PERSONNEL EXPENSES

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
Salary	314,908	929,526	426,361	972,000
Benefits <sup>(1)</sup>	107,758	304,632	105,168	282,592
Social Charges	129,567	384,952	131,557	365,038
Trainings	1,910	3,961	1,588	2,790
Profit Sharing	59,072	184,634	21,950	125,040
<b>Total</b>	<b>613,215</b>	<b>1,807,705</b>	<b>686,624</b>	<b>1,747,460</b>

(1) Direct Remuneration and Benefits expenses include the amount of R\$119,814, referring to incentives granted and provisioned within the scope of the PDV – Voluntary Termination Program in 2022.



## NOTE 31 – OTHER ADMINISTRATIVE EXPENSES

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
Communications	9,727	37,066	11,129	40,025
Data Processing and Telecommunications	49,709	127,912	43,208	118,273
Surveillance, Security and Transportation of Values	35,601	101,865	33,720	101,574
Amortization and Depreciation	93,550	275,229	86,550	259,420
Rentals and Condominiums	13,293	36,041	8,034	30,649
Supplies	2,691	10,119	4,773	12,469
Third Party Services	56,804	202,486	78,713	230,363
Specialized Technical Services	58,554	163,991	44,619	132,189
Advertising <sup>(1)</sup>	36,154	101,764	32,707	88,552
Maintenance	13,361	49,766	16,592	48,811
Water, Energy and Gas	5,925	23,225	6,179	27,469
Financial System Services	9,571	29,647	7,128	20,109
Others	25,377	68,708	21,774	60,763
<b>Total</b>	<b>410,317</b>	<b>1,227,819</b>	<b>395,126</b>	<b>1,170,666</b>

(1) Comprises mainly institutional advertising of R\$36,651 (09/30/2022 - R\$32,955) and sponsorship of sport events and clubs of R\$51,134 (09/30/2022 - R\$44,325).

## NOTE 32 – OTHER OPERATING INCOME

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
Recovery of Charges and Expenses	5,076	18,494	5,944	18,581
Reversal of Provisions	1,022	5,048	876	10,933
Interbank Fees	8,961	22,057	6,032	17,007
Credit Receivables Securities	4,802	13,604	4,650	11,694
Other Revenues From Cards	5,290	91,842	37,675	106,470
Reversal of Provisions for Payables	4,850	12,259	7,084	14,499
Acquiring Revenues for Prepayment of Receivables	-	13,432	6,488	18,749
Income from POS Rentals	15,229	52,516	15,625	46,196
Update on Legal Deposits	14,963	44,079	13,551	35,066
Write Off Investments Abroad	-	-	-	170,558
CIP Demutualization	-	-	-	18,986
Update of Actuarial Assets	-	18,978	-	17,450
Employer Social Security Contribution Recovery	17,791	17,791	-	-
Other	24,932	40,798	8,175	14,499
<b>Total</b>	<b>102,916</b>	<b>350,898</b>	<b>106,100</b>	<b>500,688</b>

(1) Refers to the reclassification of the exchange variation of investment in subsidiary abroad, previously accounted for in Other Comprehensive Income, due to the closure of activities and return of capital to the parent company, which occurred in the 2nd quarter of 2022.

## NOTE 33 – OTHER OPERATING EXPENSES

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
Discounts Granted on Debt Restructurings	20,882	56,983	21,144	42,425
Expenses on Collection of Federal Taxes	3,226	8,810	2,846	5,850
Expenses on Cards	2,891	8,964	2,806	9,004
Fees from INSS Covenant	71,632	203,710	50,169	134,989
Banrisul Advantage Membership Program Bonus	7,611	17,861	4,180	15,054
Expenses with Banrisul Pagamentos Branded Cards	16,735	46,982	13,389	36,557
Costs with Payroll Loans Covenant	1,720	4,913	1,618	4,711
Inflation Adjustment on Financing Release	3,162	8,064	3,858	10,191



Fee Losses Not Received	5,782	17,846	5,497	15,014
Update of Actuarial Expenses	-	13,723	-	28,167
Expenses with Theft	8,149	8,547	-	-
Payroll Processing Services	3,773	15,570	-	-
Other	20,271	47,616	19,435	56,734
<b>Total</b>	<b>165,834</b>	<b>459,589</b>	<b>124,942</b>	<b>358,696</b>

## NOTE 34 – INCOME TAX AND SOCIAL CONTRIBUTION

### Reconciliation of Income Tax and Social Contribution Expenses/Income

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
<b>Income for the Period before Taxes and Profit Sharing</b>	<b>208,110</b>	<b>688,441</b>	<b>38,826</b>	<b>387,557</b>
Income Tax (IRPJ) - Rate 25%	(52,027)	(172,110)	(9,706)	(96,889)
Social Contribution Tax (CSLL) - Rate of 9%	(24,362)	(66,777)	(18,309)	(53,698)
Social Contribution Tax (CSLL) – Rate 15%	(1,479)	(4,154)	(815)	(2,113)
Social Contribution Tax (CSLL) – Rate 20%	611	-	25,656	-
<b>Total Income and Social Contribution Taxes calculated at Current Rate</b>	<b>(77,257)</b>	<b>(243,041)</b>	<b>(3,174)</b>	<b>(152,700)</b>
Net Effect of the Rate Differential on Deferred CSLL	-	-	(88)	(88)
Exchange Variation on Divestment Abroad	-	-	-	76,751
Employee Profit Sharing	26,538	82,918	9,829	56,510
Interest on Equity	31,500	162,000	20,250	150,984
Equity Result	11,558	34,964	7,868	23,489
Other Additions, Net of Exclusions	9,047	(61,205)	2,996	26,267
<b>Total Income Tax and Social Contribution</b>	<b>(16,708)</b>	<b>(24,364)</b>	<b>37,681</b>	<b>181,213</b>
Current	(93,951)	(270,733)	(77,105)	(226,513)
Deferred	77,243	246,369	114,786	407,726

## NOTE 35 – 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.

	07/01 to 09/30/2023	01/01 to 09/30/2023	07/01 to 09/30/2022	01/01 to 09/30/2022
<b>Net Income Attributable to Controlling Shareholders – R\$ Thousand</b>	<b>191,102</b>	<b>663,422</b>	<b>76,344</b>	<b>568,485</b>
Common Shares	95,942	332,786	38,280	285,002
Preferred A Shares	643	2,346	256	1,995
Preferred B Shares	94,517	328,290	37,808	281,488
<b>Weighted Average of Outstanding Shares</b>	<b>408,457,408</b>	<b>408,732,766</b>	<b>408,974,477</b>	<b>408,974,477</b>
Weighted Average Number of Outstanding Common Shares	205,064,841	205,064,841	205,064,841	205,064,841
Weighted Average Number of Outstanding Preferred A Shares	1,373,091	1,373,091	1,373,091	1,373,091
Weighted Average Number of Outstanding Preferred B Shares	202,019,476	202,294,834	202,536,545	202,536,545
<b>Basic and Diluted earnings per Share – R\$</b>				
Common Shares	0.47	1.62	0.19	1.39
Preferred A Shares	0.47	1.71	0.19	1.45
Preferred B Shares	0.47	1.62	0.19	1.39

## NOTE 36 - 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. 4,994/22. As per article No 08 from CMN Resolution No. 4,994/22 determines that, 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 CNPC Resolution No. 30/2018, the Executive Council of Banrisul Foundation has appointed the Administrator Responsible for the Benefit Plan – ARPB.

The set of hypotheses and actuarial methods adopted in the actuarial calculations resulted from an interaction process between the external actuarial consultancy responsible for the actuarial calculations in the case of Benefit Plans structured in the Defined Benefit and Variable Contribution modality, among the internal actuaries of the Banrisul Foundation itself in the case of the Benefit plan structured in the Defined Contribution modality, the Executive Board and the representatives of the Deliberative Council of the Foundation, and it has the endorsement of the sponsors of the Benefit Plans I and Settled ("defined benefit" modality), of the Plans FBPREV, FBPREV II and FBPREV III ("variable contribution" modality) and the FBPREV CD Plan ("defined contribution" modality), as determined by CNPC Resolution No. 30/2018, Previc Instruction No. 33/2020 and Previc Ordinance No. 363/2023.



(a) Key Assumptions

The key assumptions below were elaborated upon information available on September 30, 2023 and December 31, 2022, subject to periodical review.

Economic Assumptions – 06/30/2023	PBI Plan	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan (% p.a.) <sup>(1)</sup>			Retirement Award
	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)	PAM	POD	PROMED	(% p.a.)
Real Actuarial Discount Rate	5.38	5.42	5.36	5.43	5.37	5.49	5.49	5.49	5.31
Expected Real Return on Assets	5.38	5.42	5.36	5.43	5.37	5.49	5.49	5.49	5.31
Real Salary Growth Rate for Active Employees	1.36	-	5.15	1.51	0.41	According to Plan <sup>(2)</sup>	n/a	n/a	5.15
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	4.22	4.22	4.22	4.22	4.22	4.22	4.22	4.22	4.22
Nominal Discount Rate	9.83	9.87	9.81	9.88	9.82	9.94	9.94	5.49	9.75
Expected Nominal Return on Assets	9.83	9.87	9.81	9.88	9.82	9.94	9.94	5.49	9.75
Nominal Salary Growth Rate for Active Employees	5.64	4.22	9.59	5.79	4.65	According to Plan <sup>(2)</sup>	n/a	n/a	9.59
Nominal Growth in Plan Benefits During Receipt	4.53	4.22	4.22	4.22	4.22	4.22	4.22	5.26	4.22

Economic Assumptions - 12/31/2022	PBI Plan	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan (% p.a.) <sup>(1)</sup>			Retirement Award
	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)	PAM	POD	PROME	(% p.a.)
Real Actuarial Discount Rate	6.10	6.14	6.11	6.14	6.10	6.17	6.17	6.17	6.09
Expected Real Return on Assets	6.10	6.14	6.11	6.14	6.10	6.17	6.17	6.17	6.09
Real Salary Growth Rate for Active Employees	1.36	-	5.15	1.51	0.41	According to Plan <sup>(2)</sup>	n/a	n/a	5.15
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	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23
Nominal Discount Rate	11.65	11.69	11.66	11.69	11.65	11.72	11.72	11.72	11.64
Expected Nominal Return on Assets	11.65	11.69	11.66	11.69	11.65	11.72	11.72	11.72	11.64
Nominal Salary Growth Rate for Active Employees	6.66	5.23	10.65	6.82	5.66	According to Plan <sup>(2)</sup>	n/a	n/a	10.65
Nominal Growth in Plan Benefits During Receipt	5.55	5.23	5.23	5.23	5.23	5.23	5.23	6.28	5.23

(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.

The Demographic Assumptions of June 30, 2023 remain the same information disclosed on December 31, 2022 as shown below:

Demographic Assumptions	Mortality	Mortality Table	Disability	Annual Turnover	Option for	Retirement	Family
on 12/31/2022	Table	Table (Disabled)	Entry Table	Rate	BPD	Entry	Composition
PBI Plan	AT-2000 (-10%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV III plan experience 2015-2020	Not applicable	100% upon reaching the full benefit	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%)	Settled plan experience 2015-2020	Not applicable	Probable retirement date informed in the registration	74% of participants with beneficiaries, woman 4 years younger, Granted: Real Family
FBPREV Plan	AT-2000 (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	FBPREV plan experience 2015-2020	-	100% in normal retirement according to plan eligibility.	Real Family, as registered
FBPREV II Plan	AT-2000 (-30%) gender specific	Winklevoss	Álvaro Vindas (-70%)	FBPREV II plan experience 2015-2020	-	100% in normal retirement according to plan eligibility.	Real Family, as registered
FBPREV III Plan	AT-2000 smoothed by 10%, gender specific	RRB – 83 (-50%)	Álvaro Vindas	PBI and FBPREV III plan experience 2015-2020	-	100% in normal retirement according to plan eligibility.	Real Family, as registered
Health Plan <sup>(1)</sup> :							
PAM	According to Pension Plan <sup>(2)</sup>	According to Pension Plan <sup>(2)</sup>	According to Pension Plan <sup>(2)</sup>	According to Pension Plan <sup>(2)</sup>	-	100% in normal retirement according to plan eligibility.	According to Pension Plan <sup>(2)</sup>
POD	AT-2000 Basic (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I plan experience 2015-2020	-	100% in normal retirement according to plan eligibility.	Real Family
PROMED	AT-2000 Basic (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I plan experience 2015-2020	-	100% in normal retirement according to plan eligibility.	Real Family
Retirement Award	AT-2000 (-30%) gender specific	n/a	Álvaro Vindas (-70%)	FBPREV plan experience 2015-2020	-	60 years old and 10 years in the company	Not applicable

(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.



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 IAS 19 (R1), 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, on June 27, 2023.

Pursuant to CNPC Resolution No. 30/2018, combined with Previc Instruction No. 33/2020 and Previc Ordinance No. 363/2023, 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 in the cost plan 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% (in 1% steps) 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 in the cost plan 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% (in 1% steps) 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 in the cost plan 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.

**BPREV CD Plan (FBPREV CD)** - the benefits provided by this plan, in the "defined contribution" modality, include benefits of: retirement, disability retirement, annual bonus (optional) and death pension.

The participant's normal contribution is made up of only one portion:

- (i) Basic installment: may vary from 1% to 6% (0.50% intervals) applied to the contribution salary;

In addition to the basic contribution, the participant may make additional, monthly and optional contributions, not less than 1% applied on the participation salary, not accompanied 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 Categories	PB I Plan % Allocated		Settled Plan % Allocated		FBPREV Plan % Allocated		FBPREV II Plan % Allocated		FBPREV III Plan % Allocated		Health Plan % Allocated	
	Jun23	Dec22	Jun23	Dec22	Jun23	Dec22	Jun23	Dec22	Jun23	Dec22	Jun23	Dec22
Cash	0.01	0.03	-	-	-	0.01	-	-	-	-	0.07	0.12
Fixed Income	85.14	84.97	78.53	77.97	87.44	85.44	83.90	82.69	89.76	89.46	98.37	97.86
Equity	5.85	6.10	3.70	3.95	0.93	1.21	1.65	1.85	4.92	5.21	1.56	2.02
Real Estate	5.55	5.26	3.49	3.40	-	-	1.39	1.43	4.54	4.43	-	-
Other	3.45	3.64	14.28	14.68	11.63	13.34	13.06	14.03	0.78	0.90	-	-
<b>Total</b>	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\$10,567 (12/31/2021 – R\$7,322) and rented real state with a fair value of R\$143,786 (12/31/2022 - R\$143,786).

#### (e) Actuarial Reviews

The net actuarial liability/(asset) breakdown summary for the fiscal years ended June 30, 2023 and December 31, 2022, prepared based on the actuarial report on June 30, 2023 and December 31, 2022, respectively, and in accordance with IAS 19 (R1), is shown below:

Liabilities/(Assets) Recorded in the Balance Sheet with Benefits of:	06/30/2023	12/31/2022
Pension Plans		
Benefit Plan I (PBI)	461,598	353,432
Settled Plan (PBS)	231,985	122,931
FBPREV Plan (FBPREV)	(2)	(2)
FBPREV II Plan (FBPREV II)	(59)	(56)
FBPREV III Plan (FBPREV III)	41,275	29,361
Health Plan (PAM, POD and PROMED)	(210,825)	(188,799)
Retirement Award	163,328	151,386
<b>Total</b>	<b>687,300</b>	<b>468,253</b>

In 2022, the Voluntary Dismissal Program – PDV for employees retired by the INSS, or who had, or would have, in 24 months, contribution time and the other conditions to retire according to the INSS rules, with a membership period of September 19th to 30th of that year. In total, 511 employees joined the program. Dismissals began in April/2023 and will take place until August/2023, except for employees working in the IT Board Units, who may have their departures staggered until August/2024. Up to 06/30/2023, 326 employees



were dismissed for joining the program, which, according to the FBSS pension plan to which they are linked, can choose the form of receipt within 120 days of the sponsor's dismissal. Thus, the disconnections that occurred up to 06/30/2023 were not considered in the calculations, since they are not considered material. On 12/31/23, the effects of terminations will be considered in the actuarial calculation.

For the Retirement Premium, as it is paid in a single installment upon termination, the calculations have already been sensitized in relation to those opting for the PDV already terminated by 06/30/2023.

To replace these vacancies and bring new talent to the Bank, 02 (two) public tenders were held, with 274 vacancies for work in the IT areas and 824 vacancies for the Bank's general staff. As of 06/30/2023, 758 new employees joined. A new pension plan was created for new employees, the FBPREV CD Plan (FBPREV CD) in the form of "defined contribution", without generating actuarial effects.



The breakdown of the net actuarial liabilities/(assets) prepared based on the actuarial reports on June 30, 2023 and December 31, 2022, and according to CPC 33 (R1), is as follows:

<b>Balance of net Liabilities/(Assets) as of 06/30/2023</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
Actuarial Liabilities Assessed in the Actuarial Report	1,347,431	1,469,409	19,580	198,658	364,585	210,825	163,328
Fair Value of Plan Assets	(885,833)	(1,237,424)	(31,214)	(235,492)	(323,310)	(593,870)	-
<b>Deficit/(Surplus)</b>	461,598	231,985	(11,634)	(36,834)	41,275	(383,045)	163,328
Effect of Asset Limit	-	-	11,632	36,775	-	172,220	-
<b>Net Actuarial Liabilities/Assets</b>	461,598	231,985	(2)	(59)	41,275	(210,825)	163,328

<b>Balance of net Liabilities/(Assets) as of 12/31/2022</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
Actuarial Liabilities Assessed in the Actuarial Report	1,248,707	1,331,422	17,678	180,975	349,578	188,799	151,386
Fair Value of Plan Assets	(895,275)	(1,208,491)	(26,602)	(220,984)	(320,217)	(574,384)	-
<b>Deficit/(Surplus)</b>	<b>353,432</b>	<b>122,931</b>	<b>(8,924)</b>	<b>(40,009)</b>	<b>29,361</b>	<b>(385,585)</b>	<b>151,386</b>
Effect of Asset Limit	-	-	8,922	39,953	-	196,786	-
<b>Net Actuarial Liabilities/Assets</b>	<b>353,432</b>	<b>122,931</b>	<b>(2)</b>	<b>(56)</b>	<b>29,361</b>	<b>(188,799)</b>	<b>151,386</b>

<b>Changes in Present Value of Actuarial Liabilities as of 06/30/2023</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
<b>Present Value of Actuarial Liabilities as of January 1<sup>st</sup></b>	<b>1,248,707</b>	<b>1,331,422</b>	<b>17,678</b>	<b>180,975</b>	<b>349,578</b>	<b>188,799</b>	<b>151,386</b>
Net Cost of Current Service	12	-	(1,013)	(151)	(5)	970	2,819
Contributions from Plan Participants in the Period	28,034	1,703	1,042	304	513	-	-
Interest on Actuarial Liabilities	68,970	74,664	981	10,125	19,315	10,705	7,533
Benefits Paid in the Period	(90,849)	(52,018)	(969)	(7,976)	(19,747)	(5,831)	(13,530)
(Gain)/Loss on Actuarial Liabilities	92,557	113,638	1,861	15,381	14,931	16,182	15,120
<b>Present Value of Actuarial Liabilities at end of Period (Restated)</b>	<b>1,347,431</b>	<b>1,469,409</b>	<b>19,580</b>	<b>198,658</b>	<b>364,585</b>	<b>210,825</b>	<b>163,328</b>

<b>Changes in Present Value of Actuarial Liabilities as of 12/31/2022</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
<b>Present Value of Actuarial Liabilities as of January 1<sup>st</sup></b>	<b>1,486,513</b>	<b>1,464,479</b>	<b>15,920</b>	<b>182,808</b>	<b>381,458</b>	<b>199,072</b>	<b>146,687</b>
Net Cost of Current Service	52	-	476	(224)	(10)	692	5,571
Contributions from Plan Participants in the Period	49,563	3,378	2,489	671	617	-	-
Interest on Actuarial Liabilities	153,101	154,615	1,665	19,548	39,376	21,142	13,868
Benefits Paid in the Period	(189,980)	(107,362)	(1,046)	(15,242)	(38,167)	(11,488)	(4,792)
(Gain)/Loss on Actuarial Liabilities	(250,542)	(183,688)	(1,826)	(6,586)	(33,696)	(20,619)	(9,948)
<b>Present Value of Actuarial Liabilities at end of Period (Restated)</b>	<b>1,248,707</b>	<b>1,331,422</b>	<b>17,678</b>	<b>180,975</b>	<b>349,578</b>	<b>188,799</b>	<b>151,386</b>

<b>Changes in the Fair Value of Plan Assets as of 06/30/2023</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
<b>Fair Value of the Plan Assets as of January 1<sup>st</sup></b>	<b>(895,275)</b>	<b>(1,208,491)</b>	<b>(26,602)</b>	<b>(220,984)</b>	<b>(320,217)</b>	<b>(574,384)</b>	<b>-</b>
Benefits Paid from Plan Assets in the Period	90,849	52,018	969	7,976	19,747	-	-
Contributions from Plan Participants in the Period	(28,034)	(1,703)	(1,042)	(304)	(513)	-	-
Contributions from the Sponsor in the Period	(13,731)	(1,699)	(1,012)	(301)	(826)	-	-
Expected Return on Assets	(49,607)	(67,722)	(1,680)	(12,503)	(17,636)	(33,653)	-
(Gain)/Loss on Fair Value of the Plan Assets	9,965	(9,827)	(1,847)	(9,376)	(3,865)	14,167	-
<b>Fair Value of the Plan Assets at end of Period</b>	<b>(885,833)</b>	<b>(1,237,424)</b>	<b>(31,214)</b>	<b>(235,492)</b>	<b>(323,310)</b>	<b>(593,870)</b>	<b>-</b>



Changes in the Fair Value of Plan Assets as of 12/31/2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
<b>Fair Value of the Plan Assets as of January 1<sup>st</sup></b>	<b>(1,031,504)</b>	<b>(1,206,243)</b>	<b>(20,121)</b>	<b>(215,382)</b>	<b>(328,299)</b>	<b>(530,942)</b>	<b>-</b>
Benefits Paid from Plan Assets in the Period	189,980	107,362	1,046	15,242	38,167	-	-
Contributions from Plan Participants in the Period	(49,563)	(3,378)	(2,489)	(671)	(617)	-	-
Contributions from the Sponsor in the Period	(26,631)	(3,356)	(2,391)	(660)	(537)	-	-
Expected Return on Assets	(101,370)	(126,405)	(2,284)	(23,315)	(33,534)	(60,062)	-
(Gain)/Loss on Fair Value of the Plan Assets	123,813	23,529	(363)	3,802	4,603	16,620	-
<b>Fair Value of the Plan Assets at end of Period</b>	<b>(895,275)</b>	<b>(1,208,491)</b>	<b>(26,602)</b>	<b>(220,984)</b>	<b>(320,217)</b>	<b>(574,384)</b>	<b>-</b>

Net Actuarial Liabilities (Assets) of the Plan as of 06/30/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
<b>Net Actuarial Liabilities (Assets) at End of Previous Year</b>	353,432	122,931	(2)	(56)	29,361	(188,799)	151,386
<b>Expense/(Revenue) Recognized in Income for the Year</b>	19,375	6,942	(1,192)	(193)	1,674	(10,448)	10,352
(Gains)/Losses Recognized in Comprehensive Income	102,522	103,811	2,204	491	11,066	(5,747)	15,120
Contributions from the Sponsor	(13,731)	(1,699)	(1,012)	(301)	(826)	(5,831)	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	(13,530)
<b>Net Actuarial Liabilities (Assets) at the of Current Year</b>	<b>461,598</b>	<b>231,985</b>	<b>(2)</b>	<b>(59)</b>	<b>41,275</b>	<b>(210,825)</b>	<b>163,328</b>

Net Actuarial Liabilities (Assets) of the Plan as of 12/31/2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
<b>Net Actuarial Liabilities (Assets) at End of Previous Year</b>	455,009	258,236	-	(71)	53,159	(199,072)	146,687
<b>Expense/(Revenue) Recognized in Income for the Year</b>	51,783	28,210	426	(295)	5,832	(21,563)	19,439
(Gains)/Losses Recognized in Comprehensive Income	(126,729)	(160,159)	1,963	970	(29,093)	43,324	(9,948)
Contributions from the Sponsor	(26,631)	(3,356)	(2,391)	(660)	(537)	(11,488)	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	(4,792)
<b>Net Actuarial Liabilities (Assets) at the of Current Year</b>	<b>353,432</b>	<b>122,931</b>	<b>(2)</b>	<b>(56)</b>	<b>29,361</b>	<b>(188,799)</b>	<b>151,386</b>

Result for the First half of 2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Cost of Current Services	12	-	(1,013)	(151)	(5)	970	2,819
Cost of Interest on Actuarial Liabilities	68,970	74,664	981	10,125	19,315	10,705	7,533
Expected Return on Plan Assets	(49,607)	(67,722)	(1,680)	(12,503)	(17,636)	(33,653)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	520	2,336	-	11,530	-
<b>Total Expense (Income) Recognized in Result for the Year</b>	<b>19,375</b>	<b>6,942</b>	<b>(1,192)</b>	<b>(193)</b>	<b>1,674</b>	<b>(10,448)</b>	<b>10,352</b>

Result for the Year of 2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Cost of Current Services	52	-	476	(224)	(10)	692	5,571
Cost of Interest on Actuarial Liabilities	153,101	154,615	1,665	19,548	39,376	21,142	13,868
Expected Return on Plan Assets	(101,370)	(126,405)	(2,284)	(23,315)	(33,534)	(60,062)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	569	3,696	-	16,665	-
<b>Total Expense (Income) Recognized in Result for the Year</b>	<b>51,783</b>	<b>28,210</b>	<b>426</b>	<b>(295)</b>	<b>5,832</b>	<b>(21,563)</b>	<b>19,439</b>

<b>Other Comprehensive Income in 1H2023</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
(Gains)/Loss on Plan Assets	9,965	(9,827)	(1,847)	(9,376)	(3,865)	14,167	-
(Gains)/Loss on Actuarial Liabilities	92,557	113,638	1,861	15,381	14,931	16,182	15,120
(Gains)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	2,190	(5,514)	-	(36,096)	-
<b>(Gains)/Loss Recognized in Other Comprehensive Income</b>	<b>102,522</b>	<b>103,811</b>	<b>2,204</b>	<b>491</b>	<b>11,066</b>	<b>(5,747)</b>	<b>15,120</b>
<b>Other Comprehensive Income in 2022</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
(Gains)/Loss on Plan Assets	123,813	23,529	(363)	3,802	4,603	16,620	-
(Gains)/Loss on Actuarial Liabilities	(250,542)	(183,688)	(1,826)	(6,586)	(33,696)	(20,619)	(9,948)
(Gains)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	4,152	3,754	-	47,323	-
<b>(Gains)/Loss Recognized in Other Comprehensive Income</b>	<b>(126,729)</b>	<b>(160,159)</b>	<b>1,963</b>	<b>970</b>	<b>(29,093)</b>	<b>43,324</b>	<b>(9,948)</b>
<b>Result of the Year Projected for the Next Period</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
Net Cost of Current Services	14	-	(1,017)	(153)	(4)	1,115	3,125
Cost of Interest on Actuarial Liabilities	61,469	68,118	895	9,427	16,622	10,167	6,672
Expected Return on Plan Assets	(40,354)	(57,146)	(1,602)	(11,280)	(14,703)	(29,521)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	570	1,817	-	8,561	-
<b>Estimated Actuarial Expense (Income)</b>	<b>21,129</b>	<b>10,972</b>	<b>(1,154)</b>	<b>(189)</b>	<b>1,915</b>	<b>(9,678)</b>	<b>9,797</b>
<b>Estimated Cash Flow for the Next Period</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
Contributions Paid by the Sponsor	21,553	4,270	1,573	350	1,227	6,453	-
Contributions Paid by Plan Participants	36,973	4,270	1,573	350	1,227	-	-
Benefits Paid on Plan Assets	103,336	59,948	875	7,994	19,029	6,453	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	23,282

The estimated benefit payments for the next 10 years are as follows:

<b>Maturity Profile of the Present Value of the Liability</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>	<b>Retirement Award</b>
2023	103,336	59,948	875	7,994	19,029	6,453	23,282
2024	200,661	123,071	1,401	16,074	36,936	12,648	29,705
2025	195,544	122,134	1,425	15,681	35,954	13,102	13,269
2026	190,031	121,028	1,420	15,280	34,922	13,521	12,578
2027	184,260	119,591	1,436	14,968	33,851	13,885	11,150
2028 to 2032	826,653	568,524	7,410	70,826	151,951	72,429	39,198

The weighted average duration of the present value of the liabilities is as follows:

<b>Duration (in years)</b>	<b>Benefit Plan I</b>	<b>Settled Plan</b>	<b>FBPREV Plan</b>	<b>FBPREV II Plan</b>	<b>FBPREV III Plan</b>	<b>Health Plan</b>			<b>Retirement Award</b>
						<b>PAM</b>	<b>POD</b>	<b>PROMED</b>	
06/30/2023	7.87	9.73	8.68	9.90	8.37	According to Pension Plan <sup>(1)</sup>	9.81	12.11	7.13
12/31/2022	8.10	10.04	9.36	10.18	8.48	According to Pension Plan <sup>(1)</sup>	10.07	12.40	6.93



(1) According to the Pension Plan to which the beneficiaries are registered,

Other information concerning the plans:

Number of Participants on 12/31/2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan			Retirement Award
						PAM	POD	PROMED	
Active	125	449	5,051	2,979	131	1,952	395	7,875	8,683
Assisted	2,921	2,460	81	1,864	1,471	6,981	-	-	-
Retired	-	-	-	-	-	-	3,039	6,253	-
<b>Total</b>	<b>3,046</b>	<b>2,909</b>	<b>5,132</b>	<b>4,843</b>	<b>1,602</b>	<b>8,933</b>	<b>3,434</b>	<b>14,128</b>	<b>8,683</b>



**(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,

<b>Benefit Plan I (PBI)</b>		<b>Impact in R\$ Thousand</b>
<b>Assumption Description</b>	<b>Hypothesis</b>	<b>Effect on Present Value of Actuarial Liabilities</b>
Discount Rate	Increase of 0.5 p.p.	(45,763)
Discount Rate	Decrease of 0.5 p.p.	49,113
Mortality Table	Increase of 10%	(34,905)
Mortality Table	Decrease of 10%	38,663

<b>Settled Plan (PBS)</b>		<b>Impact in R\$ Thousand</b>
<b>Assumption Description</b>	<b>Hypothesis</b>	<b>Effect on Present Value of Actuarial Liabilities</b>
Discount Rate	Increase of 0.5 p.p.	(60,906)
Discount Rate	Decrease of 0.5 p.p.	66,223
Mortality Table	Increase of 10%	(35,312)
Mortality Table	Decrease of 10%	39,609

<b>FBPREV Plan (FBPREV)</b>		<b>Impact in R\$ Thousand</b>
<b>Assumption Description</b>	<b>Hypothesis</b>	<b>Effect on Present Value of Actuarial Liabilities</b>
Discount Rate	Increase of 0.5 p.p.	(726)
Discount Rate	Decrease of 0.5 p.p.	781
Mortality Table	Increase of 10%	(1,050)
Mortality Table	Decrease of 10%	1,049

<b>FBPREV II Plan (FBPREV II)</b>		<b>Impact in R\$ Thousand</b>
<b>Assumption Description</b>	<b>Hypothesis</b>	<b>Effect on Present Value of Actuarial Liabilities</b>
Discount Rate	Increase of 0.5 p.p.	(8,241)
Discount Rate	Decrease of 0.5 p.p.	8,860
Mortality Table	Increase of 10%	(2,486)
Mortality Table	Decrease of 10%	2,731

<b>FBPREV III Plan (FBPREV III)</b>		<b>Impact in R\$ Thousand</b>
<b>Assumption Description</b>	<b>Hypothesis</b>	<b>Effect on Present Value of Actuarial Liabilities</b>
Discount Rate	Increase of 0.5 p.p.	(13,349)
Discount Rate	Decrease of 0.5 p.p.	14,376
Mortality Table	Increase of 10%	(8,630)
Mortality Table	Decrease of 10%	9,466

<b>Health Plan</b>		<b>Impact in R\$ Thousand</b>
<b>Assumption Description</b>	<b>Hypothesis</b>	<b>Effect on Present Value of Actuarial Liabilities</b>
Discount Rate	Increase of 0.5 p.p.	(9,726)
Discount Rate	Decrease of 0.5 p.p.	10,724
Mortality Table	Increase of 10%	(5,009)
Mortality Table	Decrease of 10%	5,657

<b>Retirement Award</b>		<b>Impact in R\$ Thousand</b>
<b>Assumption Description</b>	<b>Hypothesis</b>	<b>Effect on Present Value of Actuarial Liabilities</b>
Discount Rate	Increase of 0.5 p.p.	(5,684)
Discount Rate	Decrease of 0.5 p.p.	6,193
Mortality Table	Increase of 10%	(397)
Mortality Table	Decrease of 10%	400

## NOTE 37 – COMMITMENTS AND OTHER MATERIAL INFORMATION

(a) Commitments for the acquisition of assets - Banrisul has no commitments for the acquisition of assets contracted at the end of the reporting period.

(b) 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 be recorded into a reserve fund to ensure the refund of said deposits. On September 30, 2023, the balance of said collected resources, adjusted through the same rules of the savings account, according to Law No. 12,703/12, Article 11 §1º of Law 9.28\*/1996 and Article 12 of Law No. 8,177/91, on the balance sheet date amounted to R\$14,305,920 (12/31/2022 – R\$13,352,105), of which R\$10,040,503 (12/31/2022 - R\$10,040,503) was transferred to the State upon its request. The remaining balance, which makes up the aforementioned fund, is recorded in Other Payables - Financial and Development Fund.

(c) Banrisul Group manages many funds and portfolios, which had the following equities:

	09/30/2023	12/31/2022
Investment Funds <sup>(1)</sup>	15,759,437	15,057,700
Investment Funds Consisting of Mutual Fund Units	74,077	65,603
Equity Funds	192,519	206,519
Individual Retirement Programmed Funds	9,852	10,738
Fund to Guarantee Liquidity of the Debt Securities of Rio Grande do Sul State	12,867,536	7,489,225
Managed Portfolios	575,984	524,225
<b>Total</b>	<b>29,479,405</b>	<b>23,354,010</b>

(1) The investments fund portfolios consist primarily of fixed-rate and variable rate securities, and their carrying amounts already reflect mark-to-market adjustments at the balance sheet date.

(d) The subsidiary Banrisul S.A. Administradora de Consórcios is responsible for the management of 156 buyers' pools (161 in December 31, 2022), including real estate, motorcycles, vehicles and tractors, comprising 82,930 active pool members (79,012 in December 31, 2022).

## NOTE 38 – RELATED-PARTY TRANSACTIONS

Account balances referring to transactions among consolidated Banrisul companies are eliminated on 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 controlled, Banrisul releases only the most significant transactions.

With related parties, Banrisul operates banking transactions. 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 states that Banrisul will not be entitled to remuneration for the services rendered to the State as well as for any related banking services, such as bank fees;

The contract provides for a price adjustment at the end of the 61st (sixty-first) month of validity, depending on the variation of the SELIC rate and inflation projections. In this way, a price adjustment calculation was

performed by Banrisul's technical area and validated by an independent external consultancy. The amount of the price adjustment determined, as defined in the agreement, was R\$48,781, which amount will be deferred for the remainder of the term of the agreement. This amount was paid to the State of RS on July 23, 2021, after completion of the formalization of the amendment to the contract;

(ii) Companhia Riograndense de Saneamento – CORSAN, Centrais de Abastecimento do Rio Grande do Sul S.A. – CEASA, Companhia rio-grandense de Mineração – CRM, Companhia de Processamentos de Dados do Estado do Rio Grande do Sul – PROCERGS e BADESUL Desenvolvimento S.A. – Agência de Fomento/RS – companies controlled by the Government of the State of Rio Grande do Sul;

(iii) Affiliated Bem Promotora de Vendas e Serviços S.A., engaged in payroll loan origination, and 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 S.A.;

(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 profitable assistance association, regulated by private law; and

(vi) Investment Funds and Managed Portfolios, managed by Banrisul Group.

Transactions with parent companies are as follows:

	Assets (Liabilities)		Income (Expense)	
	09/30/2023	12/31/2022	01/01 to 09/30/2023	01/01 to 09/30/2022
<b>Government of State of Rio Grande do Sul</b>	<b>(13,261,184)</b>	<b>(8,697,201)</b>	<b>(934,752)</b>	<b>(826,774)</b>
Other Assets	4,701	4,288	-	22
Funding from Costumers	(393,894)	(1,199,429)	-	-
Money Market Funding <sup>(1)</sup>	(12,867,536)	(7,489,225)	(934,752)	(826,796)
Other Financial Liabilities at Amortized Cost	(4,412)	(5,471)	-	-
Other Liabilities	(43)	(7,364)	-	-
<b>Fundação Banrisul de Seguridade Social</b>	<b>(21,837)</b>	<b>(31,458)</b>	-	-
Other Financial Liabilities at Amortized Cost	(21,837)	(31,435)	-	-
Other Liabilities	-	(23)	-	-
<b>Total</b>	<b>(13,283,021)</b>	<b>(8,728,659)</b>	<b>(934,752)</b>	<b>(826,774)</b>

(1) These funds bear interest at 100% of the Selic rate.

### Remuneration of Key Management Personnel

Annually, the General Shareholders' Meeting resolves on the total annual compensation of the Management, comprised of the Executive Board, the Board of Directors, the Supervisory Board, the Audit Committee, the Compensation Committee, Risk Committee and Social, Environmental and Climate Responsibility Committee as stated in Banrisul bylaws.

	01/01 to 09/30/2023	01/01 to 09/30/2022
<b>Short Term Benefits</b>	<b>18,197</b>	<b>17,047</b>
Salaries	13,916	13,034
Social Security	4,281	4,013
<b>Post-Employment Benefits</b>	<b>513</b>	<b>458</b>
Social Security <sup>(1)</sup>	513	458
<b>Total</b>	<b>18,710</b>	<b>17,505</b>

(1) Banrisul funds supplementary pension plans for managers who belong to the staff.

Banrisul does not offer its key management personnel any long-term, termination or 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.

**Shareholding**

On September 30, 2023, members of the Executive Board, the Board of Directors, the Supervisory Board, the Audit Committee, the Compensation Committee, the Risk Committee and the Social, Environmental and Climate Responsibility Committee jointly hold 3,093 Banrisul's shares, according to Note 26 (a).

**NOTE 39 – OTHER INFORMATION**

**Gaap Differences in Consolidated Interim Financial Statements under IFRS vs Individual Financial Statements in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN)**

According to Art. 11 of Bacen Resolution No. 4,818 of 2020, we present below the main differences between the criteria, procedures and rules for identification, classification, recognition and measurement applied in the consolidated interim financial statements in IFRS and those applied in the individual financial statements in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (BACEN). The main differences are shown in the table below.

Individual Financial Statements	Consolidated Interim Financial Statements under IFRS
<b>1 - Effective Rate of Credit Operations and Financial Leasing</b>	
Loan and leasing operations are recorded at present value, calculated on a daily pro rata basis based on the index and interest rate agreed in the contract.	The income generated or expenses incurred in the origin of the credit operations that are incremental and directly attributable to their origination, are included in the calculation of the amortized cost of the operation, the income being recorded at the effective interest rate.
<b>2 Financial Instruments and Disclosure</b>	
Securities - TVM are classified into 3 categories: Securities for Trading, Securities Available for Sale and Securities Held to Maturity, meeting the accounting criteria in accordance with Bacen Circular No. 3068/01. Banrisul's other financial assets are classified in the Held to Maturity category.	Financial assets and liabilities are classified into the following categories: Amortized cost, Fair value through other comprehensive income and Fair value through income. The classification and subsequent measurement of financial assets depend on: The business model in which they are managed and the characteristic of their cash flows (Solely Payment of Principal and Interest Test - SSPI Test).
<b>3 – Provision for Expected Loss of Financial Assets</b>	
The allowance for loan losses is constituted based on internal risk models that classify operations according to the ratings provided for in CMN Resolution No. 2,682/99 on which the allowance percentages provided for each level of rating.	The provision is based on the expected loss model (IFRS 9), where all financial assets, including TVMs and credit limits granted, are classified into 3 stages with the incorporation of macroeconomic scenarios and based on the asset's lifetime. The stage assessment is based on the significant increase in credit risk compared to initial recognition. The method for determining the necessary provision is calculated on a mass or individual basis from the Probability of Default (PD) x percentage of loss when default occurs (LGD) x exposure at the time of default (ED).
<b>4 – Leases – IFRS 16</b>	
The consideration for the contracts for the goods in use is accounted for by the monthly flow in administrative expenses.	Lease agreements are considered to be leases, mainly of real estate, with the purpose of the agreement being real estate leases referring to the installation of its branches to carry out its operational activities. The right-of-use asset is recognized in property, plant and equipment equivalent to the value of the considerations adjusted to present value that are recognized under Other Financial Liabilities. The monthly appropriation occurs in the amortization of the right of use and recognition as Interest Expense.
<b>5 - IR/CS Deferred (assessment of deferred taxes on GAAP adjustments)</b>	
The tax credit or tax liability for deferred income tax and social contribution is calculated based on the rates in effect on the date of the financial statements and expected to be realized in 10 years.	Tax effects on GAAP adjustments made on the conversion of consolidated interim financial statements into IFRS are recognized. For IFRS purposes, deferred taxes whose realization is probable must be recognized. As of 01/01/2023, there was a change in IAS 12 on the recognition of deferred tax on assets of rights of use and liabilities of leases. (Note 2.2 (a)).
<b>6 - Specific Disclosure Requirements in Explanatory Notes</b>	
a) Credit Operations: - Disclosure of rating level as determined by CVM Resolution 2,682/99; and  - Credit, Liquidity and Market Risks are disclosed in a discursive manner.	a) Credit Operations: - Disclosure in accordance with IFRS 9, by stages; and - Credit, Liquidity and Market Risks are disclosed with greater amount of information.
b) Business Segments: - Not Required	b) Business Segments: - Disclosure by Business Segments as management handles its business.

We present below the Gaap adjustments demonstrating the accounting accounts where the adjustments took place. The indications contained refer to the previous table:

Balance Sheet	09/30/2023			12/31/2022		
	BRGAAP	Adjustments	IFRS	BRGAAP	Adjustments	IFRS
<b>Total Assets</b>	<b>123,563,572</b>	<b>606,294</b>	<b>124,169,866</b>	<b>113,166,188</b>	<b>493,602</b>	<b>113,659,790</b>
Financial Assets at Amortized Cost	89,235,277	424,096	89,659,373	80,718,185	292,413	81,010,598
Interbank Liquidity Applications <sup>(3)</sup>	7,772,282	(179)	7,772,103	3,521,400	(129)	3,521,271
Securities <sup>(2) (3)</sup>	31,632,472	(21,593)	31,610,879	30,492,530	(20,803)	30,471,727
Credit operations <sup>(1) (3)</sup>	52,474,984	81,006	52,555,990	49,144,077	131,230	49,275,307
(Provision for Expected Losses) <sup>(1) (3)</sup>	(2,644,461)	364,862	(2,279,599)	(2,439,822)	182,115	(2,257,707)
Other Assets <sup>(4)</sup>	693,334	1,502	694,836	664,621	1,297	665,918
Tax Assets (Deferred) <sup>(5)</sup>	4,212,500	(64,485)	4,148,015	3,633,690	(76,480)	3,557,210
Fixed Assets <sup>(4)</sup>	591,520	245,664	837,184	520,578	276,785	797,363
Intangible <sup>(4)</sup>	624,212	(483)	623,729	664,112	(413)	663,699
<b>Total Liabilities</b>	<b>114,078,488</b>	<b>409,091</b>	<b>114,487,579</b>	<b>103,746,061</b>	<b>393,423</b>	<b>104,139,484</b>
Financial Liabilities at Amortized Cost	11,155,133	211,784	11,366,917	9,813,826	252,413	10,066,239
Other Financial Liabilities <sup>(4)</sup>	11,155,133	211,784	11,366,917	9,813,826	252,413	10,066,239
Provision for Expected Loss <sup>(3)</sup>	5,481	105,929	111,410	6,258	141,010	147,268
Loan Commitments	1,963	106,127	108,090	1,963	141,045	143,008
Financial Guarantees	3,518	(198)	3,320	4,295	(35)	4,260
Tax Liabilities	1,008,377	91,378	1,099,755	807,899	-	807,899
<b>Net worth</b>	<b>9,485,084</b>	<b>197,203</b>	<b>9,682,287</b>	<b>9,420,127</b>	<b>100,179</b>	<b>9,520,306</b>

Income Statement	9M2023			9M2022		
	BRGAAP	Adjustments	IFRS	BRGAAP	Adjustments	IFRS
Income with Interest and Similar <sup>(1)</sup>	11,167,656	(50,223)	11,117,433	9,350,357	49,230	9,399,587
Interest and Similar Expenses <sup>(4)</sup>	(7,558,173)	(2,298)	(7,560,471)	(6,383,950)	(6,546)	(6,390,496)
<b>Net Income with Interest and Similar</b>	<b>3,609,483</b>	<b>(52,521)</b>	<b>3,556,962</b>	<b>2,966,407</b>	<b>42,684</b>	<b>3,009,091</b>
Losses with Financial Assets ( <i>Impairment</i> )	(825,957)	216,989	(608,968)	(394,023)	19,995	(374,028)
Loans	(826,414)	182,748	(643,666)	(403,493)	81,910	(321,583)
Other Assets	457	34,241	34,698	9,470	(61,915)	(52,445)
Other Administrative Expenses <sup>(4)</sup>	(1,239,759)	11,940	(1,227,819)	(1,176,949)	6,283	(1,170,666)
Other Operational Income	350,898	-	350,898	618,048	66,725	684,773
<b>Income before Income Tax</b>	<b>512,033</b>	<b>176,408</b>	<b>688,441</b>	<b>251,870</b>	<b>135,687</b>	<b>387,557</b>
Income Tax and Social Contribution <sup>(5)</sup>	55,020	(79,384)	(24,364)	212,275	(31,062)	181,213
<b>Net Income</b>	<b>567,053</b>	<b>97,024</b>	<b>664,077</b>	<b>464,145</b>	<b>104,625</b>	<b>568,770</b>

# **BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.**

## **Executive Board**

FERNANDO GUERREIRO LEMOS  
**Chief Executive Officer**

IRANY DE OLIVEIRA SANT'ANNA JUNIOR  
**Deputy CEO**

CLAÍSE MÜLLER RAUBER  
FERNANDO POSTAL  
JORGE FERNANDO KRUG SANTOS  
MARCUS VINÍCIUS FEIJÓ STAFFEN  
MARIVANIA GHISLENI FONTANA  
OSVALDO LOBO PIRES  
WAGNER LENHART  
**Officers**

## **Board of Directors**

ITANIELSON DANTAS SILVEIRA CRUZ  
**Chairman**

ADRIANO CIVES SEABRA  
EDUARDO CUNHA DA COSTA  
FERNANDO GUERREIRO LEMOS  
IRANY DE OLIVEIRA SANT'ANNA JUNIOR  
JOÃO VERNER JUENEMANN  
JORGE LUIS TONETTO  
MARCELO WILLMSEN  
RAFAEL ANDREAS WEBER  
RAMIRO SILVEIRA SEVERO

## **Board Members**

WERNER KÖHLER  
**Accountant CRCRS 38,534**

