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

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

Consolidated Financial Statements for the Year Ended December 31, 2023 and Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors, Management and Shareholders of
Banco do Estado do Rio Grande do Sul S.A.

Opinion

We have audited the accompanying consolidated financial statements of Banco do Estado do Rio Grande do Sul S.A. and its subsidiaries ("Bank"), which comprise the consolidated balance sheet as at December 31, 2023 and the related consolidated statements of income, of comprehensive income, of changes in equity and of consolidated cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco do Estado do Rio Grande do Sul S.A. and its subsidiaries as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Bank in accordance with the relevant ethical requirements set out in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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1. Allowance for loan losses and finance lease losses

The recognition of an allowance for loan losses and finance lease losses involves a degree of judgment and the use of estimates by the Bank's Management. As disclosed in notes 3.4 ("a", "e" and "f"), 4.d and 11.b to the consolidated financial statements, the Bank developed internal models for the recognition of allowances for expected losses, pursuant to the IFRS 9 requirements, with a view to estimating loan losses and finance lease losses throughout a particular time horizon, which encompass an assessment of the PD ("Probability of Default"), LGD ("Loss Given Default") and EAD ("Exposure at Default") parameters. For this purpose, the Bank uses internal models to consider all available historical data and determines the possible loss scenarios, involving Management's assumptions and judgments, besides conducting an individual analysis of certain customers, in order to represent its best estimate of the expected loss risks underlying its portfolio of loan transactions and finance leases. The allowance for loan losses and finance lease losses was considered a key audit matter due to the significance of the financial assets associated with the loan transactions and finance leases, the use of internal models, and the degree of judgment and assumptions used by Management in determining the allowances recognized.

How was the matter addressed in our audit?

Our audit procedures included, but were not limited to: (a) understanding the allowance recognition criteria adopted by the Bank for loan transactions and finance leases, drawing on the support of our specialists to assess compliance with the IFRS 9 requirements; (b) assessing the design and implementation of the relevant internal controls over the recognition of allowances for loan losses and finance lease losses; (c) reviewing and challenging the models used by Management to measure expected losses, including the allocation of the expanded loan portfolio at the stages required under IFRS 9, on a sampling basis, with the involvement of senior members of our team and our specialists; (d) reviewing the level of allowance for loan losses; and (e) assessing the disclosures made in the consolidated financial statements in accordance with the applicable technical pronouncements.

We consider that the criteria and assumptions adopted by Management to estimate the allowance for loan losses and finance lease losses are acceptable in the context of the consolidated financial statements taken as a whole.

2. Information technology environment

The Bank's operations depend on an IT and infrastructure environment capable of supporting a high volume of transactions processed daily in its legacy information systems that provide input to its accounting records. The information technology-related processes, associated with its controls, may pose risks in the processing and generation of critical information, including that used in the preparation of financial statements, justifying our consideration as a key audit matter due to the significance in the context of the consolidated financial statements.

How was the matter addressed in our audit?

Drawing on the support of our system audit specialists, we identified the significant systems supporting the Bank's key business activities, assessed the design of the general controls over the processing environment and tested the operating effectiveness of these controls, including, when applicable, the tests of compensatory controls over information security, development and maintenance of significant systems and the IT environment operations concerning the infrastructure that supports the Bank's business.

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The evaluation of the information technology environment's processes and controls, associated with the testing procedures previously mentioned, allowed us to consider acceptable the information obtained from certain systems to plan the nature, timing and extent of our substantive procedures as appropriate in the context of the consolidated financial statements taken as a whole.

Other matters

Consolidated statements of value added

The consolidated statements of value added ("DVA") for the year ended December 31, 2023, prepared under the responsibility of the Bank's Management, and disclosed as supplemental information for the IFRS purposes, were subject to audit procedures performed together with the audit of the Bank's consolidated financial statements. In forming our opinion, we assess whether these consolidated statements of value added are reconciled with the consolidated financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these consolidated statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the consolidated financial statements taken as a whole.

Other information accompanying the consolidated financial statements and the independent auditor's report

Management is responsible for the other information. The other information comprises the Management Report.

Our opinion on the consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), issued by the IASB, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and matters that may reasonably be thought to bear on our independence, and, when applicable, related safeguards.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Porto Alegre, February 7, 2024

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Carlos Claro
Engagement Partner

2024CB028658

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FINANCIAL STATEMENTS UNDER IFRS

December 2023

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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 fiscal year 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

Throughout 2023, the international scenario was marked by extended interest rate hiking cycles in advanced economies, in response to the resilience seen in the economic growth pace, as well as in the labor market, especially in the United States (US). Thus, as the effects of normalization of global supply chains and the impacts of geopolitical and climate factors were diluted, demand pressures limited deflation and, at least until mid-year, reinforced the global monetary authorities' strict positioning. On the other hand, China followed a very uneven path in its attempt to resume its strong growth pace, intensifying fiscal and monetary stimuli to try to curb deflation and the real estate industry crisis. Within this context, the international scenario ended the year on a brighter note as regards to interest rates prospects in the central economies, but with more evident signs of moderate growth in global activity.

In Brazil, agriculture and cattle raising reached record growth figures in the first half of the year, which led to positive impacts in other economic sectors, such as services, for example. Likewise, expansionary fiscal policies, coupled with a gradual cut of the country's basic interest rate, contributed to GDP growth well above what was projected at the start of the year. As for inflation, the official inflation rate – IPCA, rose by 4.62% in the last twelve months to December, closing the year on a more benign note, benefitting from global disinflation and the delayed effects of a restrictive monetary policy. Hence, the consumer price index came close to the central target of 3.25% in 2023, which was considered formally met, since the index fluctuated between 1.75% and 4.75%. The international scenario was less adverse and inflation estimates over the next few years declined, thus the Central Bank of Brasil began a cycle of cuts in the interest rate (Selic), which ended 2023 at 11.75% per year. As regards the volume of credit in Brazil, in the 12 months to November 2023, the growth pace continued to slow down, reaching 7.1%, with the individual segment standing out, moving up by 9.2%. The average default rate over this period was 3.4%.

Regionally, drought effects were less severe than those seen in 2022. It is worth noting that the Rio Grande do Sul economy underperformed the Brazilian economy in the period, further impacted by a lower share of the service and mining sectors in the state's economy. Rio Grande do Sul's GDP fell by -0.1% in the third quarter of 2023 compared to the previous quarter. Compared to the same period in 2022, the state's economy recorded edged up by 0.1%, while Brazil expanded by 2% in the same period.

Company and business strategy

On November 13, 2023, the new Board of Directors of Banrisul took office. Banrisul is a publicly traded Retail Bank controlled by the State of Rio Grande do Sul, operating predominantly in Rio Grande do Sul state, with the purpose of promoting the state's economic and social development, as a financial and transformational agent in people's lives.

From this scenario, the Bank's Management began to be reformulated, grounded on three pillars:

Pillar 1: An open-minded company

To be a bank that is open to the world and to new trends in order to learn, improve, evolve and create new solutions. To be recognized in the domestic market as a solid and profitable institution, increasingly competitive and connected to the communities where it operates.

Pillar 2: A smart company

To strategically use data, analysis, automation and emerging technologies to improve efficiency, innovation and decision-making in the organization, allowing new digital transformation possibilities to result in a better customer experience.

Pillar 3: Banrisul on the road to another 100 years
To focus on a strategy for the future based on five pillars:

1. Sustainability
Banrisul values the prosperity of all, raising governance level, boosting processes, improving management practices and targeting sustainable and strategic businesses to leverage growth in profitability, creating value for customers and employees.

2. Improving customer experience
Customers are Banrisul's greatest asset, thus the Bank maintains its purpose of providing excellent service, generating a greater connection, whether face-to-face or digital, through a customized experience according to the needs and objectives of each customer.

3. Promoting digital transformation and culture of innovation
In a context where transformations are increasingly constant, Banrisul values an organizational culture that encourages innovation, constantly optimizing the Company's business and fostering partnerships that add value to the perception of the Bank by its various stakeholders.

4. Improving operational efficiency
Through synergy in the efforts of employees and business partners, the Bank seeks to maximize operational efficiency through solid and measurable results, communicating the objectives achieved in a clear, constant and objective way.

5. Changing the mindset to create a digital and learning attitude
Encouraging a digital mindset and openness to continuous learning, experimentation, collaboration, creativity and solving complex problems, providing greater adaptability to ongoing technological and market changes.

Consolidated Performance
Calculated in accordance with International Accounting Standards – IFRS

Net Income

Banrisul's net income, calculated according to IFRS rules, for the year 2023, totaled R$1,012.4 million, moved up 20.2% to R$170.2 million in 2022, or R$37.0 million higher than in 9M22, primarily driven by: (i) growth in adjusted net interest income; (ii) the largest flow of credit loss expenses; (iii) the increase in revenue from service provision, especially in revenue from Banrisul Payments, credit card income, and income from consortium administration fees, minimized, in part, by the reduction in income from current account fees; (iv) the increase in personnel expenses, which reflects the category's collective agreements and the hiring of new employees, in an environment of dismissals of employees opting for the POS; (v) growth in other administrative expenses, mainly in expenses with specialized technical services with advertising, promotions and advertising, with amortization and depreciation, with data processing and rents and condominiums, minimized, in part, by the reduction in expenses with third-party services ; (vi) the lower flow of expenses with civil, tax and labor provisions; (vii) unfavorable results from other operating income and expenses; and (viii) the consequent tax effect.

R$ Million	20203 BRGAAP	Adjustments	20203 IFRS	202022 IFRS	Δ%
Net Income with Interest	5,088.5	(65.4)	5,023.0	4,222.3	19.0%
Dividend Revenue	(425.5)	-	(425.5)	(350.1)	21.5%
Net Gains (Losses) on Financial Assets and Liabilities at Fair Value	22.9	-	22.9	79.8	-71.3%
Result of Exchange Variation of Assets and Liabilities in Foreign Currencies	2,280.0	-	2,280.0	2,107.9	8.2%
Income from Services Rendered and Bank Fees	(878.0)	219.3	(658.7)	(498.3)	32.2%
Expected Losses of Financial Assets	(5,128.6)	64.5	(5,064.1)	(4,801.1)	5.5%
Other Operating Income (Expenses)	(2,433.6)	-	(2,433.6)	(2,339.3)	4.0%
Personnel expenses	(1,674.2)	17.3	(1,656.9)	(1,574.4)	5.2%
Other Administrative Expenses	(514.1)	-	(514.1)	(474.7)	8.3%
Tax Expenses	102.4	2.2	104.6	81.1	29.0%
Result of Participation in Affiliates	516.2	45.0	561.2	687.5	-18.4%
Other Operating Income	(662.0)	-	(662.0)	(519.8)	27.4%
Other Operating Expenses	(463.3)	-	(463.3)	(661.5)	-30.0%
Result Before Income Taxes	959.3	218.4	1,177.6	760.4	54.9%
Income Tax and Social Contribution on Profit	(88.2)	(77.0)	(165.2)	81.8	-301.9%
Net Income	871.1	141.4	1,012.4	842.2	20.2%

Shareholders' Equity

In December 2023, shareholders' equity came to R$9,865.8 million versus R$9,520., million in December 2022, mainly reflecting the incorporation of the results delivered, the payment of interest on equity and dividend provisioning, the actuarial liability re-measurement referring to post-employment benefits (IAS19-R1), reclassification of forex variation from the write-off of investments abroad.

Total Assets

Total assets came to R$125,667.0 million in December 2023, 10.6% higher than in December 2022. In assets composition, loan operations accounted for 42.8% of the total, treasury investments (marketable securities, added to interbank investments, cash and cash equivalents, and derivative financial instruments) 40.0%, compulsory deposits at Bacen 9.0%, and other assets 8.2%.

Treasury investments totaled R$50,320.8 million in December 2023, moving up 14.5% from December 2022, reflecting higher funding in the open market, deposits and financial bills investments, within a context of increase in 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 the development and maintenance of economic sectors and, consequently, generating employment and income. In addition to ensuring the Institution's sustainable growth, Banrisul is committed to improving customer experience in the physical and digital environment as well as boosting innovation.

The Bank remains focused on expanding its loan portfolio with lower-risk operations, especially its payroll-deductible loans to civil servants and retirees, prioritizing a closer commercial relationship with its customers, as well as reviewing its customer journey in order to guarantee a better experience.

Real estate loans continue to be a strategic portfolio for the Bank, both in terms of customer loyalty and because of their important role in the State's economic development. Agribusiness is one of Banrisul's priorities. The Banks offers the segment credit lines with its own funds, BNDES onlending lines and funds coordinated by the Brazilian National Treasury Department to small and medium-sized producers in Rio Grande do Sul state.

The loan portfolio grew by R$4,483.3 million versus December 2022, mainly driven by the growth in rural, real estate and commercial loans. Below, a breakdown of loan operations by portfolio:

Total Credit Breakdown – R$ million	Dec 2023	Dec 2022	Dec 2023/ Dec 2022	
			Absolute Chg.	Chg. %
Loan portfolio	**53,758.6**	**49,275.3**	**4,483.3**	**9.1%**
Individuals	**42,428.4**	**37,771.5**	**4,656.9**	**12.3%**
Credit Card	2,250.2	2,006.4	243.8	12.2%
Payroll Loans	19,997.2	20,358.9	(361.7)	-1.8%
Personal Loans – not Payroll	2,841.0	2,304.8	536.2	23.3%
Real Estate Loans	5,569.1	4,952.8	616.3	12.4%
Rural Loans and Development	10,549.2	7,102.9	3,446.3	48.5%
Other	1,221.8	1,045.7	176.1	16.8%
Companies	**11,330.1**	**11,503.8**	**(173.7)**	**-1.5%**
Foreign Exchange	1,076.0	1,365.8	(289.8)	-21.2%
Leasing	3,426.6	3,507.4	(80.8)	-2.3%
Guarantee Business Account	418.9	385.0	33.9	8.8%
Real Estate Loans	392.4	187.0	205.4	109.8%
Rural Loans and Development	4,582.9	4,607.3	(24.4)	-0.5%
Others	1,433.3	1,451.3	(18.0)	-1.2%

Of the total loan portfolio presented above, 89.6% 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) 8.2% 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), 2.2%.

Funding and asset management

Funding, consisted of deposits, funds in bank notes, subordinated debt, and assets under management, amounted to R$95,938.9 million in December 2023, mainly composed of 54.6% of time deposits, 17.5% of assets under management, and savings deposits with 11.6%.

Breakdown of Funds by Product – RS Million	Dec 2023	Dec 2022	Dec 2023/ Dec 2022	
			Absolute Chg.	Chg. %
Total deposits	71,131.1	67,615.9	3,515.2	5.2%
Demand deposits	5,235.7	4,788.2	447.5	9.3%
Savings deposits	11,085.0	11,294.5	(209.4)	-1.9%
Interbank deposits	2,224.8	2,563.7	(338.9)	-13.2%
Time deposits	52,373.2	48,953.4	3,419.8	7.0%
Other deposits (1)	212.4	16.1	196.3	1,218.3%
Bank notes (2)	6,581.7	3,271.5	3,310.2	101.2%
Subordinated debt	1,450.7	1,170.4	280.3	23.9%
Total funding	**79,163.5**	**72,057.8**	**7,105.8**	**9.9%**
Assets under management	16,775.3	15,864.8	910.6	5.7%
Total funding	**95,938.9**	**87,922.6**	**8,016.3**	**9.1%**

(1) Includes prepaid credits in benefit and corporate card values of subsidiary Banrisul Pagamentos, authorized to operate as an electronic currency issuer in July/2023. (2) Bank, real estate loan, agribusiness, and subordinated notes.

In 2023, Banrisul reviewed the rates for Real Estate and Agribusiness Letters of Credit, aimed at increasing its competitive potential in these products, and strategically restructured some CDB products by reducing maturities and replacing the yield indexed to the CDI with a fixed rate. In addition, the Bank identified the opportunity to replace swap derivative financial instruments, thus reducing this protection's cost.

Credit and Debit Cards

At the end of 2023, Banrisul recorded a base of 1.1 million credit cards under the Mastercard and Visa brands. Income from the credit, credit card fees, and BNDES cards totaled R$669.6 million in 2023. The BanriCard line of benefit and business cards grossed R$2.0 billion in 2023, 12.4% higher year on year.

In 2023, Banrisul's credit card app enhanced the functionalities offered to customers, such as the chatbot via the app, facilitating services with specific questions before directing the query to the operator. 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 December 2023, 88% of credit card invoices were made available only in the online format, and the contracting of the INSS Banrisul Mastercard credit cards are now implemented by virtually signing the adhesion statement. Based on the improvements made during the year, Cardmonitor, a company specializing in analysis of electronic means of payment, placed the Banrisul App as the leader among credit card apps for offering the most service options and functionalities, with the largest number of those functionalities identified as essential and distinguished for credit card customers.

Banrisul's 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's acceptance through new businesses on the market as of 2024.

Launched 2023, BanriPay is a digital card wherein payments using Banricompras are made on the Banrisul App via mobile phone and also in the App's initial screen. 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 2023 with 140.1 thousand active accredited merchants with transactions in the last 12 months. During 2023, 510.0 million transactions were captured, up 12.6% from 2022; of which 361.4 million were with debit cards, and 148.6 million credit card transactions. The financial volume transacted totaled R$46.5 billion, 8.2% higher than in 2022, of which R$25.9 billion came from debit cards and R$20.7 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 conveniently and safely receive online payments. Corporate customers are able to register with Vero and request machines via the Banrisul App, and have access to a new SmartPOS model with a physical keyboard that improves user accessibility and experience, besides a broader authorized app portfolio to be used in Vero Smart machines.

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, several solutions were launched on different channels: i) development of the Banrisul Corretora de Seguros website (www.banrisulcorretoradeseguros.com. br); ii) offering Digital Life, a life insurance product that can be tailored by the customer, on the Banrisul App, and Seguro AP Atitude in the branch network, which is a personal accident insurance with protection above the claim through telemedicine assistance; iii) at the Branch channel, a new charging option for premium of credit insurance was also made available, in line with the format adopted by the insurance market; iv) in Rural insurance, a product was made available for rural properties; and v) the publication of the Life Insurance Booklet, which simple manner presents the product, its coverage and benefits. 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 that occurred in June and September 2023.

Insurance premium collection, pension contributions, and savings bonds came to R$3.6 billion in 2023, up 40.6% from 2022. Total revenue came to R$373.2 million, 12.2% higher than in 2022; out of these, income from insurance brokerage commissions totaled R$287.9 million in 2023. In December 2023, Banrisul recorded 2.1 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 the Bank to generate corporate data and information on customer behavior at the service station. This information is used to manage service quality indicators, which have an impact on branch performance and are now part of the Bank's employee compensation and career planning metrics, helping to build a culture focused on service management.

Customer service at the branches has been revamped through back-office streamlining projects, which include using digital and electronic signatures, thus reducing the use of paper at on-site service stations, and the renovation of workstations at the branch network, which should be completed in the first quarter of 2024, leading to better customer service and doing business at the branches.

Aimed at agribusiness customers, the Bank has made available the Agro Spaces Banrisul, wherein it offers tailor-made services as well as technical and financial support through sector expert professionals in a customized ambiance.

To improve the on-site service network experience, Banrisul's customers rely on Banripontos, which are accredited merchants wherein various banking services are offered with freedom, handiness, flexible hours and convenience of more address options. In 2023, another convenience was made available for Banripontos users: the Pix Saque service.

On May 8, 2023, the Board of Directors approved to voluntarily shut down the Grand Cayman activities, and the respective investment was written-off in 2023.

1,032 Service stations

492 Branches

471 branches in Rio Grande do Sul
17 in Santa Catarina
4 in other states

413 service stations and ATMS-PAEs
127 service stations - PA

banri ponto

879 Banripontos

Banrisul relies on an Ombudsman Office as a last resort to analyze and solve customers'/users' complaints when primary service channels do not answer satisfactorily. Through this channel, 5,115 complaints were received in 2023, of which 1,017 referred to protocols registered in the Ombudsman channel, including letters answered, 1,512 referred to complaints registered at Bacen, and 2,586 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. Weaknesses identified by the Ombudsman Office when treating demands are inserted into the same corporate environment used by the Bank's risk and controls departments, contributing to build a consolidated information framework that enables managers to better assess their risks.

Digital channels

In 2023, Banrisul reaffirmed the evolution of its digital transformation and innovation by enhancing customer experience on the App and Internet Banking through easy access to the main banking products (Pix, Payments and Credit Card), direct routing of marketing campaigns highlighted on App's initial screen, and a new product and service layout available on the Office Mobile, among other improvements. At the same time, the Bank implemented security improvements, especially a broader range of transactions covered by the Anti-Fraud System, extended chargebacks to

corporate customers and enabled customizing financial transaction limits in the Office Banking and Office Mobile, providing customers with greater autonomy.

The Banrisul App was improved in 2023 and began to offer new products, including contracting sales poll quotas and life insurance; the Banrisul Veloe Tag, which automates toll and parking lot fee payments; and BanriPay, which allows contactless payments via Banricompras. New services available include requesting new debit cards, account association and disassociation and more speed for customers to contact their Branch or account manager. In line with financial market trends, the expansion of Open Finance was boosted by making available a registration update service in the My Finance menu, which allows customers to check balances and limits at other banks.

In 2023, Banrisul's digital channels reinforced the Bank's social role in Rio Grande do Sul state, providing, via the Banrisul App, the advance payment of INSS benefits to beneficiaries living in municipalities hit by public calamities due to floods and other catastrophic events.

83.9% of transactions in 2023 were made via online channels

In 2023, Internet Banking (Home e Office Banking) and Mobile Banking (My Account, Affinity, and Office App), accessed via the Banrisul App recorded 606 million accesses, 11.0% higher than in 2022, an average of 1.7 million daily accesses. In 2023, transactions carried out via these channels increased by 11.8%, where the number of financial transactions came 20.3% higher, and the volume transacted moved up 5.6%, year-on-year.

In 2023, Banrisul App was rated 4.1 in the Play Store and 2.8 in the Apple Store (on a scale of 1 to 5).

Banrisul Group Operating Segments

Banisul Pagamentos (Cards)

Banrisul Pagamentos manages the Vero acquiring network, and also the issue of BanriCard benefits and business cards that recorded 140,1 thousand active accredited merchants and 5.8 thousand active arrangements, respectively, in December 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.

The anticipation of sales receivables reached R$9.1 billion in 2023, or 41.1% of volume subject to anticipation, volume 23.1% higher than in 2022.

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 access to solar panels to households and businesses, as well as machinery, and agricultural equipment to rural producers. In 2023, 83 thousand sales poll group members (quotas) were active. In 2023, Banrisul Administradora de Consórcios completed 20 years of operations, helping people achieve their projects and dreams with commitment and transparency.

The volume of letters of credit totaled R$6.9 billion in 2023, with 12,956 draws, making available to the market R$866.4 million in credit for acquisition of goods.

Banrisul Seguridade Participações (Insurance)

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

In 2023, the product portfolio was expanded with the launch of digital products and agricultural insurance for the harvest. Marketing and communication actions were also carried out with customers and the controller’s employees, aimed at increasing the penetration of insurance products.

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.

Additional information about Corporate Governance is available on the Investor Relations website (ri.banrisul.com.br – Corporate Governance Section).

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 – Corporate Governance Section).

Ownership Structure

In December 2023, Banrisul recorded 156,000 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 December 28, 2023, free float was widespread as follows: 43.9% of shares are held by individuals, 19.7% by local legal entities, and 36.4% 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.

Regarding the Share Buyback Program, in force from December 15, 2022 to June 15, 2024, more information can be found on the Investor Relations website.

Below, additional information on stock trading:

R$5.4 billion
Market cap

R$17.6 million
Average daily traded volume

6.9% Dividend Yield
in 12 months

Banrisul Ratings

In 4Q23, Fitch Ratings updated its ratings, according to the table below:

Long-Term Rating

All information about Ratings can be found on the Investor Relations websites (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 2023, JSCP and dividends were paid and/or accrued, before withholding income tax, totaling R$434.9 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 $ICAAP_{SIMP}$ has been introduced.

Credit Risk

Banrisul, aiming at the appropriate credit risk management, has been making the system improvements required to enforce Bacen Resolution No. 229/22, which sets out procedures to calculate the amount of risk-weighted assets referring to credit risk exposures subject to the calculation of capital requirement through standardized approach - RWA_{CPAD}.

Market risk

In 2023, 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 2023, 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 4Q23, the Bank made progress with the periodic review of its operational risk matrices, which covers all Banrisul Group Units and Companies, and with the updating cycle of the Operational Continuity Plans – OCPs, seeking to validate their effectiveness and provide operational resilience.

Social, environmental, and climate risks

In 2023, 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, BCB 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

CMN Resolutions No. 4,955/21 and No. 4,958/21 set forth that the calculation of regulatory capital and risk-weighted assets is based on the Prudential Conglomerate. The Basel Ratio measures the ratio between the sum of Tier-I Capital - CNI and Tier-II Capital - CNII and total risk-weighted assets calculated for the base date. The maintenance of the Capital Ratios above the levels defined by the regulator aims at protecting Banrisul in case of stress events.

Capital Management seeks to maximize the use of funds available, besides ensuring the Institution's solvency. On December 31, 2023, the Basel Ratio reached 16.8%, 6.3 p.p. above the minimum regulatory level with additional core capital (10.5%). For this same period, the Core Capital Ratio and the Tier-I Ratio are the same and ended the period at 13.6%, 6.6 p.p., and 5.1 p.p., above the minimum regulatory level, respectively.

Investment & Innovation

In its relentless pursuit of excellence and guaranteed Information Security, Banrisul has invested to foster digital transformation, evolve its infrastructure, develop and adopt tools to improve services offered and provide an increasingly thorough customer experience. In 2023, the Bank invested R$372.7 million in technological modernization, including investments in IT and customer service, as well as renovations and expansions.

In 2023, 244 professionals, who were approved in the higher education public service exam that took place in 2H22, joined the IT team in various specialized positions, such as information security, infrastructure support, and developers, amongst others.

Banrisul was quick to respond to the devastating events caused by the extratropical cyclone and structured the technological infrastructure environment so that the Muçum and Roca Sales branches could resume customer service. The Bank also developed specific IT projects to anticipate payment of disaster benefits and renegotiate loan operations of affected customers.

Actions and initiatives

At the end of 2023, a project for the Modernization of the Branch Network and General Management Equipment Park began, involving the acquisition of 10,551 desktop computers and 941 notebooks for immediate replacement. This revamp aims to provide customers with an even more qualified and faster service experience, with faster, more secure and better performing computers, increasing worker's productivity and saving resources on maintenance and electricity. Geared towards reducing environmental impact and social risk, Banrisul has been reusing equipment where appropriate and properly disposing of obsolete electronic materials, in line with the Sustentare Project.

The project to transfer the IT assets from the former Data Center to the New Margarete Fenner 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. In 4Q23, planning was completed for the construction of a third communication route between the Data Centers using optical fiber to increase the infrastructure resilience and availability.

Banrisul participates in group discussions about Central Bank Digital Currency - Real Digital (CBDC), a financial technology platform to boost population digitalization, and has joined the digital portfolio and Delivery Versus Payment - DvP Wholesale using CBDC squads, 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. CBDCs aim to increase the efficiency of the retail payments market and promote competition and financial inclusion for the population with little or no access to banking services.

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 Bank has been strengthening data security by replacing card transaction processing equipment and increasing their capacity, in line with international security standards and certifications, as well as reducing time to identify and respond to cyber threats by implementing a platform and methodology for sharing intelligence data with the national financial sector. Another important measure is the integration and management new external systems access through the Identity Management system. Banrisul has been continually working to raise awareness among internal and external stakeholders in order to disseminate the IT security culture. Furthermore, a training program was implemented for the internal stakeholders, with periodic evaluation of participants.

A number of upgrades were deployed in the Banrisul App, including easier access to the products customers most use on the home page; routing users to commercial pages from offer banners, making it easier to communicate about promotions and services; a more efficient and secure Customer Acquisition journey, reducing the need to submit physical receipts, thus improving the onboarding process, making it possible for users to return to the flow to complete it and customizing the credit card offer.

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. For real estate loans, the main initiative is *Imobiliário Fácil* (Easy Real Estate Loan), which speeds up contracts through digital channels. As regards Vero solutions, the Payment Link was launched in the Vero Gestão App, an alternative for receiving payments for your sales. The banking domicile for the Banricompras brand was opened, enabling its receivables to be settled at any institution in the Brazilian Payment System, and the Banricompras PSR Journey allows accrediting merchants with Vero to operate with the brand at another network service provider.

Banrisul has implemented a robust infrastructure environment with redundancy and monitoring features, 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).

Faced with the challenge of Brazil's broad territory and seeking to provide the best customer experience, telecom infrastructure has been improved for fixed telephone services in the branch 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 the 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 workspaces with meeting rooms, brainstorming, and training at Instituto Caldeira, main Innovation Hub in Rio Grande do Sul.

In September 2023, the Bank signed a contract to run new acceleration and business development cycles, aimed at national startups with mature traction and operations, and regional cycles for developing embryonic projects still in the conception phase. This project aims to contribute to the socio-economic development of Rio Grande do Sul state, as well as train Banrisul's technical staff. Also in 2023, the Bank began planning acceleration and new business development cycles with PUCRS, when ideation workshops were held, mapping objectives, indicators and the main stakeholders involved in each of the calls for proposals. It was thus established that the first call for proposals, in which startups from all over the country will be able to participate, will be launched in the first quarter of 2024, based on Banrisul's strategy in segments converging with the Bank's business and relationship opportunities, and with a focus on companies with operational/traction/scale maturity.

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. In order to encourage the innovation culture within the Bank, materials from the events are shared on Banrisul's Distance Learning portal.

Through Banritech, the Bank also participated in the Innovation Routes program run by the Rio Grande do Sul State Government's Department of Innovation, Science and Technology, taking Banrisul's opportunities and initiatives to regions throughout the state. It was also part of the startup evaluation panel at the Tecnopuc Experience and the CO-CRIARG project, a hackathon aimed at high school students in the municipality of Rio Grande. Moreover, Banritech joined the Rio Grande do Sul's Network of Innovation Environments - REGINP, an important partnership in the consolidation of Banrisul and its projects in the state's ecosystem. REGINP's main focus is to promote the growth of incubators, technology parks and other associated environments promoting entrepreneurship and innovation, through institutional actions that foster income generation, new products, jobs and economic and financial sustainability.

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, Banritech stood out among the major startup and business development programs in Rio Grande do Sul state, according to a community survey.

Sustainability

Within the sustainability context, in 2023, Banrisul materialized its purpose of providing opportunities for regional development, aligned with the best ESG practices, by launching the Banrisul Innovation Call for Proposals – Impactful Business. The initiative selected companies with a positive social and environmental focus, 27 of which were environmental impact projects and 16 with a social bias, ranging from ESG management solutions to the development of products from waste that would otherwise be discarded. In 4Q23, the call was aimed at companies run by women and had 10 projects registered.

At Expointer, the state's largest agricultural fair, the Bank presented sustainable agriculture financing, during the panel "Financing strategies for low-carbon agriculture". These 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.

Banrisul has been a signatory to the Global Compact since 2013, and has increased its efforts in public initiatives and commitments such as the Disclosure Insight Action - CDP and the Brazilian GHG Protocol Program, focused on measuring, mitigating and offsetting climate impacts. In 2023, for the second consecutive year, Banrisul received the Golden Seal for its greenhouse gas inventory.

The Bank received the Neutral Event Blue Seal for its participation at Expointer for neutralizing carbon emissions from its own spaces at the event. 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. Participation in the 23rd Expodireto Cotrijal also earned Banrisul Neutral Event Blue Seal for quantifying and neutralizing carbon emissions generated in setting up and dismantling its stand. Through this initiative, advised by Eccaplan, the Bank neutralized its carbon footprint by supporting the REDD+ Maísa forest preservation project, aimed at fighting deforestation in the Amazon rainforest.

In order to encourage the transition to a low-carbon economy, Banrisul implemented the Renewable Energy Project in 2022, which involves migrating energy consumption to 100% renewable sources. By joining the Free Energy Market, the Bank seeks to reduce its dependence on non-renewable sources and choose energy suppliers without polluting emissions, such as wind, solar, biomass or hydropower. In addition to the Bank's Headquarters, the Margarete Fenner Data Center and 87 branches are also supplied by renewable energy. All of Banrisul's facilities are expected to migrate to the Free Energy Market by the end of 2024, enabling a reduction in electricity costs – generating savings of approximately 18%.

In 2023, Banrisul attended the ABCarbon Conference, organized by the Brazilian Association of Carbon and Methane Credits, to discuss solutions for reducing greenhouse gas emissions. Internally, the Bank carried out a number of sustainability-related education initiatives. The topic was disseminated in training courses for employees who are taking on new roles, and the Bank organized Talk Sessions with its employees on environmental topics, such as

"Climate Change" and "Plastic Pollution", addressing challenges, environmental impacts and business opportunities through environmental education and proper waste management.

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 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 42.5 million agroecological seeds of various species, 5,800 people benefited.

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 public schools and APAES. In 2023, 258.2 tons of paper and cardboard and 21.2 tons of electronic waste were sent for recycling to the Sustentare Program. The Bank also donated 3,978 pieces of useless pieces of furniture and 80.7 tons of scrap metal for recycling.

Expanding the initiatives with its subsidiaries, Banrisul Armazéns Gerais – Bagergs 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.

People

To replace part of the dismissals of the last Voluntary Dismissal Program – PDV, and bring new talents to the Bank, in 2023, 244 employees were hired for IT areas, and 898 employees at the branch network. New employees hired in 2023 participated in the Onboarding Program for new teammates in the branch network and IT areas. Workers who joined the branch network are trained by combining experience at the branch with a Knowledge Trail consisting of 6 modules in Banrisul's Distance Learning platform, covering courses and webinars aimed at disseminating strategic content from the technical and business areas. Within the scope of the PDV, 504 employees were dismissed from the Bank in 2023.

9,089 employees

3,897 female employees

39.4% of leadership positions held by women

1,986 interns

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 to identify key reasons leading employees to work at Banrisul and also understanding their expectations towards the Bank. An Onboarding survey was also implemented to evaluate the onboarding processes, based on the experience gained in the first few months working at the Bank.

In 2023, R$5.3 million were invested in employee training. Banrisul partially subsidizes undergraduate, graduate, master's degree, doctorate and language courses; the latter was revamped with the hiring of a distance learning platform and, since 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 the branch network and general management units, based on learning paths in the distance learning or on-site format.

New courses were made available on Banrisul's Distance Learning platform throughout the year, and, in 4Q23, the agribusiness and foreign exchange areas released some courses. In addition, courses on supplementary pension plans were made available with market content provided by UniAbrapp. The bidding process for hiring an external distance learning platform for the community was completed and is expected to be launched in 1Q24, offering courses focused on financial education and sustainability. Also, in 4Q23, the Bank increased the production of multimedia content, supporting internal communication and disseminating educational actions through the Multimedia Studio. Concerning mandatory courses, Banrisul offered 28 courses, which totaled 137 thousand training hours in 2023.

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. In 2023, young people who joined the program in March completed their certification and were referred to an internship at the General Management. The selection process for the class of 2024 began with individual interviews, a letter of introduction and home visits.

The *Programa Jovem Aprendiz Legal* (Young Apprentice Program) is concerned with the inclusion of young students in the labor market, which is materialized through partnerships with training institutions. In 2023, Banrisul set up a partnership with Fundação Tênis to train young students in technology and innovation; as well as conducted initiatives in partnership with the Ministry of Labor and other partner institutions and renewed agreements.

Banrisul Museum – nearly 6,000 visitors at the *Espaço Memória Banrisul* were recorded in 2023. The museum collection was extended during such period and received items referring to different aspects of the Bank's history.

#Banrieduca - continuous financial education actions, including webinars, videos, podcasts and posters in circulation areas. Financial education was also offered to external stakeholders through the production of content for social media; audiovisual material made available on the Global Money Week website; in-person workshops and lectures for children and teenagers in schools and NGOs; and financial education workshops for young people taking part in programs that promote professional training.

Diversity – 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 and LGBT+). The first version of the Diversity Good Practices Guide was released, including a few concepts and inclusive tips to be used during daily routine. To make the Bank even more inclusive, we invested in hiring a company that provides sign language interpreters, ensuring greater accessibility in our internal communications and events.

Recognitions

March/2023.

Banrisul Ombudsman Office 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 Office received the Brazil Ombudsman Award, in the Best Cases category, promoted by the Brazilian Association of Company-Customer Relations (Abrarec), in São Paulo with the case *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.

Banrisul stands out in the Bacen Top 5 (Focus Report).

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.

Banrisul stands out in the Bacen Top 5 (Focus Report).
For the second month in a row, in the March 2023 edition, Banrisul was once again 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.

Banrisul is Brazil's 6th best bank, according to Forbes in partnership with market research company Statista.
Among the 415 financial institutions listed by this publication, only 10 Brazilian companies were recognized in a survey conducted with 48,000 banking customers in 32 countries. This survey took into account categories, such as digital services, customer services, financial advisory services, and reliability – the latter named by the organizers as one of the most important pillars in the relationship between a bank and its users.

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), 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 highlights 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".

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 Respei*to (Respected Brands)
Banrisul received this 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.

October/2023.
Banrisul wins the Top Marketing 2023 from ADVB/RS – Brazilian Association of Marketing and Sales Managers/Rio Grande do Sul branch.
Banrisul was awarded in the Social Media category with the *Planeta Atlântida* case, submitted by the Bank to showcase the success of its communication strategy on social media, through a special coverage of the event, sponsored by the institution geared towards connecting with young people, showing its presence and modern features. The results included great brand exposure, impacting millions of people, ticket sales, engagement on social media and extensive interaction with the young audience.

Banrisul is among the State's largest companies.
Banrisul is among Rio Grande do Sul's largest companies, according to the 500 MAIORES DO SUL - Grandes & Líderes (500 Largest Companies in the South Region – Large Companies & Leaders) ranking, prepared by Grupo Amanhã and the consultancy firm PricewaterhouseCoopers. The institution also ranked 16th among the 500 largest companies in Brazil's South region. In the financial industry, Banrisul is the State's second largest financial institution.

Banrisul's Greenhouse Gas (GHG) emissions inventory, verified by an independent institution. Results refer to 2022 emissions and were published on Fundação Getulio Vargas' Public Emissions Record platform, which gathers GHG inventories from various organizations adhering to the program.

November/2023.

Banrisul Consórcio stands out in customer satisfaction survey.

Banrisul Consórcio was recognized with the *Experience Certificate* in the *Financial Pool Groups* category, awarded by SoluCX, a leader in satisfaction and NPS surveys in Brazil. The accolade highlights companies that offer the best customer experience, using the Net Promoter Score – NPS, the most popular customer satisfaction metric on the market. The award recognizes all companies with an above-average NPS in their category.

Banrisul’s credit card app tops national survey.

Banrisul's credit card app has been recognized as the best app in the ‘essential and distinguished services in the domestic market’ category, for the fourth consecutive year, according to a survey conducted by CardMonitor, company based in São Paulo. With eight new additional features, Banrisul reached first place in the total number of available features ranking. Compared to the 34 main industry players, Banrisul maintained first place in the essential and distinguished features category, offering more than 70% of them, ensuring quality services and showing commitment to its customers.

Acknowledgments

The signs of an economic recovery relied on the active presence of Banrisul, which played a leading role throughout 2023 in the communities where it operates, fostering economic and social development thanks to the commitment and professionalism of its employees and the partnership with customers, shareholders, investors and suppliers.

Management

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(Values in Thousands of Reais)

ASSETS	Note	12/31/2023	12/31/2022
Cash	7	1,123,167	1,004,366
Financial Assets		118,769,994	106,808,085
Central Bank Compulsory Deposits	8	11,320,017	10,798,526
At Amortized Cost		98,023,194	87,047,282
Reverse Purchase Agreements	9	6,167,226	3,521,271
Securities	10	33,603,576	30,471,727
Loans and Financial Leasing Financial Mercantile	11	53,758,568	49,275,307
(Provision for Expected Losses)	11b	(2,200,164)	(2,257,707)
Other Financial Assets	15	6,693,988	6,036,684
At Fair Value through Other Comprehensive Income		53,998	52,979
Securities	12	53,998	52,979
At Fair Value through Results		9,372,785	8,909,298
Securities	13	9,372,785	8,909,298
Other Assets	16	**522,228**	665,918
Fiscal Assets		3,612,629	3,557,210
Current		170,219	129,128
Deferred	24a	3,442,410	3,428,082
Investments		178,155	163,149
Investments in Subsidiaries	17	178,155	163,149
Property and Equipment	18	839,583	797,363
Acquisition of Property and Equipment		1,820,814	1,706,116
(Accumulated Depreciation)		(981,231)	(908,753)
Intangible Assets	19	621,251	663,699
Intangible Assets		2,049,018	1,885,657
(Accumulated Amortization)		(1,427,767)	(1,221,958)
TOTAL ASSETS		**125,667,007**	**113,659,790**

CONSOLIDATED BALANCE SHEETS

(Values In Thousands Of Reais)

LIABILITIES	Note	12/31/2023	12/31/2022
Financial Liabilities		110,654,978	98,877,505
At Amortized Cost		109,072,613	96,889,558
Deposits	20	71,131,132	67,615,882
Open Market Funding	20	16,773,360	12,421,035
Funds from Acceptance and Issue of Securities	20	6,213,993	2,957,083
Subordinated Debt	20	367,738	314,447
Borrowings	20	828,917	1,012,985
Onlendings	20	2,207,349	2,501,887
Other Financial Liabilities	23	11,550,124	10,066,239
At Fair Value through Results	21	1,467,921	1,840,679
Derivatives		17,236	670,298
Subordinated Debt		1,450,685	1,170,381
Provision for Expected Loss		114,444	147,268
Borrowings Commitments		113,872	143,008
Financial Guarantees		572	4,260
Civil, Tax and Labor Provisions	22	2,668,103	2,631,798
Tax Liabilities		675,312	807,899
Current		262,728	240,235
Deferred	24b	412,584	567,664
Other Liabilities	25	1,802,841	1,822,282
TOTAL LIABILITIES		**115,801,234**	**104,139,484**
EQUITY	**26**	**9,865,773**	**9,520,306**
Share Capital		5,200,000	5,200,000
Capital Reserves		5,098	4,511
Earnings Reserves		4,957,377	4,375,722
Other Comprehensive Income		(303,505)	(66,161)
Non-controlling Shareholders' Interests		6,803	6,234
TOTAL LIABILITIES AND EQUITY		**125,667,007**	**113,659,790**

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

CONSOLIDATED INCOME STATEMENT

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

	Note	01/01 to 12/31/2023	01/01 to 12/31/2022
Interest and Similar Income		14,881,916	12,936,842
Interest and Similar Expenses		(9,858,879)	(8,714,532)
Net Interest Revenue and Equivalent	**27**	**5,023,037**	**4,222,310**
Dividend Revenue	28	(425,468)	(350,122)
Net Gains (Losses) on Financial Assets and Liabilities at Fair Value		22,923	79,783
Foreign Exchange Variation on Assets and Liabilities in Foreign Currency	29	2,279,975	2,107,923
Fees and Services Revenues		**(658,741)**	**(498,335)**
Expected Losses of Financial Assets		(691,087)	(466,394)
Loans and Leases		32,346	(31,941)
Other Financial Assets		**(5,064,081)**	**(4,801,133)**
Other Operating Income/(Expenses)	30	(2,433,610)	(2,339,290)
Personnel Expenses	31	(1,656,887)	(1,574,439)
Other Administrative Expenses		(514,055)	(474,659)
Tax Expenses	17	104,612	81,068
Equity in Subsidiaries	32	561,170	687,463
Other Operating Income	33	(662,037)	(519,807)
Other Operating Expenses	22	(463,274)	(661,469)
Income Before Taxes On Income		**1,177,645**	**760,426**
Income Tax and Social Contribution	**34**	**(165,211)**	**81,816**
Current		(246,232)	(323,415)
Deferred		81,021	405,231
Profit For The Period		**1,012,434**	**842,242**
Profit Attributable to Controlling Shareholders		1,011,454	841,823
Profit Attributable to Non-controlling Shareholders		980	419
Earnings Per Share	**35**		
Basic Earnings per Share (in Reais – R$)			
Common shares		2.48	2.06
Preferred Shares A		2.65	2.19
Preferred Shares B		2.48	2.06

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values In Thousands Of Reais)

	01/01 to 12/31/2023	01/01 to 12/31/2022
Net Profit Attributable Shareholders	**1,012,434**	**842,242**
Items that can be Reclassified to the Income Statement	**(120,048)**	**(213,458)**
Financial Assets at Fair Value through Other Comprehensive Income	8,413	(1,027)
Change in Fair Value	14,241	(1,369)
Tax Effect	(5,828)	342
Foreign Exchange Variation on Investments Abroad	(128,461)	(212,431)
Items that cannot be Reclassified to the Income Statement	**(117,296)**	**154,019**
Remeasurement of Post-Employment Benefit Obligations	(117,296)	154,019
Actuarial Gains/(Losses)	(213,010)	279,669
Tax Effect	95,714	(125,650)
Comprehensive Income for the Period, Net of **Income Tax and Social Contribution**	**(237,344)**	**(59,439)**
Total Comprehensive Income for the Period, Net of Income Tax and Social Contribution	**775,090**	**782,803**
Comprehensive Income Attributable to Controlling Shareholders	774,110	782,384
Comprehensive Income Attributable Non-controlling Shareholders	980	419

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Values in Thousands Of Reais)

		Attributable to Controlling Shareholders										
				Profit Reserves								
	Note	Share Capital	Capital Reserves	Legal Reserve	Statutory Reserve	Expansion Reserve	Other Comprehensive Income	Retained Earnings	Treasury stock	**Banrisul**	Non-controlling Shareholding	**Banrisul Consolidated**
On January 1, 2022		**5,200,000**	**4,511**	**680,076**	**2,488,077**	**720,290**	**(6,722)**	**-**	**-**	**9,086,232**	**2,366**	**9,088,598**
Other Comprehensive Income												
Financial Assets at Fair Value through ORA		-	-	-	-	-	(1,027)	-	-	(1,027)	-	(1,027)
Actuarial Valuation Adjustment		-	-	-	-	-	154,019	-	-	154,019	-	154,019
Exchange Adjustment on Investment Abroad		-	-	-	-	-	(212,431)	-	-	(212,431)	-	(212,431)
Changes in Non-controlling Shareholding		-	-	-	-	-		-	-		3,449	3,449
Realization Deferral Agreement of Exclusivity		-	-	-	-	-	-	5,802	-	5,802	-	5,802
Net Income		-	-	-	-	-	-	841,823	-	841,823	419	842,242
Allocation of Net Income	26d											
Reserve Constitution	26c	-	-	35,747	178,734	272,798	-	(487,279)	-	-	-	-
Interest on Capital		-	-	-	-	-	-	(345,520)	-	(345,520)	-	(345,520)
Additional Dividends							-	(14,826)	-	(14,826)	-	(14,826)
On December 31, 2022		**5,200,000**	**4,511**	**715,823**	**2,666,811**	**993,088**	**(66,161)**	**-**	**-**	**9,514,072**	**6,234**	**9,520,306**
On January 1, 2023		**5.200.000**	**4.511**	**715.823**	**2.666.811**	**993.088**	**(66,161)**	-	-	**9.514.072**	**6.234**	**9.520.306**
Other Comprehensive Income												
Financial Assets at Fair Value through ORA		-	-	-	-	-	8,413	-	-	8,413	-	8,413
Actuarial Valuation Adjustment		-	-	-	-	-	(117,296)	-	-	(117,296)	-	(117,296)
Exchange Adjustment on Investment Abroad		-	-	-	-	-	(128,461)	-	-	(128,461)	-	(128,461)
Changes in Non-controlling Shareholding		-	-	-	-	-	-	-	-	-	(411)	(411)
Realization Deferral Agreement of Exclusivity		-	-	-	-	-	-	5,802	-	5,802	-	5,802
Gains/(Losses) on Replacement in the Treasury Stock Market		-	587	-	-	(675)	-	-	-	(88)	-	(88)
Net Income		-	-	-	-	-	-	1,011,454	-	1,011,454	980	1,012,434
Allocation of Net Income	26d											
Reserve Constitution		-	-	43,505	217,526	321,299	-	(582,330)	-	-	-	-
Interest on Capital		-	-	-	-	-	-	(360,000)	-	(360,000)	-	(360,000)
Dividends								(74,926)		(74,926)	-	(74,926)
On December 31, 2023		**5,200,000**	**5,098**	**759,328**	**2,884,337**	**1,313,712**	**(303,505)**	**-**	**-**	**9,858,970**	**6,803**	**9,865,773**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(Values in Thousands Of Reais)

	01/01 to 12/31/2023	01/01 to 12/31/2022
Cash Flow from Operating Activities		
Income before Income Tax and Social Contribution	**1,177,645**	**760,426**
Adjustment to Net Income before Income Tax and Social Contribution		
Depreciation and Amortization	370,821	353,191
Equity Results in Subsidiaries	(104,612)	(81,068)
Subordinated Debt Update Results	428,552	(433,409)
Impairment Losses on Financial Assets	658,741	498,335
Provision for Tax, Labor and Civil Risks	463,274	661,469
Effect of Exchange Rates on Cash and Cash Equivalents	13,681	12,487
Adjusted Income before Income Tax and Social Contribution	**3,008,102**	**1,771,431**
Changes in Equities	**3,047,291**	**(930,469)**
(Increase) in Interbank Deposits Investments	(547,046)	(185,253)
(increase) in Compulsory Deposits at Central Bank	(521,491)	(1,059,775)
(Increase) in Financial Assets at Fair Value through Results	(455,478)	(546,950)
Increase (Decrease) in Derivatives	(653,062)	1,376,028
Increase (Decrease) in Loans and Leasing	(6,424,066)	(9,100,730)
Decrease in Other Financial Assets	(657,304)	(577,714)
Decrease in Current and Deferred Tax Assets	25,602	(53,742)
Decrease in Other Assets	143,690	13,505
Increase in Civil, Tax and Labor Provisions	(426,969)	(345,201)
Increase in Deposits	4,611,741	3,366,959
Increase in Reverse Purchase Agreements	4,352,325	1,699,299
Increase (Decrease) in Resources from Acceptance and Issuance of Securities	3,256,910	1,219,082
Increase in Borrowing and Onlendings Liabilities	(478,606)	1,098,750
Increase in Other Financial Liabilities	1,383,984	2,279,869
Increase in Other Liabilities	197,873	76,444
Increase (Decrease) in Tax Liabilities	(349,331)	91,547
Income Tax and Social Contribution Paid	(411,481)	(282,587)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	**6,055,393**	**840,962**
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from Subsidiaries and Affiliates	94,848	37,494
(Increase) in Financial Assets at Fair Value through Other Comprehensive Income	(1,019)	(36,711)
(Increase) in Financial Assets at Amortization Cost Held to Maturity	(3,131,849)	(705,111)
Sale of Investments	3,251	35,181
Sale of Property, Plant and Equipment in Use	16,987	23,123
Intangible Write Offs	-	19
Acquisition of Investments	(8,493)	(24,006)
Acquisition of Property, Plant and Equipment in Use	(155,422)	(94,647)
Investment in Intangible Assets	(165,081)	(126,135)
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	**(3,346,778)**	**(890,793)**
CASH FLOW FROM FINANCING ACTIVITIES		
Subordinated Debt	-	300,201
Payment, withdraw, interest in Subordinated Debt	(94,957)	(3,071,752)
Dividends Paid	(14,827)	(14,975)
Interest on Capital Paid	(360,000)	(345,520)
Changes in Non-controlling Shareholding	569	3,868
NET CASH GENERATED USED IN FINANCING ACTIVITIES	**(469,215)**	**(3,128,178)**
INCREASE (DECREASE) NET IN CASH AND CASH EQUIVALENTS	**2,239,400**	**(3,178,009)**
Cash and Cash Equivalents at the Beginning of Period	3,439,759	6,630,255
Effect of Exchange Rates on Cash and Cash Equivalents	(13,681)	(12,487)
Cash and Cash Equivalents at the End of Period	5,665,478	3,439,759

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

STATEMENT OF ADDED VALUE

(In Thousands of Reais)

	01/01 to 12/31/2023	01/01 to 12/31/2022
INCOME (a)	**16,661,775**	**14,963,554**
Financial Income	14,479,371	12,936,842
Services Rendered and Bank Fees Income	2,279,975	2,107,923
Provisions for Expected Losses Associated with Credit Risk	(658,741)	(498,335)
Others	561,170	417,124
EXPENSES (b)	**(9,858,879)**	**(8,714,532)**
Interests	(9,858,879)	(8,714,532)
INPUTS ACQUIRED FROM THIRD PARTIES (c)	**(2,381,155)**	**(2,374,478)**
Supplies, Energy and Other	(1,896,698)	(1,886,237)
Third-party Services	(484,457)	(488,241)
GROSS ADDED VALUE (d=a-b-c)	**4,421,741**	**3,874,544**
DEPRECIATION AND AMORTIZATION (e)	**(370,821)**	**(353,191)**
NET ADDED VALUE PRODUCED BY THE COMPANY (f=d-e)	**4,050,920**	**3,521,353**
ADDED VALUE RECEIVED IN TRANSFER (g)	**104,612**	**81,068**
Equity in earnings (losses) in investees	104,612	81,068
ADDED VALUE FOR DISTRIBUTION (h=f+g)	**4,155,532**	**3,602,421**
DISTRIBUTION OF ADDED VALUE	**4,155,532**	**3,602,421**
Personnel	**2,118,313**	**2,033,022**
Salaries	1,497,641	1,461,542
Benefits	525,988	481,511
FGTS	94,684	89,969
Taxes, Fees and Contributions	**994,563**	**699,111**
Federal	895,463	605,240
State	93	50
Local	99,007	93,821
Remuneration on Third Party Capital	**30,222**	**28,046**
Rentals	30,222	28,046
Equity Remuneration	**1,012,434**	**842,242**
Interest on Equity	360,000	345,520
Dividends	74,926	14,826
Retained Earnings	576,528	481,477
Non-controlling Interests	980	419

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

NOTES TO THE FINANCIAL STATEMENTS

Please find below the Notes to the Financial Statements, which are an integral part of the IFRS 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 – 4th 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 FINANCIAL STATEMENTS

2.1. Basis of Preparation

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

The consolidated financial statements of Banrisul have been elaborated in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Resolution No 4,818/20, in compliance with rules issued by the National Monetary Council (CMN).

These consolidated 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 financial statements as a whole.

The Board of Administration of Banrisul approved the consolidated financial statements prepared for the period presented on February 06, 2024.

2.2. Main Alterations and Pronouncements Issued

(a) Adoption of new standards and interpretations003A

The following changes to standards came into effect in the year beginning January 1, 2023:

Initial adoption of IFRS 17 – Insurance Contracts (replaces IFRS 4 – Insurance Contracts) - This standard aims to provide greater transparency and ensure that the entity presents relevant information that faithfully represents the essence of insurance operations in the financial statements, one of the main changes being the recognition of profits as a measure of the delivery of insurance services. Banrisul identified an impact on the operations of its affiliate Banrisul Icatu Participações S.A., where we applied the following measurement models to the portfolios:

(i) The general measurement model (BBA) in the Housing, Lending, Individual Life, Group Life and Pension Risk portfolios, for harvests from 2022 onwards;

(ii) The variable rate model (VFA) in the PGBL/VGBL pension portfolios;

(iii) The premium allocation model (PAA) for the reinsurance portfolio. We do not issue reinsurance contracts, however, we have insurance contracts assigned to reinsurers and we apply this measurement approach, since these contracts have a duration of less than or equal to one year.

The accounting impacts of adopting the standard were reflected in the Bank's financial statements, with immaterial effects on Investments in Equity Interests, generating an increase in equity equivalence for the year.

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.

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 and possible impacts are being evaluated and will be completed by the date the standard comes into force.

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

Amendment to IAS 1 "Presentation of Financial Statements" - These amendments clarify how the conditions that an entity must comply with within twelve months of the reporting period affect the classification of a liability as current and non-current, and include disclosure requirements for liabilities with Covenants classified as non-current. The changes also aim to improve the information that an entity provides regarding liabilities subject to these conditions. The changes to IAS 1 are effective from January 1, 2024 and no relevant impacts are expected for Banrisul.

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.

Changes to IAS 7 and IFRS 7 - Supplier financing arrangements - These changes require disclosures to increase the transparency of supplier financing arrangements and their effects on a company's liabilities, cash flows and liquidity risk exposure. 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 and no relevant impacts are expected for Banrisul.

Amendment to IAS 21 - Effects of Changes in Exchange Rates and Conversion of Financial Statements - The changes will require companies to apply a consistent approach when assessing whether one currency can be exchanged for another and the amendment clarifies how companies should determine the exchange rate exchange rate to be used and disclosures to be provided when a currency is difficult, or cannot, be exchanged. The changes aim to improve the information that an entity provides in its financial statements, when one currency cannot be exchanged for another. The changes to IAS 21 are effective from January 1, 2025, allowing early adoption. No impacts are expected for Banrisul.

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.

NOTE 03 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

3.1. Consolidation Basis

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

		Total Participation	
	Activity	**12/31/2023**	**12/31/2022**
Subsidiaries Companies			
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. (1)	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.

		Total Participation	
Affiliated Companies	**Activity**	**12/31/2023**	**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 other 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 performs 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, according to Circular No. 3,082, dated 01/30/2002, from BACEN.

These instruments are measured at fair value, with gains or losses recognized in income or expense accounts for the respective financial instruments in the income statement.

Banrisul carries out operations with pre-fixed public securities matched with derivative contracts (DI1 Futures Contract), which have as their underlying asset the average daily rate of Interbank Deposits (DI), calculated and published by B3. These contracts are used to protect and manage the interest rate risk of assets and/or liabilities in order to compensate for the risk of DI rate fluctuation.

Daily adjustments to futures operations are made daily based on fair value, using market prices practiced on the reference date, being recorded in asset or liability accounts, depending on the nature of the adjustment, and settled on T+1.

Banrisul also adopts hedge accounting, in the fair value hedge category, to account for swap operations. These instruments, as well as the financial assets and liabilities that are objects of protection, are recorded at fair value, with realized and unrealized gains and losses recognized directly in the income statement.

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

Banrisul does not adopt the accounting of financial instruments in the cash flow hedge and net investment hedge categories in foreign operations.

In the fair value hedge category, Banrisul included derivative financial instruments contracted with the objective of protecting the variation in foreign currency arising from subordinated notes issued in the foreign market, in the amount of US$300 million, in accordance with conditions previously agreed in the Offering Memorandum, described in Note 21.

The fair value hedge was established through a documented designation at the inception of the transaction. This designation describes the relationship between the objects and derivative instruments used for protection, as well as the risk management objectives and the strategy to mitigate the effects arising from exposure to changes in fair value.

In risk management, Banrisul periodically carries out and documents tests to determine the level of effectiveness of hedge accounting operations in compensating for variations in the fair value of protected items during the period of validity of this protection.

The determination of the fair value of these operations is carried out using modeling techniques, such as discounted cash flow.

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

(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 stablishing 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 controlling shareholder, 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 the period as commercial lease is R$111,680.

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”..

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 and Fees 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 and Fees 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 12/29/2023 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 later changes determines that financial institutions and other institutions authorized by the Central Bank of Brazil (Bacen) to operate between 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

Integrated management of capital and credit, market, Interest Risk Rate in The Banking Book - IRRBB (variation in interest rates for instruments classified in the banking book), liquidity, operational, social, environmental and climate risks is a strategic tool and fundamental for a financial institution. Constant improvement in the processes of i) monitoring, control, evaluation, goal planning and capital needs; and ii) identification, measurement, evaluation, monitoring, reporting, control and mitigation of risks makes it possible to improve good governance practices, aligned with the Institution's strategic objectives.

Banrisul's capital and corporate risk management process encompass the companies that are part of the Prudential Conglomerate. The integrated structure of capital management and risk of Banrisul Group is coordinated by Risk Management Unit (UGRC), responsible for managing capital and credit, market, IRRBB, liquidity, operational, social, environmental and climate risks, with the support of Risk Directories. It is worth highlighting, at this point, that as of January 1, 2024, in accordance with CMN Resolution No. 5,089/23, the scope of integrated risk management also includes country risk and risk. the risk of transfer.

The information produced by the Unit subsidize the Risk Committee and other Management Committees, the Board of Directors and the Board of Directors in the decision-making process. The Control and Risk Department is responsible for UGRCURC and the Board of Directors is responsible for the information disclosed regarding risk management.

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 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 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 credit and financial leasing operations segmented by sector of activity are presented below:

	12/31/2023	12/31/2022
Public Sector	**136,241**	**119,837**
Public Administration – Direct and Indirect	136,241	119,837
Private Sector	**53,622,327**	**49,155,470**
Companies	11,193,907	11,378,454
Farming and Livestock	294,449	184,125
Food, Beverages and Tobacco	1,558,414	1,662,756
Automotive	556,093	532,817
Pulp and Paper, Wood and Furniture	279,503	296,428
Food Wholesale Trade	582,143	723,910
Wholesale Trade (except food)	707,649	773,734
Retail Trade - Other	1,283,677	1,277,271
Construction and Real Estate	911,066	790,004
Education, Health and other Social Services	1,348,900	1,107,914
Electronics and technology	349,947	432,182
Financial and Insurance	212,709	318,570
Machines and equipment	287,857	256,223
Metallurgy	257,247	367,584
Infrastructure	38,017	42,878
Oil and Natural Gas	373,457	423,744
Chemical and Petrochemical	578,797	705,494
Private Services	505,539	421,908
Textile, Apparel and Leather	331,256	312,850
Transportation	380,728	374,812
Other	356,459	373,250
Individuals	42,428,420	37,777,016
Total	**53,758,568**	**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, 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, stablished 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 Risk Appetite Statement.

5.4.2. Monitoring, Control and Mitigation

In the monitoring and reporting stage, analysis of adherence to credit scoring models is performed using statistical validation techniques in order to verify whether the models correctly attribute the probability of each customer defaulting, based on registration characteristics and payment habits. In addition to monitoring the amount of exposure to credit risk, with segmentations defined by the Central Bank and by the Institution itself; as well as the impacts of legislation and/or policies adopted Provision Backtesting procedures through crop monitoring and; Loan portfolio Stress Tests, with the objective of estimating required capital and the impact on Capital Ratios.

Monitoring, through credit portfolio management tools, is directly related to the control and mitigation of credit risk, as behaviors subject to intervention are verified from it. Credit risk control essentially encompasses the following procedures:

• Exposure to credit risk is managed through regular analysis of actual and potential borrowers regarding principal and interest payments and changes to their registration status and limits, when appropriate;

• Exposure to any borrower, including financial agents, in the case of a counterparty, is additionally restricted by sublimits that cover possible exposures recorded and not recorded in the balance sheet; It is

• The risk levels that the Institution assumes are structured based on the definition of limits on the extent of acceptable risk in relation to a specific debtor, groups of debtors, industry segments, among others. Concentrations are observed periodically and subject to review. When necessary, limits on the level of credit risk are approved by the Executive Board and the Board of Directors.

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:

	12/31/2023	12/31/2022
Financial Assets at Amortization Cost	**100,295,597**	**89,376,326**
Reverse Purchase Agreements	6,167,235	3,521,401
Bonds and Securities	33,624,096	30,492,530
Credit Operations and Financial Leasing	53,758,568	49,275,307
Other Financial Assets	6,745,698	6,087,088
Financial Assets at Fair Value through Other Comprehensive Income	**53,998**	**52,979**
Bonds and Securities	53,998	52,979
Financial Assets at Fair Value through Results	**9,372,785**	**8,909,298**
Bonds and Securities	9,372,785	8,909,298
Off Balance	**19,776,664**	**17,427,053**
Financial Guarantees	152,957	238,840
Real Estate Credit	515,680	413,618
Overdraft	4,937,938	4,947,277
Credit Cards	4,148,448	3,694,298
Pre-dated Electronic Limits – Banricompras	4,511,087	3,975,641
Pre-approved Installments Limits - Crédito 1 Minuto	4,230,142	3,174,762
Other Pre-approved Limits	1,280,412	982,617
Total	**129,499,044**	**115,765,656**

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 Credit Loss	Total Loans	Expected Credit Loss	Total Loans	Expected Credit Loss	Total Loans	Expected Credit Loss
Individuals	**38,628,153**	**294,032**	**2,914,051**	**118,513**	**886,216**	**669,734**	**42,428,420**	**1,082,279**
Credit Cards	2,096,924	33,170	43,314	8,271	109,927	75,704	2,250,165	117,145
Payroll Loans	19,497,895	103,135	177,404	35,286	321,909	263,315	19,997,208	401,736
Personal Loans – not Payroll	2,517,193	82,142	59,908	13,846	263,926	213,340	2,841,027	309,328
Real Estate	5,416,357	28,336	136,674	1,747	16,066	8,099	5,569,097	38,182
Rural Loans and Development	8,141,693	25,794	2,315,716	25,454	91,762	46,348	10,549,171	97,596
Other	958,091	21,455	181,035	33,909	82,626	62,928	1,221,752	118,292
Companies	**9,512,928**	**276,875**	**1,516,565**	**621,536**	**300,655**	**219,474**	**11,330,148**	**1,117,885**
Exchange	982,861	37,188	89,765	55,848	3,352	2,679	1,075,978	95,715
Working Capital	3,182,171	119,034	177,231	37,202	67,225	58,183	3,426,627	214,419
Guarantee / Business Account	374,024	42,129	5,722	2,103	39,150	27,885	418,896	72,117
Real Estate	291,326	427	101,074	363	-	-	392,400	790
Rural Loans and Development	3,998,563	53,723	434,993	33,944	149,375	96,735	4,582,931	184,402
Other	683,983	24,374	707,780	492,076	41,553	33,992	1,433,316	550,442
Total on 12/31/2023	**48,141,081**	**570,907**	**4,430,616**	**740,049**	**1,186,871**	**889,208**	**53,758,568**	**2,200,164**
Total on 12/31/2022	**44,861,737**	**671,389**	**3,594,977**	**945,383**	**818,593**	**640,935**	**49,275,307**	**2,257,707**

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.

	12/31/2023	12/31/2022
Not Overdue	47,236,996	44,250,507
Overdue up to 30 days	904,085	611,230
Total	**48,141,081**	44,861,737

	12/31/2023	12/31/2022
Collective Evaluation	48,141,081	44,861,737
Total	**48,141,081**	**44,861,737**

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.

	12/31/2023	12/31/2022
Not Overdue	3,762,777	3,060,469
Overdue up to 30 days	36,063	81,676
Overdue from 31 to 60 days	397,809	307,656
Overdue from 61 to 90 days	233,967	145,176
Total	**4,430,616**	**3,594,977**

	12/31/2023	12/31/2022
Collective Evaluation	3,628,852	2,622,493
Individual Evaluation	801,764	972,484
Total	**4,430,616**	**3,594,977**

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.

	12/31/2023	12/31/2022
Not overdue	99,191	18,043
Overdue up to 30 days	8,097	5,811
Overdue from 31 to 60 days	14,646	7,728
Overdue from 61 to 90 days	16,188	8,526
Overdue for more than 90 days	1,048,749	778,485
Total	**1,186,871**	**818,593**

	12/31/2023	12/31/2022
Collective Evaluation	1,117,636	757,131
Individual Evaluation	69,235	61,462

Total	1,186,871	818,593

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, excluding financial institutions and dependencies abroad.

	12/31/2023	12/31/2022
Largest Debtor	11.44%	9.91%
Five Largest Debtors	38.91%	36.79%
Ten Largest Debtors	60.64%	55.88%
Twenty Largest Debtors	84.21%	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 in the period amounted to R$840,332 (01/01 to 12/31/2022 – R$726,260).

5.4.6 Repossessed Assets

Repossessed 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. In the period , the retaken assets (nature of the Assets) totaled R$29,503 (01/01 to 12/31/2022 - R$50,016).

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 unmatches 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, stablishing 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. ΔEVE 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. ΔEVE 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. ΔNII 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 in 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 (CRSBB) 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 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 ΔNII (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 December 31, 2022.

Sensitivity Test: Trading Portfolio

Scenarios		Risk Factors			Total
		Interest Rate	Foreign Currency	Stocks	
1	1%	5,367	46	86	**5,499**
2	25%	4,326	1,156	2,154	**7,636**
3	50%	3,085	2,313	4,309	**9,707**

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 December 31, 2023.

Scenario 2: Possible situation. Assumptions: a deterioration of 25% in market risk variables, taking into account prevailing conditions on December 31, 2023.

Scenario 3: Remote situation. Assumptions: a deterioration of 50% in market risk variables, taking into account prevailing conditions on December 31, 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$4.8413/USD1.00 on December 31, 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 97.59% of all expected loss for the three scenarios. Scenario 3 amounts to 42.50% of the expected loss. Scenarios 2 and 1, respectively, amount to 33.43% and 24.07% of expected loss. The greatest expected loss in these Sensitivity Test Scenarios occurs in Scenario 3 in the total amount of R$9,707.

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$4.8419 on December 31, 2023 (1:00 pm, SPOT price - Central Bank of Brazil).

The sensitivity analyses shown below were established using premises and assumptions regarding future events

Scenario I is the most probable one and considers the 1% rise and fall of the market reference curve for dollar coupons (B3 S.A. - Brasil, Bolsa, Balcão), used to price these financial instruments. Scenarios II and III are defined to include variations of +25% and +50% and the drop scenarios variations of -25% and -50%, considering the conditions existing on 12/31/2023.

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) on December 31, 2022.

Trading and Banking Portfolio

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Increase in U.S. Dollar Coupon	(1,554)	(37,620)	(73,292)
Line Item Being Hedged					
Debt 1	Banking	Increase in U.S. Dollar Coupon	1,554	37,620	73,292
Net Effect			-	-	-

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Increase in U.S. Dollar Coupon	1,548	39,736	81,772
Line Item Being Hedged					
Debt 1	Banking	Increase in U.S. Dollar Coupon	(1,548)	(39,736)	(81,772)
Net Effect			**-**	**-**	**-**

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.

As for derivative instruments in the form of DI future contracts, the sensitivity analysis also applied shocks to scenarios I, II and III. Scenario I is the most likely and considers a 1% increase in the market reference curve for the future DI rate (B3 S.A. - Brasil, Bolsa, Balcão). Scenarios II and III are defined to include variations of +25% and +50% and the drop scenarios variations of -25% and -50%, considering the conditions existing on 12/31/2023.

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
FUT DI1	***Trading***	Increase in the Future DI Rate	(2,979)	(72,537)	(141,227)
FUT DI1	***Trading***	Decrease in the Future DI Rate	2,986	76,704	157,944

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, it should be noted that the results presented do not necessarily translate into accounting results, as the study has the exclusive purpose of disclosing exposure to risks and the respective protection actions considering the fair value of financial instruments, dissociated from any accounting practices adopted by the Institution.

Banrisul considers that the risk of being passive in CDI during the swaps would be the increase in the CDI rate and this would be offset by the increase in revenues arising from its investment operations linked to the CDI.

5.5.2. Summary Trading and Non-Trading Book on December 31, 2023

The following table shows the result of the Trading Book.

Risk factor	Reference	Trading Book
Fixed Interest	Prefixed Rate	2,058
	IGP-M	-
Total		**2,058**

The following table shows the result of ΔNII 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	(137,572)
	IGP-M	-
Price Index Coupon	TLP	(99)
	Other	(72)
	US Dollar	5,951
Exchange Coupon	Euro	53
	Pound Sterling	
	Canadian Dollar	
Interest Rate Coupon	TR	104,087
	TJLP	293
DI	CDI	1,967,413
Selic	SELIC	(1,751,451)
Total		**188.603**

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 year ended on December 31, 2023 is R$614,486 (12/31/2022 – R$393,738). The capital consumption presented in the period ended on December 31, 2023 is R$158,940 (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 December 31, 2023 was R$1,956,820 (31/12/2022 - 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.

	ent		-Term			
	Up to 3 months	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total as of l/2023**	**Total as of l/2022**
Financial Assets						
Compulsory Deposits at the Central Bank	10,573,709	-	-	-	10,573,709	9,451,171
At Amortization Cost						
Reverse Purchase Agreements	4,523,920	1,643,315	-	-	6,167,235	3,521,401
Bonds and Securities	3,849,319	4,425,239	24,782,297	567,241	33,624,096	30,492,530
Credit Operations and Financial Leasing	7,521,057	14,398,898	22,800,649	9,037,964	53,758,568	49,275,307
Other Financial Assets	-	4,407,506	2,338,192	-	6,745,698	6,087,088
At Fair Value through Other Comprehensive Income						
Securities	53,998	-	-	-	53,998	52,979
At Fair Value through Results						
Securities	695,057	3,115,767	5,561,961	-	9,372,785	8,909,298
Derivatives Financial Instruments	**27,217,060**	**27,990,725**	**55,483,099**	**9,605,205**	**120,296,089**	**107,789,774**
Total of Financial Assets						
Financial Liabilities						
At Amortization Cost	16,760,218	5,285,918	30,540,094	13,309,183	65,895,413	62,827,666
Deposits	16,773,360	-	-	-	16,773,360	12,421,035
Funding on Open Market	550,332	486,205	5,177,456	-	6,213,993	2,957,083
Resources of Acceptance and Issuance of Securities	-	-	-	367,738	367,738	314,447
Subordinated Debt	332,492	454,408	42,017	-	828,917	1,012,985
Obligations for Borrowings	179,719	752,595	846,634	428,401	2,207,349	2,501,887
Obligations for Onlendings	20,713	10,445,493	1,073,817	10,101	11,550,124	10,066,239
At Fair Value through Results						
Derivatives	1,336	3,744	12,156	-	17,236	670,298
Subordinated Debts	19,467	37,400	1,393,818	-	1,450,685	1,170,381
Total of Financial Liabilities	**34,637,637**	**17,465,763**	**39,085,992**	**14,115,423**	**105,304,815**	**93,942,021**
Total Lag in Interest Renegotiation	**(7,420,577)**	**10,524,962**	**16,397,107**	**(4,510,218)**	**14,991,274**	**13,847,753**

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 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**	**12/31/2023**	**12/31/2022**
Financial Liabilities						
At Amortization Cost						
Deposits	22,052,838	5,363,046	30,822,689	13,432,336	71,670,909	67,729,027
Funding on Open Market	16,778,172	-	-	-	16,778,172	12,425,267
Resources of Acceptance and Issuance of Securities	550,493	486,347	5,178,969	-	6,215,809	2,960,923
Subordinated Debt	-	-	-	367,738	367,738	314,447
Obligations for Borrowings	332,492	454,408	42,017	-	828,917	1,012,985
Obligations for Onlendings	195,799	821,127	923,978	467,684	2,408,588	2,672,824
Other Financial Liabilities	28,517	10,461,625	1,131,537	11,548	11,633,227	10,094,217
At Fair Value through Results						
Subordinated Debts	44,871	39,033	1,569,489	-	1,653,393	1,866,192
Total Financial Liabilities (Contracts Expiration Dates)	**39,983,182**	**17,625,586**	**39,668,679**	**14,279,306**	**111,556,753**	**99,075,882**
Total Financial Assets (Expected Expirations)	**28,204,535**	**29,983,389**	**66,671,305**	**17,854,477**	**142,713,706**	**129,868,094**
Cash	1,123,167	-	-	-	1,123,167	1,004,366

Financial Assets	27,081,368	29,983,389	66,671,305	17,854,477	141,590,539	128,863,728
Compulsory Deposits at Central Bank	11,320,017	-	-	-	11,320,017	10,798,526
At Amortization Cost	15,012,296	26,867,622	61,109,344	17,854,477	120,843,739	109,102,925
At Fair Value through Other Comprehensive Income	53,998	-	-	-	53,998	52,979
At Fair Value through Results	695,057	3,115,767	5,561,961	-	9,372,785	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 December 31, 2023, the amount of R$9,968,169 (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.

The fair value of financial instruments, including Derivatives that are not traded in active markets, is calculated using assumption-based valuation techniques that take into account market information and conditions, such as historical data, information from similar transactions and rates reference values calculated based on financial market information and conditions.

For more complex or illiquid instruments, considerable judgment is required to define the model to be used, selecting specific inputs. In some cases, valuation adjustments are applied to the model value or quoted price for financial instruments that are not actively traded.

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

	12/31/2023			12/31/2022		
	Level 1	Level 2	Total	vel 1	vel 2	Total
Financial Assets						
At Fair Value through Income	**9,357,638**	**15,147**	**9,372,785**	**8,895,920**	**13,378**	**8,909,298**
Financial Treasury Letter (LFT)	5,997,001	-	5,997,001	5,931,397	-	5,931,397
National Treasury Letter (LTN)	3,166,137	-	3,166,137	2,732,890	-	2,732,890
Publicly Traded Shares	8,618	-	8,618	19,231	-	19,231
Investment Funds	185,882	15,147	201,029	212,402	13,378	225,780
At Fair Value through Other Comprehensive Income	**2,239**	**51,759**	**53,998**	**2,256**	**50,723**	**52,979**
Investment Funds	2,239	26,979	29,218	2,256	25,434	27,690
Privatization Certificates	-	14	14	-	14	14
Other	-	24,766	24,766	-	25,275	25,275
Total Assets Measured at Fair Value	**9,359,877**	**66,906**	**9,426,783**	**8,898,176**	**64,101**	**8,962,277**
Financial Liabilities Measured at Fair Value through Results	**-**	**1,467,921**	**1,467,921**	**-**	**1,840,679**	**1,840,679**
Derivatives (Swaps)	-	17,236	17,236	-	670,298	670,298
Subordinated Debt	-	1,450,685	1,450,685	-	1,170,381	1,170,381
Total Liabilities Measured at Fair Value	**-**	**1,467,921**	**1,467,921**	**-**	**1,840,679**	**1,840,679**

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.

	12/31/2023		12/31/2022	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Reverse Repurchase Agreements	6,167,235	6,166,153	3.521.271	3.532.137
Compulsory Deposits at Central Bank of Brazil	11,320,017	11,320,017	10.798.526	10.798.526
Bonds and Securities [1]	33,624,096	33,527,379	30.471.727	30.508.962
Credit Operations and Financial Leasing [2]	53,758,568	50,901,626	49.275.307	44.766.476
Other Financial Assets	6,745,698	6,745,698	6.036.684	6.036.684
Total	**111,615,614**	**108,660,873**	**100.103.515**	**95.642.785**
Financial liabilities [3]				
Deposits (a)	71.131.132	71.088.324	67.615.882	67.586.023
Money Market funding (b)	16.773.360	16.773.360	12.421.035	12.421.035
Funds from Acceptance and Issuance of Securities (a)	6.213.993	6.199.248	2.957.083	2.959.728
Subordinated Debt (a)	367.738	370.784	314.447	317.205
Borrowings (c)	828.917	828.917	1.012.985	1.012.985
Onlendings (c)	2.207.349	2.207.349	2.501.887	2.501.887
Other Financial Liabilities	11.550.124	11.550.124	10.066.239	10.066.239
Total	**109.072.613**	**109.018.106**	**96.889.558**	**96.865.102**

(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 reports related to operational risk management, as defined in the Communication Plan of the Corporate Risk Management Unit.

Through key risk indicators and Operational Losses database - BDPO, 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 BDPO 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 December 2023 was 5.82%.

Banrisul assesses and monitors its sufficiency and need for capital in order to keep its volume of capital compatible with the risks incurred by the Prudential Conglomerate. In this sense, on the amount calculated for the total RWA, the Minimum Required Capitals are calculated, and compared with the CP, CN1 and PR values, projected and realized, also considering the additional capital, calculated for the same period. Comparing the required capital ratios with those calculated for Banrisul, the margins are calculated for the three capital levels, and also in relation to the IRRBB and the Additional Principal Capital. After this calculation, the capital adequacy assessment is carried out for each level:

a) Margin on the Required Reference Equity;
b) Margin on Required Level I Reference Equity;
c) Margin on Required Principal Capital;
d) Margin on PR considering IRRBB and ACP; and
e) Margin on Principal Capital after Pillar I considering ACP;
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 - $ICAAP_{SIMP}$ was also introduced by CMN Resolution No. 4,557/17, for institutions in the S2 segment. This process comprises the identification, management and measurement of risks, including the measurement of the capital need to face losses in a severe crisis scenario. For this purpose, projections are made for a three-year horizon, considering the definitions provided in the corporate strategy, as well as in the Institution's Risk Appetite Statement. The $ICAAP_{SIMP}$ process, in addition to considering the Capital Plan and all the elements evaluated therein (as described below) also considers the results of the stress test program.

The Capital Plan, prepared in accordance with CMN Resolution No. 4,557/17, covers the companies of the Prudential Conglomerate and considers the possible impacts of the Banrisul Group companies that are controlled by members of the conglomerate. The Plan is designed for a three-year horizon, foresees goals and projections and describes the main sources of capital, in addition to being aligned with the Institution's strategic planning. The Capital Plan is based on the strategies defined by the Board of Directors, considering the economic and business environment, the values of assets and liabilities, off-balance sheet operations, revenues and expenses, growth and market share goals and, especially the RAS definitions.

The Stress Testing Program - PTE, defined based on CMN Resolution No. 4,557/17, is a coordinated set of processes and routines, with its own methodologies, documentation and governance, and its main objective is to identify potential vulnerabilities of the institution. The stress test itself is an exercise in assessing the potential impacts of adverse events and circumstances on the institution or on a specific portfolio. Stress tests provide an indication of the appropriate level of capital needed to withstand deteriorating economic conditions. Within the scope of the Capital Management Structure, it is a tool that complements other risk management approaches and measures, providing inputs, at least, for Strategic Planning, RAS, $ICAAP_{SIMP}$ and the Capital Plan.

The monitoring and reporting of Capital requirements are carried out through Management Reports that contain both quantitative and qualitative references, for a given period, allowing for evaluation and the performance of actions for correction when detecting deviations. These reports are prepared to report the elements of Capital Management and include information regarding risk management, the calculation of the amount of RWA and PR, the adequacy analysis and the monitoring of the Capital Plan and RAS projections. Monitoring also includes the minimum limits required by the regulator, the minimum limits defined for Banrisul and also the limits for the maintenance of instruments eligible for capital.

Other timely reports may be necessary or demanded by the members of the capital structure, which may deal with any deficiencies identified in the management structure itself, or in its components, and actions to correct them; the adequacy of the PR, Level I and Principal Capital levels to the risks incurred by the Institution and; other pertinent matters. All reports are sent to the governance bodies defined in the Institutional Capital Management Structure for consideration.

Considering the reported period, Banrisul met all the capital requirements provided for in the current regulations.

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:

Conglomerate Prudential	12/31/2023	12/31/2022
Reference Equity - RE	**9,609,271**	**9,291,817**
Tier I	**7,790,848**	**7,806,989**
Core Capital	**7,790,848**	**7,806,989**
Equity	5,201,859	5,205,891
Capital Reserve and Earnings Revaluation	4,766,776	4,325,934
Deduction from Core Capital - Except for prudential adjustments	(303,918)	(115,668)
Prudential Adjustments	(1,874,954)	(2,041,085)
Positive Adjustments to the Market Value of Derivatives Recorded in Liabilities	1,085	431,917
Tier II	**1,818,423**	**1,484,828**
Tier II Eligible Instruments	1,818,423	1,484,828
RWA - Risk Weighted Assets	**57,330,052**	**52,887,990**
RWA_{CPAD} (Credit Risk)	47,262,726	42,994,328
RWA_{MPAD} (Market Risk)	2,029,424	1,458,546
RWA_{JUR1} (Interest Rate Risk)	25,719	262,156
RWA_{JUR3} (Interest Rate Risk)	3	29
RWA_{ACS} (Equity Risk)	17,235	38,462
RWA_{CAM} (Exchange Risk)	1,956,820	1,157,899
RWA_{CVA} (Counterparty Credit Assessment Risk)	29,647	-
RWA_{OPAD} (Operational Risk)	8,037,902	8,435,116
Banking Portfolio (IRRBB)	188,603	502,057
Reference Equity Margin - with Banking Portfolio after Additional Capital	**3,401,012**	**3,236,521**
Capital Ratio		
Basel Ratio	16,76%	17,57%
Tier I Ratio	13,59%	14,76%
Core Capital Ratio	13,59%	14,76%
Permanent Assets Ratio	10,10%	9,74%
Leverage Ratio	5,82%	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 $ACP_{CONSERVATION}$ 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%
$ACP_{Conservation}$ (1)	**2.50%**
$ACP_{Contracyclic}$ (1) (up to)	2.50%
$ACP_{Systemic}$ (1) (up to)	2.00%
Total ACT (1) (up to)	**7.00%**
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 December 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, 8.5% for Tier I and 7.0% for Core Capital.

The Reference Equity reached R$9,609,271 in December 2023 increasing R$317,454 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 ΔEVE (Variation of Economic Value of Equity) and ΔNII (Variation of Net Interest Income: variation in the result of financial intermediation).

Accordingly, IRRBB reached R$188,603 as of December 2023, decreasing R$313,454 from December 2022 (R$502,057).

To calculate the Reference Equity using the 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 December 31, 2023, the Basel Ratio of the Prudential Conglomerate was 16.76%, higher than the minimum required by BACEN. Tier 1 ratio and Core Capital were 13.59% 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 16.0% 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 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 [1]	09/30/2023	12/31/2022
Assets	39,322,407	5,781,232	7,489,403	63,024,220	10,049,745	**125,667,007**	**113,659,790**
Liabilities	58,807,969	13,486,299	-	35,486,669	8,020,297	**115,801,234**	**104,139,484**

(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	6,669,061	525,048	873,241	6,814,566	-	14,881,916	12,936,842
Financial and interest-like expenses	(5,321,494)	(1,067,652)	-	(3,460,790)	(8,943)	(9,858,879)	(8,714,532)
Net Interest Income	**1,347,567**	**(542,604)**	**873,241**	**3,353,776**	**(8,943)**	**5,023,037**	**4,222,310**
Other noninterest income/expenses	**-**	**22,923**	**-**	**(425,468)**	**-**	**(402,545)**	**(270,339)**
Earnings (Losses) Net on Financial Assets and Liabilities	-	-	-	(425,468)	-	(425,468)	(350,122)
Exchange Variation Result on Transactions Abroad	-	22,923	-	-	-	22,923	79,783
Adjusted Net Interest Income	**1,347,567**	**(519,681)**	**873,241**	**2,928,308**	**(8,943)**	**4,620,492**	**3,951,971**

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:

	12/31/2023	12/31/2022
Cash	**1,123,167**	**1,004,366**
In Local Currency	856,819	824,699
In Foreign Currency	266,348	179,667
Interbank Investments[1]	**4,523,920**	**2,425,011**
Reverse Repurchase Agreements	4,500,977	1,850,305
Investments in Interbank Deposits	22,943	574,706
Securities	18,391	10,382
Investment Funds	18,391	10,382
Total	**5,665,478**	**3,439,759**

(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	12/31/2023	12/31/2022
Demand deposits and other resources	No Remuneration	746,308	1,035,147
Savings Deposits	Savings rate	2,225,146	2,262,979
Time Deposits	SELIC	7,859,578	7,188,192
Instant Payment Account	SELIC	234,859	306,375
Electronic Currency Deposits	SELIC	254,126	5,833
Total		**11,320,017**	**10,798,526**

NOTE 09 – INTERBANK INVESTMENTS

	Up to 3	3 to 12	12/31/2023	12/31/2022

	Months	Months		
Reverse Repurchase Agreements	**4,500,977**	**-**	**4,500,977**	**1,850,305**
Resales to Liquidate – Bench Position				
Financial Treasury Letter – LFT	-	-	-	1,000,165
National Treasury Notes – NTN	4,500,977	-	4,500,977	850,140
Investments on Interbank Deposits	**22,943**	**1,643,306**	**1,666,249**	**1,670,966**
Investments on Interbank Deposits	22,943	1,643,306	1,666,249	1,670,966
Total on 12/31/2022	**4,523,920**	**1,643,306**	**6,167,226**	
Total on 12/31/2021	**2,425,011**	**1,096,260**		**3,521,271**

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:

			12/31/2023			12/31/2022
Securities	**Amortized Cost**	**Expected Loss**	**Net Amortized Cost**	**nortized ost**	**Expected Loss**	**Net Amortized Cost**
Federal Government Securities						
Financial Treasury Letter – LFT	32,128,797	(20,074)	32,108,723	30,410,060	(20,744)	30,389,316
Federal Public Securities - CVS	61,670	(45)	61,625	80,138	(59)	80,079
National Letter – LF	1,370,249	(314)	1,369,935	-	-	-
Debentures	61,472	(87)	61,385	-	-	-
Certificate of Real Estate Receivables - CRI	1,908	-	1,908	2,332	-	2,332
Total	**33,624,096**	**(20,520)**	**33,603,576**	**30,492,530**	**(20,803)**	**30,471,727**

Composition by maturity:

						09/30/2023	12/31/2022
Securities	**Up to 3 Months**	**From 3 to 12 Months**	**From 1 to 3 Years**	**From 3 to 5 Years**	**More than 5 Years**	**Amortized Cost**	**Net Amortized Cost**
Federal Government Securities							
Financial Treasury Letter – LFT	3,846,914	4,422,474	.2,565,562	10,708,794	564,979	32,108,723	30,389,316
National Treasury Letter – LTN	-	-	-	61,625	-	61,625	80,079
Federal Bonds - CVS	-	-	1,339,912	30,023	-	1,369,935	-
Time Deposits with Special Collaterals - DPGE	-	-	30,890	30,495	-	61,385	-
Certificate of Real Estate Receivables - CRI	-	-	-	-	1,908	1,908	2,332
Total on 12/31/2023	**3,846,914**	**4,422,474**	**3,936,364**	**10,830,937**	**566,887**	**33,603,576**	
Total on 12/31/2022	**1,561,921**	**3,406,213**	**2,860,010**	**9,936,135**	**2,707,448**		**30,471,727**

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	12/31/2023	12/31/2022
Individuals	**38.628.153**	**2.914.051**	**886.216**	**42.428.420**	**37.771.475**
Credit Cards	2.096.924	43.314	109.927	2.250.165	2.006.367
Payroll Loans	19.497.895	177.404	321.909	19.997.208	20.358.928
Personal Loan – not Payroll	2.517.193	59.908	263.926	2.841.027	2.304.836
Real Estate	5.416.357	136.674	16.066	5.569.097	4.952.814
Rural Credit, Development and Guarantee Funds	8.141.693	2.315.716	91.762	10.549.171	7.102.879
Others	958.091	181.035	82.626	1.221.752	1.045.651
Companies	**9.512.928**	**1.516.565**	**300.655**	**11.330.148**	**11.503.832**
Exchange	982.861	89.765	3.352	1.075.978	1.365.791
Working Capital	3.182.171	177.231	67.225	3.426.627	3.507.402
Business / Guarantee Checking Accounts	374.024	5.722	39.150	418.896	385.012
Real Estate	291.326	101.074	-	392.400	187.022

Rural Credit, Development and Guarantee Funds	3.998.563	434.993	149.375	4.582.931	4.607.287
Others	683.983	707.780	41.553	1.433.316	1.451.318
Total	**48.141.081**	**4.430.616**	**1.186.871**	**53.758.568**	**49.275.307**
(-) Expected Credit Loss	(570.907)	(740.049)	(889.208)	(2.200.164)	(2.257.707)
Total Net of Expected Credit Loss – 12/31/2023	**47.570.174**	**3.690.567**	**297.663**	**51.558.404**	
Total Net of Expected Credit Loss – 12/31/2022	**44.190.348**	**2.649.594**	**177.658**		**47.017.600**

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	**12/31/2023**	**12/31/2022**
Overdue since 1 day	819,284	631,952
Due up to 3 months	7,393,176	6,656,114
Due from 3 to 12 months	14,398,898	12,681,908
Due over 1 year	31,147,210	29,305,333
Total Portfolio	**53,758,568**	**49,275,307**

	12/31/2023		**12/31/2022**	
By Concentration	**Amount**	**%**	**Amount**	**%**
Main borrower	135,028	0.25	147,995	0.30
Next 10 largest borrowers	1,050,380	1.95	1,017,433	2.06
Next 20 largest borrowers	1,771,397	3.30	1,771,605	3.60
Next 50 largest borrowers	3,069,595	5.71	3,317,648	6.73
Next 100 largest borrowers	4,148,462	7.72	4,484,514	9.10

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

Stage 1	**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 12/31/2023**
Individuals	**273,658**	**(18,450)**	**(25,333)**	**9,395**	**8,556**	**-**	**46,206**	**294,032**
Credit Cards	25,608	(330)	(149)	6	-	-	8,035	33,170
Payroll Loans	104,774	(5,711)	(2,760)	1,536	157	-	5,139	103,135
Personal Loans – not Payroll	72,130	(8,945)	(21,248)	104	7,478	-	32,623	82,142
Real Estate	41,847	(1,067)	(263)	791	647	-	(13,619)	28,336
Rural Credit, Development and Guarantee Funds	18,796	(1,016)	(200)	2,253	216	-	5,745	25,794
Others	10,503	(1,381)	(713)	4,705	58	-	8,283	21,455
Companies	**397,731**	**(8,494)**	**(4,077)**	**40,601**	**3,017**	**-**	**(151,903)**	**276,875**
Exchange	52,743	(231)	-	-	-	-	(15,324)	37,188
Working Capital	208,475	(1,234)	(404)	8,556	-	-	(96,359)	119,034
Business/Guarantee Checking Accounts	80,547	(2,432)	(2,248)	57	1,430	-	(35,225)	42,129
Real Estate	571	(33)	-	479	-	-	(590)	427
Rural Credit, Development and Guarantee Funds	33,673	(648)	(738)	2,082	390	-	18,964	53,723
Others	21,722	(3,916)	(687)	29,427	1,197	-	(23,369)	24,374
Total	**671,389**	**(26,944)**	**(29,410)**	**49,996**	**11,573**	**-**	**(105,697)**	**570,907**

Stage 2	**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 12/31/2023**
Individuals	**125,241**	**(9,395)**	**(79,457)**	**18,450**	**512**	**-**	**63,162**	**118,513**
Credit Cards	4,717	(6)	(3,329)	330	1	-	6,558	8,271
Payroll Loans	39,358	(1,536)	(36,790)	5,711	52	-	28,491	35,286
Personal Loans – not Payroll	28,288	(104)	(33,372)	8,945	53	-	10,036	13,846
Real Estate	1,277	(791)	(133)	1,067	264	-	63	1,747
Rural and Development Loans	13,780	(2,253)	(2,840)	1,016	111	-	15,640	25,454
Others	37,821	(4,705)	(2,993)	1,381	31	-	2,374	33,909
Companies	**820,142**	**(40,601)**	**(110,965)**	**8,494**	**61**	**-**	**(55,595)**	**621,536**
Exchange	52,069	-	-	231	-	-	3,548	55,848
Working Capital	158,329	(8,556)	(70,779)	1,234	-	-	(43,026)	37,202

Business/Guarantee Checking Accounts	3,089	(57)	(4,893)	2,432	15	-	1,517	2,103
Real Estate	523	(479)	-	33	-	-	286	363
Rural Credit, Development and Guarantee Funds	13,482	(2,082)	(6,916)	648	46	-	28,766	33,944
Others	592,650	(29,427)	(28,377)	3,916	-	-	(46,686)	492,076
Total	**945,383**	**(49,996)**	**(190,422)**	**26,944**	**573**	**-**	**7,567**	**740,049**

Stage 3	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 12/31/2023
Individuals	**470,281**	**(8,556)**	**(512)**	**25,333**	**79,457**	**(912,444)**	**1,016,175**	**669,734**
Credit Cards	48,552	-	(1)	149	3,329	(111,316)	134,991	75,704
Payroll Loans	229,897	(157)	(52)	2,760	36,790	(435,979)	430,056	263,315
Personal Loans – not Payroll	128,013	(7,478)	(53)	21,248	33,372	(241,903)	280,141	213,340
Real Estate	5,000	(647)	(264)	263	133	(1,403)	5,017	8,099
Rural Credit, Development and Guarantee Funds	14,020	(216)	(111)	200	2,840	(25,896)	55,511	46,348
Others	44,799	(58)	(31)	713	2,993	(95,947)	110,459	62,928
Companies	**170,654**	**(3,017)**	**(61)**	**4,077**	**110,965**	**(284,779)**	**221,635**	**219,474**
Exchange	3,305	-	-	-	-	(6,709)	6,083	2,679
Working Capital	17,942	-	-	404	70,779	(86,563)	55,621	58,183
Bussiness/Guarantee Checking Accounts	21,771	(1,430)	(15)	2,248	4,893	(32,215)	32,633	27,885
Real Estate	71	-	-	-	-	(139)	68	-
Rural and Development Loans	46,246	(390)	(46)	738	6,916	(30,547)	73,818	96,735
Others	81,319	(1,197)	-	687	28,377	(128,606)	53,412	33,992
Total	**640,935**	**(11,573)**	**(573)**	**29,410**	**190,422**	**(1,197,223)**	**1,237,810**	**889,208**

3 Stages Consolidated	Opening Balance 12/31/2022	*Write Off*	Constitution/ (Reversion)	Closing Balance 12/31/2023
Individuals	**869,180**	**(912,444)**	**1,125,543**	**1,082,279**
Credit Cards	78,877	(111,316)	149,584	117,145
Payroll Loans	374,029	(435,979)	463,686	401,736
Personal Loans – not Payroll	228,431	(241,903)	322,800	309,328
Real Estate	48,124	(1,403)	(8,539)	38,182
Rural Credit, Development and Guarantee Funds	46,596	(25,896)	76,896	97,596
Others	93,123	(95,947)	121,116	118,292
Companies	**1,388,527**	**(284,779)**	**14,137**	**1,117,885**
Exchange	108,117	(6,709)	(5,693)	95,715
Working Capital	384,746	(86,563)	(83,764)	214,419
Bussiness/Guarantee Checking Accounts	105,407	(32,215)	(1,075)	72,117
Real Estate	1,165	(139)	(236)	790
Rural Credit, Development and Guarantee Funds	93,401	(30,547)	121,548	184,402
Others	695,691	(128,606)	(16,643)	550,442
Total	**2,257,707**	**(1,197,223)**	**1,139,680**	**2,200,164**

(1) In the DRE, the expected losses from Credit Operations and Financial Leases in the amount of R$691,087 represent the constitution of R$1,139,679 net of credit recoveries previously written off as losses in the amount of R$448,592.

Stage 1	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
Individuals	**437,136**	**(26,601)**	**(23,317)**	**10,191**	**4,488**	**-**	**(128,239)**	**273,658**
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 and Development Loans	24,631	(662)	(55)	598	105	-	(5,821)	18,796
Others	12,263	(1,485)	(620)	8,122	61	-	(7,838)	10,503
Companies	**228,762**	**(30,599)**	**(3,198)**	**42,194**	**1,047**	**-**	**159,525**	**397,731**

Exchange	54,425	(98)	(192)	-	-	-	(1,392)	52,743
Working Capital	109,920	(25,399)	(328)	37,687	9	-	86,586	208,475
Business/Guarantee Checking Accounts	13,698	(337)	(928)	8	512	-	67,594	80,547
Real Estate	83	(15)	-	60	-	-	443	571
Rural and Development Loans	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
Total	**665,898**	**(57,200)**	**(26,515)**	**52,385**	**5,535**	**-**	**31,286**	**671,389**

Stage 2	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
Individuals	**139,056**	**(10,191)**	**(50,106)**	**26,601**	**449**	**-**	**19,432**	**125,241**
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 and Development Loans	8,286	(598)	(351)	662	28	-	5,753	13,780
Others	82,793	(8,122)	(4,670)	1,485	29	-	(33,694)	37,821
Companies	**1,011,350**	**(42,194)**	**(71,224)**	**30,599**	**1,040**	**-**	**(109,429)**	**820,142**
Exchange	73,594	-	-	98	-	-	(21,623)	52,069
Working Capital	239,148	(37,687)	(6,341)	25,399	-	-	(62,190)	158,329
Business/Guarantee Checking Accounts	346	(8)	(420)	337	925	-	1,909	3,089
Real Estate	18,782	(60)	-	15	-	-	(18,214)	523
Rural and Development Loans	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
Total	**1,150,406**	**(52,385)**	**(121,330)**	**57,200**	**1,489**	**-**	**(89,997)**	**945,383**

Stage 3	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
Individuals	**478,840**	**(4,488)**	**(449)**	**23,317**	**50,106**	**(846,486)**	**769,441**	**470,281**
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 and Development Loans	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
Companies	**258,875**	**(1,047)**	**(1,040)**	**3,198**	**71,224**	**(313,506)**	**152,950**	**170,654**
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 and Development Loans	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
Total	**737,715**	**(5,535)**	**(1,489)**	**26,515**	**121,330**	**(1,159,992)**	**922,391**	**640,935**

3 Stages Consolidated	Opening Balance 12/31/2021	*Write Off*	Constitution/ (Reversion)	Closing Balance 12/31/2022
Individuals	**1,055,032**	**(846,486)**	**660,634**	**869,180**
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 and Development Loans	38,918	(8,712)	16,390	46,596
Others	141,148	(98,988)	50,963	93,123
Companies	**1,498,987**	**(313,506)**	**203,046**	**1,388,527**
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 and Development Loans	61,891	(10,733)	42,243	93,401
Others	799,022	(147,753)	44,422	695,691
Total	**2,554,019**	**(1,159,992)**	**863,680**	**2,257,707**

(1) In the Income Statement, expected losses on Credit Operations and Financial Leasing in the amount of R$466,394 represents the constitution of R$863,680 net of credit recoveries previously written off as loss 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
Current	**3,533**	**(1,722)**	**2,928**
Up to 1 year	3,533	(1,722)	2,928
Long Term	**7,338**	**(3,996)**	**5,149**
Between 1 to 5 years	7,338	(3,996)	5,149
Total on 12/31/2023	**10,871**	**(5,718)**	**8,077**
Total on 12/31/2022	**14,721**	**(8,067)**	**10,875**

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:

	12/31/2023			12/31/2022		
Securities	**Cost**	**Adjustments to Fair Value (on equity)**	**Fair Value**	**ost**	**Adjustments to Fair Value (on equity)**	**Fair Value**
Investment Fund Shares	19,576	9,642	29,218	23,801	3,889	27,690
Privatization Certificates	14	-	14	14	-	14
Other	24,766	-	24,766	25,275	-	25,275
Total [(1)]	**44,356**	**9,642**	**53,998**	**49,090**	**3,889**	**52,979**

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

Composition by maturity:

		12/31/2023	12/31/2022
Securities	**No Maturity**	**Fair Value**	**Fair Value**
Investment Fund Shares	29,218	29,218	27,690
Privatization Certificates	14	14	14
Other	24,766	24,766	25,275
Total on 12/31/2023	**53,998**	**53,998**	
Total on 12/31/2022	**52,979**		**52,979**

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 TROUGH INCOME – SECURITIES

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

	12/31/2023			12/31/2022		
Securities	**Cost Value**	**Adjustments to Fair Value (on Results)**	**Fair Value**	**Cost Value**	**Adjustments to Fair Value (on Results)**	**Fair Value**
Financial Treasury Letter - LFT	5,997,081	(80)	5,997,001	5,934,641	(3,244)	5,931,397
National Treasury Letter - LTN	3,103,066	63,071	3,166,137	2,767,335	(34,445)	2,732,890
Publicly Traded Shares	6,709	1,909	8,618	17	19,214	19,231
Investment Fund Shares	201,029	-	201,029	225,780	-	225,780
Total	**9,307,885**	**64,900**	**9,372,785**	**8,927,773**	**(18,475)**	**8,909,298**

Composition by maturity:

Securities	No Maturity	Up to 3 months	From 3 to 12 months	From 1 to 3 years	From 3 to 5 years	12/31/2023 Fair Value	12/31/2022 Fair Value
Financial Treasury Letter - LFT	-	285,454	1,503,118	4,208,429	-	5,997,001	5,931,397
National Treasury Letter - LTN	-	199,956	1,612,649	1,353,532	-	3,166,137	2,732,890
Publicly Traded Shares	8,618	-	-	-	-	8,618	19,231
Investment Fund Shares	201,029	-	-	-	-	201,029	225,780
Total on 12/31/2022	**209,647**	**485,410**	**3,115,767**	**5,561,961**	**-**	**9,372,785**	
Total on 12/31/2021	**243,195**	**380,558**	**-**	**6,580,592**	**1,704,953**		**8,909,298**

NOTE 14 – DERIVATIVE FINANCIAL INSTRUMENTS

Banrisul conducts transactions involving derivatives in the form of swaps and DI1 futures contracts 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 interest rate variations and exchange rate fluctuations in the foreign market 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.

Derivative financial instruments are accounting adjusted to their fair value and their reference values are recorded in memorandum accounts, as shown in the following table:

	Parent Company and Consolidated				
	12/31/2023				12/31/2022
Derivatives	Reference Value	Curve Value	Market Value Adjustment	Market Value	Market Value
Swap		**(16,151)**	**(1,085)**	**(17,236)**	**(670,298)**
Assets	1,711,260	(12,371)	(249,962)	(262,333)	(542,262)
Liabilities	(1,711,260)	(3,780)	248,877	245,097	(128,036)
DI Futures	**3,164,350**	**2,667,475**	**496,875**	**3,164,350**	**2,734,516**

The table below presents derivatives segregated by maturity adjustments:

			Parent Company and Consolidated			
Derivatives	Reference Value	Market Value	Up to 3 Months	3 to 12 Months	1 to 3 Years	3 to 5 Years
Swap		**(17,236)**	**(1,336)**	**(3,744)**	**(12,156)**	**-**
Assets	1,711,260	(262,333)	(2,484)	(6,790)	(253,059)	-
Liabilities	(1,711,260)	245,097	1,148	3,046	240,903	-
DI Futures	**3,164,350**	**3,164,350**	**-**	**1,420,287**	**1,744,063**	**-**
Net Adjustment in 12/31/2023		**(17,236)**	**(1,336)**	**(3,744)**	**(12,156)**	**-**
Net Adjustment in 12/31/2022		**(670,298)**	**(29,712)**	**(26,632)**	**(85,875)**	**(528,079)**

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.

Banrisul also uses the hedge accounting structure provided for in the standards of the Central Bank of Brazil and the expected effectiveness from the designation of the protection instruments and throughout the operation is in accordance with that established by the Central Bank of Brazil. Brazil.

In the fourth quarter of 2023, Banrisul replaced the swap derivative financial instruments that make up the market risk hedge accounting structure, due to the new economic scenario and the opportunity to reduce costs on the passive side of the operation. In this sense, a new designation for protection and the discontinuation of the previous hedge were

necessary, which caused an expense of R$116,488 for the reversal of the fair value adjustment of the hedge object and for settlement of the swap.

In the new designation, the critical terms remain identical to the protected item (hedge object mentioned in Note 16), such as reference value, interest rate, cash flow and designation start date. Therefore, as there is correspondence between the essential terms during the period, the relationship is qualitatively effective.

Banrisul also carries out a quantitative assessment of the effectiveness of the hedge, which is determined using the dollar offset method, which is calculated monthly by the difference between the variation in the fair value of the hedging instrument and the variation in the fair value of the hedged object, evidencing the relationship of protection, known as a hedge index, being highly effective when the result is between 80% and 125%.

The following table demonstrates the hedge accounting structure and the relationship between protection instruments and protected items, demonstrating effectiveness. The contracts have the maturities shown below:

				12/31/2023	12/31/2022
Derivatives Used as Fair Value Hedge[1]	**Reference Value**	**Curve Value**	**Market Value Adjustment**	**Market Value**	**Market Value**
Hedge		**(16,151)**	**(1,085)**	**(17,236)**	**(670,298)**
Swaps	1,711,260	(12,371)	(249,962)	(262,333)	(542,262)
Hedge Object	(1,711,260)	(3,780)	248,877	245,097	(128,036)
Notes Tier II (Note 16)	**3,164,350**	**2,667,475**	**496,875**	**3,164,350**	**2,734,516**

1) The assessment of hedge effectiveness is carried out using the quantitative Dollar Offset method (ratio analysis), whose result is 100%, which compares the variation in the fair value of the hedging instrument with the variation in the fair value of the hedge object. The prospective method of qualitative assessment of critical terms (Critical Terms Match) is also adopted, which consists of comparing the main terms of the hedge object with the terms of the hedging instrument.

(2) Banrisul replaced the derivative financial instruments of the swap modality on 11/24/2023 and 12/01/2023, with the amount of R$26,926 referring to the settled installment referring to the period between the payment of the previous coupon until the settlement date (interest loading for future settlement of the debt coupon). The new swaps start from their contracting, on the dates mentioned.

Derivative operations in the swap modality are based on over-the-counter contracts registered with B3 S.A. - Brasil, Bolsa, Balcão, and have as counterparties financial institutions classified as first-tier.

Banrisul and counterparties are subject to the provision of real guarantees, reciprocally, if the derivative financial instruments exceed the contractually stipulated market value limits. The margin deposited as collateral for operations with derivative financial instruments by Banrisul is made up of Interbank Deposits, in the amount of R$22,943 (12/31/2022 – R$412,203).

NOTE 15 – OTHER FINANCIAL ASSETS

	Up to 12 Months	Over 12 Months	Total as of 12/31/2022	Up to 12 Months	Over 12 Months	Total as of 12/31/2022
Interbank Accounts	3,149,573	1,053,587	4,203,160	2,528,635	988,103	3,516,738
Credits with the National Housing System [1]		1,053,587	1,053,587	-	988,103	988,103
Outstanding Payments and Receipts	3,142,478	-	3,142,478	2,520,738	-	2,520,738
Others	7,095	-	7,095	7,897	-	7,897
Interbranch Accounts	33,058	-	33,058	36,804	-	36,804
Foreign Exchange Portfolio	828,059	70,973	899,032	1,056,343	18,012	1,074,355
Income Receivable	104,393	-	104,393	89,122	-	89,122
Securities Negotiation and Intermediation	4,451	-	4,451	50,950	-	50,950
Guarantee Deposits	-	975,479	975,479	-	778,051	778,051
Payments to Reimburse	50,409	-	50,409	46,241	-	46,241
Securities and Receivables [2]	168,511	238,153	406,664	88,036	257,849	345,885
Other	17,342	-	17,342	98,538	-	98,538
Total	**4,355,796**	**2,338,192**	**6,693,988**	**3,994,669**	**2,042,015**	**6,036,684**

(1) Credits with the National Housing System are composed of:
(a) R$79,522 (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$970,894 (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$3,171 (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 December 31, 2023, the receivables were stated at the acquisition cost including interest accrued at the rate used to determine the purchase price, amounting to R$1,050,416 (12/31/2022 - R$985,096). The face value is R$1,060,347 (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 December 31, 2023, totaled R$222,056 (12/31/2022 - R$205,259) and are remunerated by the Reference Rate (TR) and interest;
(b) Other Credits without Credit Characteristics, with the Municipal Public Sector, in the amount of R$54,531 (12/31/2022 - R$54,741) relating to receivable rights acquired from the Government of the State of Rio Grande do Sul or entities controlled by it. For these credits, there is a provision set up in the amount of R$48,332 (12/31/2022 - R$47,199); and
(c) Amounts receivable relating to Banricard benefit and business card agreements and the Vero acquiring network in the amount of R$20,023 (12/31/2022 - R$28,073).

NOTE 16 – OTHER ASSETS

	12/31/2023	12/31/2022
Assets for Sale	16,741	17,054
Advances to Employees	111,034	188,857
Actuarial Assets - Post-employment Benefit (Note 36e)	217,085	210,053
Other Debtors - Domestic	142,474	151,738
Prepaid Expenses	24,860	89,814
Other	10,034	8,402
Total	**522,228**	**665,918**

NOTE 17 – INVESTMENTS IN ASSOCIATES

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

On December 31, 2023	Adjusted Equity 12/31/2023	Equity Participation (%) 12/31/2023	Investment Value 12/31/2023	Net Results Jan to Dec 2023	Equivalence Result Jan to Dec 2023
Associated Companies	**356,501**		**178,155**	**209,327**	**104,612**
Bem Promotora de Vendas e Serviços S.A.	66,530	49,90	33,198	34,234	17,083
Banrisul Icatu Participações S.A.	289,971	49,99	144,957	175,093	87,529

On December 31, 2022	Adjusted Equity 12/31/2022	Equity Participation (%) 12/31/2022	Investment Value 12/31/2022	Net Results Jan to Dec 2022	Equivalence Result Jan to Dec 2022
Associated Companies	**326,474**		**163,149**	**162,223**	**81,068**
Bem Promotora de Vendas e Serviços S.A.	62,083	49,90	30,980	30,561	15,250
Banrisul Icatu Participações S.A.	264,391	49,99	132,169	131,662	65,818

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

Own Fixed Assets	Properties in use	Equipment	Facilities	Equipment	Data Processing Systems	Other	Total
On December 31, 2022							
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)
Net carrying amount	**100,530**	**45,496**	**146,737**	**74,294**	**194,910**	**4,660**	**566,627**
Purchases	3,283	68,015	38,999	12,608	32,183	334	155,422
Disposals – Cost Write-offs	(4,321)	(213)	-	(4,078)	(21,253)	(464)	(30,329)
Disposals – Depreciation Write-offs	395	-	-	3,874	19,533	391	24,193
Accumulated Depreciation	(1,594)	-	(9,936)	(7,307)	(55,188)	(864)	(74,889)
Transfers Net Cost	-	(71,959)	(8)	(96)	73,863	(80)	1,720
Transfers Net Depreciation	-	-	-	1,267	(1,424)	64	(93)

Net Changes in the period	**(2,237)**	**(4,157)**	**29,055**	**6,268**	**47,714**	**(619)**	**76,024**
On December 31, 2023							
Cost	198,980	41,339	298,825	174,187	606,302	25,533	1,345,166
Accumulated Depreciation	(100,687)	-	(123,033)	(93,625)	(363,678)	(21,492)	(702,515)
Net carrying	**98,293**	**41,339**	**175,792**	**80,562**	**242,624**	**4,041**	**642,651**

Leased Fixed Assets	**Properties in use**	**Data Processing Systems**	**Other**	**Total**
On December 31, 2022				
Leasing Cost	478,709	8,657	397	487,763
Accumulated Depreciation	(255,745)	(984)	(298)	(257,027)
Net Book Value	**222,964**	**7,673**	**99**	**230,736**
Purchases	66,675	-	402	67,077
Disposals – Cost Write-offs	(78,795)	-	(397)	(79,192)
Disposals – Depreciation Write-offs	67,944	-	397	68,341
Accumulated Depreciation	(87,269)	(2,360)	(401)	(90,030)
Net Changes in the period	**(31,445)**	**(2,360)**	**1**	**(33,804)**
On December 30, 2023				
Leased Fixed Assets Cost	466,589	8,657	402	475,648
Accumulated Depreciation	(275,070)	(3,344)	(302)	(278,716)
Net carrying amount	**191,519**	**5,313**	**100**	**196,932**

Total Fixed Assets	**Properties in use**	**Equipment**	**Facilities**	**Equipment**	**Data Processing Systems**	**Other**	**Total**
On December 31, 2023							
Cost	665,569	41,339	298,825	174,187	614,959	25,935	1,820,814
Accumulated Depreciation	(375,757)		(123,033)	(93,625)	(367,022)	(21,794)	(981,231)
Net carrying amount	**289,812**	**41,339**	**175,792**	**80,562**	**247,937**	**4,141**	**839,583**

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

	12/31/2022	**12/31/2021**
Under 12 months	104,748	100,793
1 to 5 years	180,595	173,666
Over 5 years	11,548	8,325
Total [1]	**296,891**	**282,784**

(1) Amounts not discounted to present value.

NOTE 19 – INTANGIBLE ASSETS

	Software Licenses	Rights From Acquisition of Payrolls [1]	Other	Total
On December 31, 2022				
Cost	230,566	1,653,166	1,925	1,885,657
Accumulated Amortization	(144,012)	(1,077,071)	(875)	(1,221,958)
Net Carrying Amount	**86,554**	**576,095**	**1,050**	**663,699**
Purchases	42,091	122,990	-	165,081
Accumulated Amortization	(24,670)	(181,232)	-	(205,902)
Net Transfers Cost	(1,720)	-	-	(1,720)
Transfers Net Amortization	93	-	-	93
Net Changes in the period	**15,794**	**(58,242)**	**-**	**(42,448)**
On December 31, 2023				
Cost	270,937	1,776,156	1,925	2,049,018
Accumulated Amortization	(168,589)	(1,258,303)	(875)	(1,427,767)
Net Carrying Amount	**102,348**	**517,853**	**1,050**	**621,251**

(1) The net balance of R$517,853 (12/31/2022 – R$576,095) is comprised mainly by:
a) R$325,815 (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$180,929 (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
c) R$11,109 (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 2/31/2022	Total as of 2/31/2021
Deposits	16,533,129	5,462,808	5,285,918	43,849,277	71,131,132	67,615,882
Demand Deposits [1]	5,235,719	-	-	-	5,235,719	4,788,216
Savings Deposits [1]	11,085,032	-	-	-	11,085,032	11,294,457
Interbank Deposits	-	408,803	1,816,001	-	2,224,804	2,563,711
Time Deposits [2]	-	5,054,005	3,469,917	43,849,277	52,373,199	48,953,388
Other Deposits	212,378	-	-	-	212,378	16,110
Repo Operations [3]	-	16,773,360	-	-	16,773,360	12,421,035
Funds from Acceptance and Issuance of Securities	-	550,332	486,205	5,177,456	6,213,993	2,957,083
Subordinated Debt - LFS [4]	-	-	-	367,738	367,738	314,447
Borrowings [5]	-	332,492	454,408	42,017	828,917	1,012,985
Onlendings [6]	-	179,719	752,595	1,275,035	2,207,349	2,501,887
Other Financial Liabilities (Note 23)	-	-	1,412,870	137,254	11,550,124	10,066,239
Total	**16,533,129**	**23,298,711**	**8,391,996**	**50,848,777**	**109,072,613**	**96,889,558**

(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 87,59% and 12.41% of the total portfolio, respectively. The average funding rate for floating-rate deposits corresponds to 85.15% of CDI. Of total time deposits, 70.65% (12/31/2021 – 69.102%) 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.
(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 12/31/2022	Up to 12 Months	Over 12 Months	Total as of 12/31/2021
Derivatives	5,080	12,156	17,236	56,344	613,954	670,298
Subordinated Debt [1]	56,867	1,393,818	1,450,685	84,634	1,085,747	1,170,381
Mark-to-Market Subordinated Debts (Note 14)	51,223	1,397,705	1,448,928	78,499	1,090,494	1,168,993
Premium/Discount and Charges to Incorporate	5,644	(3,887)	1,757	6,135	(4,747)	1,388
Total	**61,947**	**1,405,974**	**1,467,921**	**140,978**	**1,699,701**	**1,840,679**

(1) On January 28, 2021 Banrisul issued a new subordinated debt (Tier II), in the amount of US$300 million, 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:

	Tax	Labor	Civil	Other	Total
Opening balance at 12/31/2022	**785,394**	**1,624,048**	**220,452**	**1,904**	**2,631,798**
Recognized and Inflation Adjustment	38,870	355,327	69,214	68	463,479
Reversal of Provision	(173)	-	(32)	-	(205)
Write-offs Due to Payment	(7,437)	(384,603)	(34,929)	-	(426,969)
Closing balance at 12/31/2023	**816,654**	**1,594,772**	**254,705**	**1,972**	**2,668,103**
Debtors by Guarantee Deposits at 12/31/2023	138,386	758,516	78,577	-	975,479

	Tax	Labor	Civil	Other	Total
Opening balance at 12/31/2021	**664,483**	**1,275,278**	**217,463**	**158,306**	**2,315,530**
Recognized and Inflation Adjustment	122,619	642,369	79,245	2,527	846,760
Reversal of Provision	(531)	(829)	(25,002)	(158,929)	(185,291)
Write-offs Due to Payment	(1,177)	(292,770)	(51,254)	-	(345,201)
Closing balance at 12/31/2022	**785,394**	**1,624,048**	**220,452**	**1,904**	**2,631,798**
Debtors by Guarantee Deposits at 12/31/2021	116,801	592,423	68,827	-	778,051

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$789,270 (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$1,708 (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$610,991 (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$348,771 (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$323.317 (12/31/2022 - R$304,358), and as of probable loss, the amount of R$25,454 (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 2023, a provision of R$9,671 (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 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$660,347 (12/31/2022 - R$494,005) have been deposited in an escrow account. Additionally, R$98,169 (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$1,652,210 (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

Civil lawsuits involving the Bank are, for the most part, filed by customers and users who intend to: (1) cancel or release themselves from debts that the debtor does not recognize or that they claim are undue; (2) review bank debts and question illegal charges and abusive interest; (3) obtain compensation for material and moral damages resulting from banking products and services and (4) recover inflationary purges relating to Economic Plans on financial investments (Bresser Plan, Verão Plan and Collor Plans I and II).

Estimates of the results and financial impact of these actions are defined by the nature of the demands, the judgment of the Bank's management, based on the opinion of legal advisors and elements of the processes, also considering the complexity and experience of similar cases.

The bank provisions civil demands in accordance with its Provision Policy, which uses individualized or mass criteria, according to the nature, object and basis of the actions, aiming to facilitate the control and management of provisions.

Mass demands are those that do not have a court decision and that, depending on the type and object of the action, as well as case law, the bank classifies them as having probable, possible or remote risk. For some demands that, even

without a decision, are classified as probable, the bank estimates an average value of the historical cost of conviction and failure, generating an average ticket value that may have to be paid. This value is reviewed after the judicial decision on the merits, to adapt the probability of loss, in cases of the action being unfounded or changes in the provision values in cases of conviction of the bank.

Individual demands are those that the bank understands do not fit the mass litigation rule, either due to their nature or object, when they are in the initial phase, and also those that already have a favorable or unfavorable decision that impacts the risk classification and the provision values.

From the previously mentioned allowance, the amount of R$77,027 (12/31/2022 - R$67,632) has been deposited in court and in the Consolidated R$78,577 (12/12/2022 – R$68,827)

There is also the amount of R$288,392 (12/31/2022 - R$721,194) and in the Consolidated of R$288,571 (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$1,972 (12/31/2022 – R$1,904).

NOTE 23 – OTHER FINANCIAL LIABILITIES

	Up to 12 Months	Over 12 Months	Total as of 12/31/2023	Up to 12 Months	Over 12 Months	Total as of 12/31/2022
Interbank Relations	35,634	-	35,634	34,772	-	34,772
Interbranch Relations	274,594	-	274,594	360,449	-	360,449
Foreign Exchange Portfolio	946,663	-	946,663	1,102,688	-	1,102,688
Trading and Intermediation of Values	2,787	-	2,787	53,667	-	53,667
Financial Subordinated Letters – LFS (1)	5,640,084	-	5,640,084	4,283,259	-	4,283,259
Creditors for Resources to be Released	191,804	-	191,804	108,595	-	108,595
Payable Card Transactions	1,767,523	-	1,767,523	1,485,453	-	1,485,453
Acquiring Payable Liabilities	2,416,922	-	2,416,922	2,232,034	-	2,232,034
Leasing Obligations	80,997	133,746	214,743	96,581	164,919	261,500
Other	55,862	3,508	59,370	138,906	4,916	143,822
Total	**11,412,870**	**137,254**	**11,550,124**	**9,896,404**	**169,835**	**10,066,239**

(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	12/31/2022
Allowance for Impairment Losses of Financial Assets	1,528,122	464,976	(384,584)	1,608,514
Provision for Labor Contingencies	730,560	146,132	(159,334)	717,358
Provision for Tax Contingencies	219,066	18,814	(4,785)	233,095
Provision for Civil Contingencies	98,931	31,360	(15,987)	114,304
Adjustments Marked to Market – MTM	202,250	67,032	(268,794)	488
Benefits Post Employment	244,672	118,789	(59,536)	303,925
Other Temporary Provisions	191,604	151,719	(178,950)	164,373
Tax Loss	212,877	1,082	(2,112)	211,847
Leases – IFRS 16 (1)	-	133,903	(45,397)	88,506
Total Tax Credits on Temporary Differences	**3,428,082**	**1,133,807**	**(1,119,479)**	**3,442,410**
Deferred Tax Liabilities	(567,664)	(282,075)	437,155	(412,584)
Tax Assets, Net of Deferred Liabilities	**2,860,418**	**851,732**	**(682,324)**	**3,029,826**

(1)Refers to deferred tax on lease transactions, Rights of Use Assets and Lease Liabilities – Amendment to IAS12 (Note 24(b) and Nota 2.2 (a)).

The expected settlement of these credits are as follows:

Year	Income tax	Social Contribution - CSLL	Total Registered
2024	454,688	363,751	818,439
2025	347,043	277,634	624,677
2026	297,512	238,010	535,522
2027	275,938	220,751	496,689
2028	315,044	252,035	567,079
2029 to 2030	133,684	106,947	240,631
2031 to 2033	88,541	70,832	159,373
Total on 12/31/2023	**1,912,450**	**1,529,960**	**3,442,410**
Total on 12/31/2022	**1,904,490**	**1,523,592**	**3,428,082**

The total present value of the tax credits is R$2,670,736 (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:

	12/31/2023	12/31/2022
Depreciation Surplus	7,104	7,803
Securities at Fair Value through Other Comprehensive Results	4,266	1,686
Adjustment MTM Subordinated Debt - Hedge Accounting	30,946	823
Variation in the Fair Value of Subordinated Debt - Hedge Accounting	16,408	194,362
Renegotiated Operations Law No, 12715/12	208,033	273,547
Actuarial Surplus	57,321	89,443
Leases – IFRS 16 (1)	88,506	-
Total	**412,584**	**567,664**

(1)Refers to deferred tax on lease transactions, Rights of Use Assets and Lease Liabilities – Amendment to IAS12 (Note 24(b) and Nota 2.2 (a)).

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

	12/31/2023	12/31/2022
Collection of Taxes and Similar	12,079	12,429
Social and Statutory Obligations	224,229	129,581
Personnel Expenses Provision	153,474	273,870
Liabilities under Official Agreements and Payment Services	137,605	127,765
Domestic Creditors	223,128	295,087
Actuarial Liabilities - Post-Employment Benefit (1)	776,628	657,110
Provisions for Outgoing Payments	143,233	181,525
Anticipated Income	126,987	139,378
Other	5,478	5,537
Total	**1,802,841**	**1,822,282**

(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 December 31, 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	%
Rio Grande do Sul State	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Shareholding on 12/31/2022	-		-		-		-	
Shares Conversion and Transfers	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Shareholding on 12/31/2023								
Executive Officers, Board of Directors and Committee Members								
Shareholding on 12/31/2022	58	-	30	-	3,005	-	3,093	-
Shares Conversion and Transfers	10,247		(30)		(2,900)		7,317	-
Shareholding on 12/31/2023	10,305	-	-	-	105	-	10,410	-
Free Float								
Shareholding on 12/31/2022	3,839,424	1.87	621,582	45.27	202,533,540	100	206,994,546	50.61
Shares Conversion and Transfers	(10,247)		30	-	2,900	-	(7,317)	-
Shareholding on 12/31/2023	3,829,177	1.87	621,612	45.27	202,536,440	100	206,987,229	50.61
Outstanding Shares on 12/31/2022	**205,064,841**	**100.00**	**1,373,091**	**100.00**	**202,536,545**	**100.00**	**408,974,477**	**100.00**
Shares Conversion and Transfers	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Outstanding Shares on 12/31/2023	**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) Treasury Shares - Opening of Share Buyback Program

Banrisul opened its first Share Buyback Program with the aim of maximizing the generation of value for shareholders through efficient management of the Capital structure. The acquisition of up to 10,126,677 preferred shares is authorized, equivalent to 5% of preferred shares issued in-house, without reducing the value of the share capital, for maintenance in treasury, cancellation or replacement on the market. The 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, which were placed back on the market in the fourth quarter of 2023**.**

(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 2023 (01/01 to 12/31/2022 - R$345,520), 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 (01/01 to 12/31/2022 - R$155,484) (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%.

The distribution of dividends and interest on equity is shown in the table below:

	01/01 to 12/31/2023	01/01 to 12/31/2022
Period Net Income in BRGAAP	**870,104**	**714,934**
Adjustment		
Legal Reserve	(43,505)	(35,747)
Dividend Calculation Basis	**826,599**	**679,187**
Mandatory Minimum Dividend 25%	206,650	169,797
Additional Dividend 25% (15% in 2021)	206,649	169,797
Total Dividends	**413,299**	**339,594**
A) Interest on Equity Paid	**338,373**	**324,768**
Common Shares (R$844.81828 per thousand shares)	180,508	173,242
Preferred Shares A (R$853.01173 per thousand shares)	1,209	1,171
Preferred Shares B (R$844.81828 per thousand shares)	178,283	171,107
Withholding Income Tax related to Interest on Equity	(21,627)	(20,752)
B) Dividendos Provisionados	**74,926**	**14,826**
Common Shares (R$36.24072 per thousand shares)	37,556	7,431
Preferred Shares A (R$39.86479 per thousand shares)	277	55
Preferred Shares B (R$36.24072 per thousand shares)	37,093	7,340
Total Interest on Equity and Dividends (A+B)	**413,299**	**339,594**

NOTE 27 – NET INTEREST INCOME AND SIMILAR

	01/01 a 31/12/2023	01/01 a 31/12/2022
Interest and Similar Income	**14,881,916**	**12,936,842**
Compulsory Deposits at Central Bank of Brazil	1,291,073	1,153,823
Financial Assets Measured at Fair Value	641,254	753,262
Financial Assets Measured at Amortized Cost	12,949,589	11,029,757
Interbank Liquidity Applications	730,563	832,272
Securities	4,151,394	3,607,243
Loans	8,067,350	6,553,839
Other Financial Assets	282	36,403
Interest and Similar Expenses	**(9,858,879)**	**(8,714,532)**
Net Result from Financial Liabilities at Fair Value	20,191	62,406
Net Result from Financial Liabilities at Amortized Cost	(9,879,070)	(8,776,938)
Deposits	(6,574,376)	(5,952,744)
Money Market Funding	(1,927,142)	(1,723,184)
Funds from Acceptance and Issuance of Securities	(458,409)	(252,589)
Lendings and Onborrowings	(208,719)	(286,113)
Other Financial Liabities	(710,424)	(562,308)
Net Total	**5,023,037**	**4,222,310**

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

	01/01 to 12/31/2023	01/01 to 12/31/2022
Net Gains (Losses) with Financial Liabilities at Fair Value through Profit and Losses	(395,452)	385,248
Net Gains (Losses) with Financial Assets at Fair Value through Profit and Losses	83,375	(10,141)
Gains (Losses) with Derivatives	(113,391)	(725,229)
Total	**(425,468)**	**(350,122)**

NOTE 29 – REVENUES FROM FEES AND SERVICES

	01/01 to 12/31/2023	01/01 to 12/31/2022
Asset Management	85,825	81,822
Income from Bill Collection and Custody Services	54,574	67,924
Income from Management of Sales Poll Groups	131,419	99,141
Banrisul Pagamentos Service Revenues	817,337	741,902
Check Returns	11,639	11,069
Account Debits	52,035	50,245
Collection Services	40,345	45,997
Insurance Commissions	287,883	266,831
Credit Cards	127,306	52,544
Bank Fees from Checking Accounts	547,643	575,771
Revenue from Services in Foreign Exchange Operations	66,178	42,211
Other Income	57,791	72,466
Total	**2,279,975**	**2,107,923**

NOTE 30 – PERSONNEL EXPENSES

	01/01 to 12/31/2023	01/01 to 12/31/2022
Salary [(1)]	1,245,460	**1,278,031**
Benefits[(1)]	411,242	**375,274**
Social Charges	519,464	**498,022**
Profit Sharing	5,263	**4,452**
Trainings	252,181	**183,511**
Total	**2,433,610**	**2,339,290**

(1) The amount of R$119,814 is included in the Direct Remuneration and Benefits expenses, referring to the incentives granted and provisioned under the PDV – Voluntary Termination Program in 2022.

NOTE 31 – OTHER ADMINISTRATIVE EXPENSES

	01/01 to 12/31/2023	01/01 to 12/31/2022
Communications	50,467	**51,059**
Data Processing and Telecommunications	177,207	**157,374**
Surveillance, Security and Transportation of Values	137,232	**135,237**
Amortization and Depreciation	370,821	**353,191**
Rentals and Condominiums	48,413	**39,310**
Supplies	12,361	**16,738**
Third Party Services	260,710	**304,821**
Specialized Technical Services	223,747	**183,420**
Advertising [1]	139,352	**116,255**
Maintenance	68,058	**64,346**
Water, Energy and Gas	29,856	**33,674**
Financial System Services	40,927	**35,658**
Others	97,736	**83,356**
Total	**1,656,887**	**1,574,439**

(1) Comprises mainly institutional advertising of R$49,579 (12/31/2022 - R$41,924) and sponsorship of sport events and clubs of R$68,753 (12/31/2022 - R$57,750).

NOTE 32 – OTHER OPERATING INCOME

	01/01 to 12/31/2023	01/01 to 12/31/2022
Recovery of Charges and Expenses	24,196	**27,261**
Reversal of Provisions	5,997	**10,632**
Interbank Fees	30,960	**24,823**
Credit Receivables Securities	18,032	**16,228**
Update on Deposits Judicial	95,884	**146,408**
Other Revenues From Cards	13,079	**14,634**
Reversal of Provisions for Payables	13,432	**25,479**
Acquiring Revenues for Prepayment of Receivables[1]	70,662	**61,589**
Income from POS Rentals	60,265	**48,588**
Write-off of Investments Abroad[2]	113,210	**170,558**
Income from Bonus Shares of CIP Demutualization	-	**18,986**
Update of Taxes to be Compensated	-	**50,280**
Salary Variation Compensation Fund Revenue - FCVS	38,821	**36,462**
Update of Actuarial Assets	17,969	-
Other	58,663	35,535
Total	**561,170**	**687,463**

(1) From July 2023 onwards, revenues were reclassified to the explanatory note of Revenue from Services Provision under the heading Revenue from Banrisul Payments Services.

(2) Refers to the reclassification of the exchange rate variation on investment in a subsidiary abroad, previously accounted for in Other Comprehensive Income, due to the termination of activities and return of capital to the parent company, which took place in the 2nd quarter of 2022.

NOTE 33 – OTHER OPERATING EXPENSES

	01/01 to 12/31/2023	01/01 a 12/31/2022
Discounts Granted on Debt Restructurings	73,065	53,913
Expenses on Collection of Federal Taxes	18,833	8,887
Expenses on Cards	12,049	12,771
Fees from INSS Covenant	282,312	194,059
Costs with Payroll Loans Covenant	25,776	21,710
Banrisul Advantage Membership Program Bonus	65,622	50,735
Costs with Payroll Loans Covenant	6,619	6,304
Inflation Adjustment on Financing Release	11,093	13,336
Fee Losses Not Received	23,561	20,955
Update of Actuarial Obligations	29,145	55,934
Expenses with Robberies and Theft	17,235	-
Payroll Processing Services	23,080	-
Other	73,647	81,203
Total	**662,037**	**519,807**

NOTE 34 – INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of Income Tax and Social Contribution Expenses/Income

	1/01 to 12/31/2023	1/01 to 12/31/2022
Income for the Period before Taxes and Profit Sharing	**1,177,645**	**760,426**
Income Tax (IRPJ) - Rate 25%	(294,411)	(190,107)
Social Contribution Tax (CSLL) - Rate of 9%	(89,433)	(74,166)
Social Contribution Tax (CSLL) – Rate 15%	(5,330)	(3,734)
Social Contribution Tax (CSLL) – Rate 20%	(7,155)	(35,303)
Total Income and Social Contribution Taxes calculated at Current Rate	**(396,329)**	**(303,310)**
Exchange Variation on Divestment Abroad	30,687	76,751
Employee Profit Sharing	113,314	82,736
Interest on Equity	281,700	155,484
Equity Result	46,084	36,480
Other Additions, Net of Exclusions	(82,825)	33,675
Interest on Equity Received	(157,842)	-
Total Income Tax and Social Contribution	**(165,211)**	**81,816**
Current	(246,232)	(323,415)
Deferred	81,021	405,231

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.

	01/01 to 31/12/2023	01/01 to 31/12/2022
Net Income Attributable to Controlling Shareholders – R$ Thousand	**1,011,454**	**841,823**
Common Shares	507,614	422,011
Preferred A Shares	3,634	3,004
Preferred B Shares	500,206	416,808
Weighted Average of Outstanding Shares	**408,510,350**	**408,974,477**
Weighted Average Number of Outstanding Common Shares	205,064,841	205,064,841
Weighted Average Number of Outstanding Preferred A Shares	1,373,091	1,373,091
Weighted Average Number of Outstanding Preferred B Shares	202,072,418	202,536,545
Basic and Diluted earnings per Share – R$		
Common Shares	2.48	2.06
Preferred A Shares	2.65	2.19
Preferred B Shares	2.48	2.06

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 for the actuarial calculations arose from interaction with an external actuarial advisory firm which performed the calculations for the Benefit Plans managed by Fundação Banrisul, Executive Board and the representatives of the Decision-making Board of the Foundation and supported by the sponsors of Benefit Plan I and Settled Plan (defined benefit type) and FBPREV, FBPREV II and FBPREV III Plan (variable contribution type) and Plan FBPREV CD ("defined contribution" modality) pursuant to CNPC Resolution No, 30/2018, Previc Instruction No. 23/2023 and Previc Ordinance No. 363/2023.

(a) Key Assumptions

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

Economic Assumptions - 12/31/2023	PBI Plan (% p.a)	Settled Plan (% p.a)	FBPREV Plan (% p.a)	FBPREV II Plan (% p.a)	FBPREV III Plan (% p.a)	Health Plan (% p.a) [1] PAM	POD	PROMED	Retirement Award (% p.a)
Real Actuarial Discount Rate	5.34	5.37	5.35	5.38	5.35	5.44	5.44	5.44	5.35
Expected Real Return on Assets	5.34	5.37	5.35	5.38	5.35	5.44	5.44	5.44	5.35
Real Salary Growth Rate for Active Employees	0.66	n/a	6.06	2.01	0.41	Conforme Plano[2]	n/a	n/a	6.06
Real Growth in Plan Benefits During Receipt	0.30	-	-	-	-	-	1.00	1.00	-
Capacity Factor on Benefits	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	n/a
Capacity Factor on Salaries	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	100.00
Expected Inflation Rate	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Nominal Discount Rate	9.45	9.48	9.46	9.49	9.46	9.55	9.55	9.55	9.46
Expected Nominal Return on Assets	9.45	9.48	9.46	9.49	9.46	9.55	9.55	9.55	9.46
Nominal Salary Growth Rate for Active Employees	4.59	3.90	10.20	5.99	4.33	Conforme Plano[2]	n/a	n/a	10.20
Nominal Growth in Plan Benefits During Receipt	4.21	3.90	3.90	3.90	3.90	3.90	4.94	4.94	3.90

Economic Assumptions - 12/31/2022	PBI Plan (% p.a.)	Settled Plan (% p.a.)	FBPREV Plan (% p.a.)	FBPREV II Plan (% p.a.)	FBPREV III Plan (% p.a.)	Health Plan (% p.a.) [1] PAM	POD	PROMED	Retirement Award (% p.a.)
Real Actuarial Discount Rate	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 [2]	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 [2]	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.

Demographic Assumptions on 12/31/2023	Mortality Table	Mortality Table (Disabled)	Disability Entry Table	Annual Turnover Rate	Option for BPD	Retirement Entry	Family 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 [1]:							
PAM	According to Pension Plan [2]	According to Pension Plan [2]	According to Pension Plan [2]	According to Pension Plan [2]	-	100% in normal retirement according to plan eligibility.	According to Pension Plan [2]
POD	AT-2000 Basic (-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

Demographic Assumptions on 12/31/2022	Mortality Table	Mortality Table (Disabled)	Disability Entry Table	Annual Turnover Rate	Option for BPD	Retirement Entry	Family 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 [1]:							
PAM	According to Pension Plan [2]	According to Pension Plan [2]	According to Pension Plan [2]	According to Pension Plan [2]	-	100% in normal retirement according to plan eligibility.	According to Pension Plan [2]
POD	AT-2000 Basic (-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 December 29, 2023.

Pursuant to CNPC Resolution No, 30/2018, combined with Previc Instruction No. 23/2023 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.

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

The participant's normal contribution consists of just one installment:

(i) Basic installment: can vary between 1% and 6% (0.50% intervals) applied to the participation salary;

In addition to the basic contribution, the participant may make additional monthly and optional contributions, not less than 1% applied to the participation salary, not accompanied by the sponsor.

Banrisul contributes equally to the participants' basic contributions.

Health Plan (PAM, POD and PROMED) - Banrisul offers health plans through CABERGS, to its active employees and retirees by Banrisul Foundation.

Retirement Award (Post-employment Benefits) - Banrisul grants its employees a premium for retirement that is paid in full on the date the employee leaves the company for retirement.

(c) Main Actuarial Risks

Banco do Estado do Rio Grande do Sul and Fundação Banrisul de Seguridade Social together may carry out studies of asset-liability gaps in order to identify transactions in the financial, capital and insurance markets which could reduce or eliminate the actuarial risks of the Plans.

Through its defined benefit plans, the Bank is exposed to a number of risks, the most significant being:

Volatility of Assets - the plan's obligations are calculated using a discount rate that is established based on the profitability of corporate or government bonds, in the absence of an active market; If the event that the plan assets do not achieve such profitability, a deficit is created. The pension plans in Brazil and in the United States maintain a significant proportion of their assets invested in equity, whose yield is expected to exceed the yield of the corporate bonds in the long term, while resulting in volatility and risk in the short term.

Variation in Bond Yields - a decrease in the yield of private or government bonds will result in the increase of the liabilities of the plan, although this variation may be partially offset by an increase in the fair value of securities held by the plans.

Inflation Risk - certain obligations of the Banrisul's pension plans are linked to inflation indexes, and higher inflation will lead to higher level of obligations (though, in many cases, there are limits to the level of inflation adjustments allowed to protect the plan against extreme inflation rates). Most of the plan assets either are not affected (securities with fixed interest) or have a small correlation (equity) with inflation, which means that higher inflation will also result in higher deficits.

Life Expectancy - most of the obligations of the plans is to grant lifetime benefits to participants. Therefore, increases in life expectancy will result in increased obligations of the plans.

(d) Plan Asset Management

The Plan's asset allocations percentage are as follow:

Plans	PB I Plan % Allocated		Settled Plan % Allocated		FBPREV Plan % Allocated		FBPREV II Plan % Allocated		FBPREV III Plan % Allocated		Health Plan % Allocated	
Categories	**Dec23**	**Dec22**	**Dec23**	**Dec22**	**Dec23**	**Dec22**	**Dec23**	**Dec22**	**Dec23**	**Dec22**	**Dec23**	**Dec22**
Cash	0.01	0.03	-	-	0.01	0.01	0.01	-	-	-	0.03	0.12
Fixed Income	70.15	84.97	75.51	77.97	83.56	85.44	79.81	82.69	85.46	89.46	98.26	97.86
Equity	6.92	6.10	4.35	3.95	0.91	1.21	1.84	1.85	5.73	5.21	1.71	2.02
Real Estate	5.48	5.26	3.42	3.40	-	-	1.32	1.43	4.48	4.43	-	-
Other	17.44	3.64	16.72	14.68	15.52	13.34	17.02	14.03	4.33	0.90	-	-
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Defined benefit plan assets include Banrisul shares with a fair value of R$9,681 (12/31/2022 – R$7,322) and rented real state with a fair value of R$156,142 (12/31/2022 - R$143,786).

(e) Actuarial Reviews

The net actuarial liability/(asset) breakdown summary for the fiscal years ended December 31, 2021, prepared based on the actuarial report on December 31, 2023 and 2022, respectively, and in accordance with IAS 19 (R1), is shown below:

Liabilities/(Assets) Recorded in the Balance Sheet with Benefits of:	12/31/2023	12/31/2022
Pension Plans		
Benefit Plan I (PBI)	376,813	353,432
Settled Plan (PBS)	203,355	122,931
FBPREV Plan (FBPREV)	(2)	(2)
FBPREV II Plan (FBPREV II)	(63)	(56)
FBPREV III Plan (FBPREV III)	34,245	29,361
Health Plan (PAM, POD and PROMED)	(110,969)	(188,799)
Retirement Award	162,215	151,386
Total	**665,594**	**468,253**

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

Balance of net Liabilities/(Assets) as of 12/31/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Actuarial Liabilities Assessed in the Actuarial Report	1,248,206	1,445,331	22,044	228,825	351,897	202,311	162,215
Fair Value of Plan Assets	(871,393)	(1,241,976)	(34,021)	(267,653)	(317,652)	(313,280)	-
Deficit/(Surplus)	**376,813**	**203,355**	**(11,977)**	**(38,828)**	**34,245**	**(110,969)**	**162,215**
Effect of Asset Limit	**-**	**-**	**11,975**	**38,765**	**-**	**-**	**-**
Net Actuarial Liabilities/Assets	**376,813**	**203,355**	**(2)**	**(63)**	**34,245**	**(110,969)**	**162,215**

Balance of net liabilities (assets) on 12/31/2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Actuarial Liabilities Assessed in the Actuarial Report	1,248,707	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)	-
Deficit/(Surplus)	**353,432**	**122,931**	**(8,924)**	**(40,009)**	**29,361**	**(385,585)**	**151,386**
Effect of Asset Limit	-	-	8,922	39,953	-	196,786	-
Net Actuarial Liabilities (Assets)	**353,432**	**122,931**	**(2)**	**(56)**	**29,361**	**(188,799)**	**151,386**

Result for the Year of 2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Cost of Current Services	26	-	(2,030)	(304)	(9)	2,085	5,944
Cost of Interest on Actuarial Liabilities	130,439	142,782	1,876	19,552	35,937	20,872	14,205
Expected Return on Plan Assets	(89,961)	(124,868)	(3,282)	(23,783)	(32,339)	(63,174)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	1,090	4,153	-	20,091	-
Total Expense (Income) Recognized in Result for the Year	**40,504**	**17,914**	**(2,346)**	**(382)**	**3,589**	**(20,126)**	**20,149**

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	-
Total Expense (Income) Recognized in Result for the Year	**51,783**	**28,210**	**426**	**(295)**	**5,832**	**(21,563)**	**19,439**

Other Comprehensive Income in 2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
(Gains)/Loss on Plan Assets	2,838	(16,497)	(3,679)	(40,492)	70	324,278	-
(Gains)/Loss on Actuarial Liabilities	9,597	82,553	5,299	46,759	2,987	2,758	16,795
(Gains)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	1,963	(5,341)	-	(216,877)	-
(Gains)/Loss Recognized in Other Comprehensive Income	**12,435**	**66,056**	**3,583**	**926**	**3,057**	**110,159**	**16,795**

Other Comprehensive Income in 2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
(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	-
(Gains)/Loss Recognized in Other Comprehensive Income	**(126,729)**	**(160,159)**	**1,963**	**970**	**(29,093)**	**43,324**	**(9,948)**

Net Actuarial Liabilities (Assets) of the Plan as of 12/31/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Actuarial Liabilities (Assets) at End of Previous Year	353,432	122,931	(2)	(56)	29,361	(188,799)	151,386
Expense/(Revenue) Recognized in Income for the Year	40,504	17,914	(2,346)	(382)	3,589	(20,126)	20,149
(Gains)/Losses Recognized in Comprehensive Income	12,435	66,056	3,583	926	3,057	110,159	16,795
Contributions from the Sponsor	(29,558)	(3,546)	(1,237)	(551)	(1,762)	(12,203)	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	(26,115)
Net Actuarial Liabilities (Assets) at the of Current Year	**376,813**	**203,355**	**(2)**	**(63)**	**34,245**	**(110,969)**	**162,215**

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
Net Actuarial Liabilities (Assets) at End of Previous Year	455,009	258,236	-	(71)	53,159	(199,072)	146,687
Expense/(Revenue) Recognized in Income for the Year	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)
Net Actuarial Liabilities (Assets) at the of Current Year	**353,432**	**122,931**	**(2)**	**(56)**	**29,361**	**(188,799)**	**151,386**

Changes in the Fair Value of Plan Assets as of 12/31/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Fair Value of the Plan Assets as of January 1st	(895.275)	(1.208.491)	(26.602)	(220.984)	(320.217)	(574.384)	-
Benefits Paid from Plan Assets in the Period	199.009	114.982	2.070	18.715	38.289	-	-
Contributions from Plan Participants in the Period	(58.446)	(3.556)	(1.291)	(558)	(1.693)	-	-
Contributions from the Sponsor in the Period	(29.558)	(3.546)	(1.237)	(551)	(1.762)	-	-
Expected Return on Assets	(89.961)	(124.868)	(3.282)	(23.783)	(32.339)	(63.174)	-
(Gain)/Loss on Fair Value of the Plan Assets	2.838	(16.497)	(3.679)	(40.492)	70	324.278	-
Fair Value of the Plan Assets at end of Period	**(871.393)**	**(1.241.976)**	**(34.021)**	**(267.653)**	**(317.652)**	**(313.280)**	**-**

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
Fair Value of the Plan Assets as of January 1st	**(1,031,504)**	**(1,206,243)**	**(20,121)**	**(215,382)**	**(328,299)**	**(530,942)**	**-**
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	-
Fair Value of the Plan Assets at end of Period	**(895,275)**	**(1,208,491)**	**(26,602)**	**(220,984)**	**(320,217)**	**(574,384)**	**-**

Changes in Present Value of Actuarial Liabilities as of 12/31/2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Present Value of Actuarial Liabilities as of January 1st	**1,248,707**	**1,331,422**	**17,678**	**180,975**	**349,578**	**188,799**	**151,386**
Net Cost of Current Service	26	-	(2,030)	(304)	(9)	2,085	5,944
Contributions from Plan Participants in the Period	58,446	3,556	1,291	558	1,693	-	-
Interest on Actuarial Liabilities	130,439	142,782	1,876	19,552	35,937	20,872	14,205
Benefits Paid in the Period	(199,009)	(114,982)	(2,070)	(18,715)	(38,289)	(12,203)	(26,115)
(Gain)/Loss on Actuarial Liabilities	9,597	82,553	5,299	46,759	2,987	2,758	16,795

Present Value of Actuarial Liabilities at End of Period	**1,248,206**	**1,445,331**	**22,044**	**228,825**	**351,897**	**202,311**	**162,215**

Changes in Present Value of Actuarial Liabilities as of 12/31/2022	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Present Value of Actuarial Liabilities as of January 1st	**1,486,513**	**1,464,479**	**15,920**	**182,808**	**381,458**	**199,072**	**146,687**
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)
Present Value of Actuarial Liabilities at end of Period (Restated)	**1,248,707**	**1,331,422**	**17,678**	**180,975**	**349,578**	**188,799**	**151,386**

Result of the Year Projected for the Next Period	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Net Cost of Current Services	45	-	850	(69)	(30)	966	7,122
Cost of Interest on Actuarial Liabilities	112,045	131,654	2,000	20,861	31,637	9,045	13,401
Expected Return on Plan Assets	(78,648)	(112,748)	(3,173)	(24,588)	(28,521)	(14,956)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	1,133	3,679	-	-	-
Estimated Actuarial Expense (Income)	**33,442**	**18,906**	**810**	**(117)**	**3,086**	**(4,945)**	**20,523**

Estimated Cash Flow for the Next Period	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Contributions Paid by the Sponsor	47,654	8,000	436	454	2,592	13,165	-
Contributions Paid by Plan Participants	81,848	8,000	436	454	2,592	-	-
Benefits Paid on Plan Assets	209,286	123,618	1,848	18,435	38,164	13,165	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	42,032

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

Maturity Profile of the Present Value of the Liability	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
2024	209,286	123,618	1,848	18,435	38,164	13,165	42,032
2025	196,862	120,491	1,514	17,739	35,657	12,768	12,800
2026	191,506	119,375	1,525	17,476	34,646	13,082	11,585
2027	185,951	117,947	1,543	17,148	33,592	13,339	10,652
2028	180,166	116,136	1,595	16,852	32,497	13,545	9,582

2029 a 2033			804,922	549,791	8,434	80,302	145,083	69,037	32,010

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

						Health Plan			
Duration (in years)	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**PAM**	**POD**	**PROMED**	**Retirement Award**
12/31/2023	8.14	10.13	9.09	10.57	8.78	According to Pension Plan [1]	9.95	12.55	8.49
12/31/2022	8.10	10.04	9.36	10.18	8.48	According to Pension Plan [1]	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						Health Plan			
on 12/31/2023	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**PAM**	**POD**	**PROMED**	**Retirement Award**
Active	114	318	4,897	2,526	102	1,437	312	7,186	9,138
Assisted	2,884	2,559	106	2,237	1,469	7,366	-	-	-
Retired	-	-	-	-	-	-	3,082	6,556	-
Total	**2,998**	**2,877**	**5,003**	**4,763**	**1,571**	**8,803**	**3,394**	**13,742**	**9,138**

Number of Participants						Health Plan			
on 12/31/2022	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**PAM**	**POD**	**PROMED**	**Retirement Award**
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	-
Total	**3,046**	**2,909**	**5,132**	**4,843**	**1,602**	**8,933**	**3,434**	**14,128**	**8,683**

(f) Sensitivity Analysis

The assumptions adopted for the actuarial valuation of the defined benefit plan have a significant effect on the amounts reported, The following tables show the impact on the calculation of benefits considering changes in the assumptions considered in the last actuarial revaluation performed for each post-employment benefit,

Benefit Plan I (PBI)		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(47.188)
Discount Rate	Decrease of 0.5 p.p.	43.540
Mortality Table	Increase of 10%	(37.944)
Mortality Table	Decrease of 10%	42.258

Settled Plan (PBS)		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(68.605)
Discount Rate	Decrease of 0.5 p.p.	74.746
Mortality Table	Increase of 10%	(42.442)
Mortality Table	Decrease of 10%	47.940

FBPREV Plan (FBPREV)		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(938)
Discount Rate	Decrease of 0.5 p.p.	1,011
Mortality Table	Increase of 10%	(1,289)
Mortality Table	Decrease of 10%	1,294

FBPREV II Plan (FBPREV II)		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(11,106)
Discount Rate	Decrease of 0.5 p.p.	12,004
Mortality Table	Increase of 10%	(4,047)
Mortality Table	Decrease of 10%	4,474

FBPREV III Plan (FBPREV III)		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(14,112)
Discount Rate	Decrease of 0.5 p.p.	15,256
Mortality Table	Increase of 10%	(10,770)
Mortality Table	Decrease of 10%	12,001

Health Plan		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(10,766)
Discount Rate	Decrease of 0.5 p.p.	11,909
Mortality Table	Increase of 10%	(5,775)
Mortality Table	Decrease of 10%	6,527

Retirement Award		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(6.249)
Discount Rate	Decrease of 0.5 p.p.	6.814
Mortality Table	Increase of 10%	(433)
Mortality Table	Decrease of 10%	434

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, 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 December 31, 2023, the balance of said collected resources, adjusted through the same rules of the savings account, according to Law No. 12,703/12, Article 1 11 of Law No. 9.289/1996 and Article 12 of Law No. 8,177/91, on the balance sheet date amounted to R$14,497,513 (12/31/2022 – R$13,352,105), of which R$9,969,169 (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:

	12/31/2023	12/31/2022
Investment Funds [1]	15,906,178	15,057,700
Investment Funds Consisting of Mutual Fund Units	79,905	65,603
Equity Funds	187,096	206,519
Individual Retirement Programmed Funds	10,042	10,738
Fund to Guarantee Liquidity of the Debt Securities of Rio Grande do Sul State	11,802,070	7,489,225
Managed Portfolios	592,119	524,225
Total	**28,577,410**	**23,354,010**

(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 155 buyers' pools (161 in December 31, 2022), including real estate, motorcycles, vehicles and tractors, comprising 83,283 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) 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)	
	12/31/2023	12/31/2022	01/01 to 12/31/2023	01/01 to 12/31/2022
Government of State of Rio Grande do Sul	**(13,840,882)**	**(8,697,201)**	**(1,279,193)**	**(1,114,550)**
Other Assets	4,226	4,288	-	27
Funding from Costumers	(2,000,905)	(1,199,429)	-	-
Money Market Funding [1]	(11,802,070)	(7,489,225)	(1,279,193)	(1,114,577)
Other Financial Liabilities at Amortized Cost	(5,028)	(5,471)	-	-
Other Liabilities	(37,105)	(7,364)	-	-
Fundação Banrisul	**(31,368)**	**(31,458)**	-	**-**
Other Financial Liabilities at Amortized Cost	(31,254)	(31,435)	-	-
Other Liabilities	(114)	(23)	-	-
Total	**(13,872,250)**	**(8,728,659)**	**(1,279,193)**	**(1,114,550)**

(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 and Risk Committee and Social, Environmental and Climate Responsibility Committee as stated in Banrisul bylaws.

	01/01 to 12/31/2023	01/01 to 12/31/2022
Short Term Benefits	**24,689**	**22,832**
Salaries	19,001	17,447
Social Security	5,688	5,385
Post-Employment Benefits	**650**	**684**
Social Security [1]	650	684
Total	**25,339**	**23,516**

(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 December 30, 2023, members of the Executive Board, the Board of Directors, the Supervisory Board, the Audit Committee, the Compensation Committee, the Risk Committee and Risk Committee and Social, Environmental and Climate Responsibility Committee hold 10,410 Banrisul's shares, according to Note 26 (a).

NOTE 39 – OTHER INFORMATION

Gaap Differences in Consolidated Financial Statements under IFRS vs Individual Financial Statements in accordance with 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 statements in IFRS and those applied in the individual financial statements in accordance with 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	Financial Statements under IFRS
1 - Effective Rate of Credit Operations and Financial Leasing	
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.
2 Financial Instruments and Disclosure	
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).
3 – Provision for Expected Loss of Financial Assets	
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).
4 – Leases – IFRS 16	
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.
5 - IR/CS Deferred (assessment of deferred taxes on GAAP adjustments)	
The tax credit or tax liability for deferred income tax and social contribution was 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 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 right-of-use assets and lease liabilities (Note 2.2 (a)).
6 - Secure Contracts – IFRS 17	
Not Required	IFRS 17 replaces IFRS 4 and establishes principles for recognition, measurement and presentation of insurance contracts. Banrisul does not have operations that are within the scope of the insurance contract standard, however, Rio Grande Seguros e Previdência S.A., an indirect operating investee, is affected by the aforementioned accounting standards. In this way, Banrisul recognized, through Equity Equivalence, the effects of applying the standard in the aforementioned company's insurance contracts.
7 - Specific Disclosure Requirements in Explanatory Notes	
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:

	12/31/2023			12/31/2022		
Balance Sheet	**BRGAAP**	**Adjustment**	**IFRS**	**BRGAAP**	**Adjustment**	**IFRS**
Total Assets	**125,063,684**	**603,323**	**125,667,007**	**113,166,188**	**493,602**	**113,659,790**
Financial Assets at Amortized Cost	90,902,965	426,241	91,329,206	80,718,185	292,413	81,010,598
Interbank Liquidity Applications [3]	6,167,236	(10)	6,167,226	3,521,400	(129)	3,521,271
Securities [2] [3]	33,624,096	(20,520)	33,603,576	30,492,530	(20,803)	30,471,727
Credit operations [1] [3]	53,683,840	74,728	53,758,568	49,144,077	131,230	49,275,307
(Credit operations) [1] [3]	(2,572,207)	372,043	(2,200,164)	(2,439,822)	182,115	(2,257,707)
Other Assets [4]	520,472	1,756	522,228	664,621	1,297	665,918
Tax Assets (Deferred) [5]	3,677,620	(64,991)	3,612,629	3,633,690	(76,480)	3,557,210
Investments	175,584	2,571	178,155	163,149	-	163,149
Fixed Assets [4]	601,354	238,229	839,583	520,578	276,785	797,363
Intangible [4]	621,734	(483)	621,251	664,112	(413)	663,699
Total Liabilities	**115,394,793**	**406,441**	**115,801,234**	**103,746,061**	**393,423**	**104,139,484**
Financial Liabilities at Amortized Cost	11,344,222	205,902	11,550,124	9,813,826	252,413	10,066,239
Other Financial Liabilities [4]	11,344,222	205,902	11,550,124	9,813,826	252,413	10,066,239
Provision for Expected Loss [3]	2,411	112,033	114,444	6,258	141,010	147,268
Loan Commitments	1,758	112,114	113,872	1,963	141,045	143,008
Financial Guarantees	653	(81)	572	4,295	(35)	4,260
Other Liabilities [4]	586,806	88,506	675,312	807,899	-	807,899
Net worth	**9,668,891**	**196,882**	**9,865,773**	**9,420,127**	**100,179**	**9,520,306**
Profit Reserves	4,760,864	196,513	4,957,377	4,320,559	55,163	4,375,722
Other Comprehensive Results	(303,874)	369	(303,505)	(111,177)	45,016	(66,161)

	01/01 to 12/31/2023			01/01 to 12/31/2022		
Income Statement	**BRGAAP**	**Adjustments**	**IFRS**	**BRGAAP**	**Adjustments**	**IFRS**
Income with Interest and Similar [1]	14,938,418	(56,502)	14,881,916	12,890,710	46,132	12,936,842
Interest and Similar Expenses [4]	(9,849,936)	(8,943)	(9,858,879)	(8,708,964)	(5,568)	(8,714,532)
Net Income with Interest and Similar	**5,088,482**	**(65,445)**	**5,023,037**	**4,181,746**	**40,564**	**4,222,310**
Losses with Financial Assets (*Impairment*)	(878,048)	219,307	(658,741)	(558,135)	59,800	(498,335)
Loans	(881,015)	189,928	(691,087)	(572,715)	106,321	(466,394)
Other Assets	2,967	29,379	32,346	14,580	(46,521)	(31,941)
Other Administrative Expenses [4]	(1,674,174)	17,287	(1,656,887)	(1,583,517)	9,078	(1,574,439)
Result of Participation in Affiliates	102,410	2,202	104,612	81,068	-	81,068
Other Operational Income	516,154	45,016	561,170	620,738	66,725	687,463
Income before Income Tax	**959,278**	**218,367**	**1,177,645**	**584,259**	**176,167**	**760,426**
Income Tax and Social Contribution [5]	(88,194)	(77,017)	(165,211)	131,094	(49,278)	81,816
Net Income	**871,084**	**141,350**	**1,012,434**	**715,353**	**126,889**	**842,242**

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

Executive Board

FERNANDO GUERREIRO DE LEMOS
Chief Executive Officer

LUIZ GONZAGA VERAS MOTA
Deputy CEO

CARLOS ALUISIO VAZ MALAFAIA
ELIZABETE REJANE SODRÉ TAVARES
FERNANDO POSTAL
GASPAR SAIKOSKI
IRANY DE OLIVEIRA SANT'ANNA JUNIOR
IVANOR ANTONIO DURANTI
MÁRCIA ADRIANA CELESTINO
Officers

Board of Directors

ITANIELSON DANTAS SILVEIRA CRUZ
Chairman

FERNANDO GUERREIRO DE LEMOS
Vice Chairman

ADRIANO CIVES SEABRA
EDUARDO CUNHA DA COSTA
IRANY DE OLIVEIRA SANT'ANNA JUNIOR
JOÃO VERNER JUENEMANN
JORGE LUIS TONETTO
LUIZ GONZAGA VERAS MOTA
MARCELO WILLMSEN
RAFAEL ANDRÉAS WEBER
RAMIRO SILVEIRA SEVERO
Board Members

WERNER KÖHLER
Accountant CRCRS 38,534

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