Financial Statements

December/2021

Banrisul

CEO MESSAGE

Banrisul's essence lies in its people. As a financial agent that promotes the economic and social development of Rio Grande do Sul, we are committed to our people: to integrate with the communities in which we operate, providing services with excellence, in a profitable, solid and competitive manner.

This means that we need to be attentive to what society asks for — not just to follow market trends, but mainly to serve and serve people. And that call has led us to place special emphasis in 2021 on two pillars: innovation and sustainability.

Towards our centenary, we have a history of tradition. Which does not mean that we should stop following the steps of the transformation that the world is going through. On the contrary: we understood that there was a lot to be done and to move forward in this direction.

Innovation was part of our year not as an end in itself. In concrete actions, we created initiatives such as BanriHub, which supports actions and projects that enhance the innovative culture in Rio Grande do Sul. One of them was BanriTech, a startup acceleration program that had 30 participants from all over Brazil and which promoted valuable exchanges between entrepreneurs and employees.

The stories of these entrepreneurs encourage us to go further, actively participating in the innovation ecosystem and connecting Rio Grande do Sul startups to ideas and movements from around the world – from Israel to Silicon Valley. We are co-founders of Instituto Caldeira, a hub of connections between agents in this ecosystem, and master sponsors of NAVI, which encourages solutions centered on Artificial Intelligence and emerging technologies. Also in 2021, we inaugurated our new Data Center, created based on the best market practices, always focusing on high availability, energy efficiency, safety and socio-environmental responsibility.

Listening to people, understanding their expectations and acting on their needs has become even more important in the pandemic context. This scenario required a quick adaptation to remote working and a commitment to offer adequate solutions to customers, especially digital solutions. From our app, we make it possible to open a checking account completely remotely, simplify the quotation and contracting of car insurance and allow the anticipation of the FGTS anniversary withdrawal. Another outstanding project was the Banrisul Log Único gov.br Integration, facilitating logged access to .gov portals through authentication via the Banrisul Digital application.

> One of the great forces of Rio Grande do Sul and Brazilian economy, agribusiness was at the center of our actions in 2021

One of the great strengths of the state and Brazilian economy, agribusiness was at the center of our actions in 2021. In all corners of the state, we were alongside the rural producer, the agricultural technician and the employees of our agencies in a great effort to improve the credit granting journey. With smart and innovative solutions, we received awards in the user experience categories.

But, in addition to financial strength, Banrisul wants to become an example of sustainable management. We are committed to combining good financial results with the creation of a positive impact on the environment, the social environment and our own workforce.

One of our roles in society is to inspire positive change across the marketplace. Therefore, sustainability is part of Banrisul's strategy and is present in our decisions. We incorporate environmental and social guidelines into our daily activities, following the guidelines of the Social and Environmental Responsibility Policy.

In accordance with our strategic planning, in the Strength of People pillar, we support projects that benefit society and develop best practice actions in people management. Attentive to the well-being of our employees, we seek to improve the work environment and the relationship with the internal public. In our commitment to Sustainable Development, we prioritize actions that encourage a low-carbon economic system. And in our Governance process, we created the Sustainability Committee to connect the topic with the other deliberative committees.

For 2022, we project the structuring of a Statutory Committee, which will advise the Board of Directors on ESG guidelines. And, in order to implement important measures in eco-efficient management, as well as encourage the creation of a new corporate culture, we institutionalized an exclusive area, under my direct coordination, to lead advances in this area: the Sustainability Management.

It is part of our culture of transparency to the market to disclose our advances in sustainability actions in the presentation of results, something that has been happening for more than two decades. We enhanced this commitment with periodic disclosures on the topic of ESG on social media, in addition to intensifying internal communication to promote the engagement of our staff.

Promoting low carbon business, seeking the transition to a greener economy, is an increasing demand of people. In this context, Banrisul organizes its operating strategies increasingly aligned with the incorporation of climate risk management. Several initiatives contribute to the mitigation of greenhouse gas emissions, such as the Renewable Energy Project, in addition to actions to renew our equipment park. In 2021, Banrisul joined the Brazilian GHG Protocol Program, preparing its first Inventory of greenhouse gases, earning the Silver award. For 2022, we aim to get the Gold award on the Inventory. We also started to report the impact of our activities and operations by joining the CDP, an international climate change reporting initiative.

This is Banrisul's differential: a Bank that grows by being close to people, their needs, their desires and their future.

We are on a path to sustainability by realigning our growth strategies to achieve the goal of net zero emissions, adapting operating models and supply chains, investing in innovation and financing projects linked to the green economy. All this in a context of increasingly connecting Banrisul to the demands and demands of society.

This is Banrisul's differential: a Bank that grows by being close to people, their needs, their desires and their future. A financial institution that evolves around what makes sense for business and the lives of communities—aware of change, acting now to ensure a better tomorrow.

Claudio Coutinho

CEO

Press Release

This Press Release contains forward-looking statements, which not only relate to historic facts but also reflect the targets and expectations of the Company management. The terms “anticipate”, “desire”, “expect”, “project”, “plan”, “intend” and similar words are intended to identify statements that necessarily involve known and unknown risks.

Known risks include uncertainties which are not limited to the impact of competitive services and pricing, acceptance of services by the market, Banrisul’s and its competitors’ services transactions, regulatory approval, currency fluctuations, changes in the mix of the portfolio of services and other risks described in the Company's reports. This Press Release is up to date and Banrisul may or may not update it with new information and/or future events.

Economic and Financial Indicators

Main Income Statement Accounts - R$ Million	2021	2020	4Q2021	3Q2021	2Q2021	1Q2021	4Q2020	2021/ 2020	4Q2021/ 3Q2021
Net Interest Income	4,845.6	5,262.8	1,173.3	1,215.8	1,249.1	1,207.3	1,462.4	-7.9%	-3.5%
Provisions for Expected Losses Associated with Credit Risk Expenses	787.8	1,501.5	155.7	284.5	217.8	129.8	401.3	-47.5%	-45.3%
Financial Income	8,212.2	8,233.2	2,533.8	2,446.7	1,291.7	1,939.9	1,510.6	-0.3%	3.6%
Financial Expenses	3,366.6	2,970.4	1,360.5	1,230.9	42.6	732.6	48.2	13.3%	10.5%
Income from Services and Fees	1,972.2	1,955.4	515.6	495.7	482.3	478.5	521.3	0.9%	4.0%
Adjusted Administrative Expenses (1)	3,665.7	3,599.0	976.5	930.9	888.5	869.7	905.0	1.9%	4.9%
Adjusted Other Expenses	1,041.3	891.0	279.5	300.5	209.0	252.3	230.1	16.9%	-7.0%
Adjusted Other Income	530.7	457.9	198.6	121.8	110.4	99.8	148.2	15.9%	63.1%
Adjusted Net Income	990.4	824.8	258.0	171.5	281.9	278.9	329.7	20.1%	50.5%
Net Income	948.5	727.5	247.8	156.6	265.2	278.9	232.3	30.4%	58.2%
Main Balance Sheet Accounts - R$ Million	**Dec 2021**	**Dec 2020**	**Dec 2021**	**Sep 2021**	**Jun 2021**	**Mar 2021**	**Dec 2021**	**Dec 2021/ Dec 2020**	**Dec 2021/ Sep 2021**
Total Assets	104,575.8	91,822.9	104,575.8	101,648.6	98,063.0	95,432.1	91,822.9	13.9%	2.9%
Securities (2)	35,819.4	35,432.6	35,819.4	38,487.4	37,646.2	37,141.4	35,432.6	1.1%	-6.9%
Total Credit Portfolio	41,042.0	37,605.8	41,042.0	38,701.8	36,640.1	36,852.2	37,605.8	9.1%	6.0%
Loan Loss Provision	2,629.8	2,763.1	2,629.8	2,693.3	2,673.3	2,700.7	2,763.1	-4.8%	-2.4%
Past Due Loans > 90 Days	849.2	869.7	849.2	854.1	815.5	891.2	869.7	-2.4%	-0.6%
Funds Raised and Under Management	84,900.0	80,457.7	84,900.0	81,188.1	79,121.1	78,577.4	80,457.7	5.5%	4.6%
Shareholders' Equity	9,048.6	8,346.2	9,048.6	8,749.5	8,654.4	8,581.2	8,346.2	8.4%	3.4%
Prudential Conglomerate Reference Equity	9,021.8	6,821.2	9,021.8	6,831.2	6,697.1	6,694.2	6,821.2	32.3%	32.1%
Average Shareholders' Equity	8,697.4	8,070.3	8,899.0	8,701.9	8,617.8	8,463.7	8,350.6	7.8%	2.3%
Average Total Assets	98,199.3	86,686.2	103,112.2	99,855.8	96,747.5	93,627.5	90,995.1	13.3%	3.3%
Average Profitable Assets	87,482.6	76,228.3	92,318.0	88,386.5	86,145.9	82,820.6	80,219.6	14.8%	4.4%
Stock Market Information - R$ Million	**2021**	**2020**	**4Q2021**	**3Q2021**	**2Q2021**	**1Q2021**	**4Q2020**	**2021/ 2020**	**4Q2021/ 3Q2021**
Interest on Own Capital / Dividends (3)	382.2	218.2	58.7	105.1	125.4	93.1	117.2	75.2%	-44.2%
Market Capitalization	3,946.6	5,958.8	3,946.6	4,768.6	5,423.0	4,924.1	5,958.8	-33.8%	-17.2%
Book Value Per Share	22.13	20.41	22.13	21.39	21.16	20.98	20.41	8.4%	3.4%
Average Price per Share (R$)	12.23	14.45	10.71	12.25	13.01	12.93	13.00	-15.4%	-12.6%
Earnings per Share (R$)	2.32	1.78	0.61	0.38	0.65	0.68	0.57	30.4%	58.2%
Financial Indexes	**2021**	**2020**	**4Q2021**	**3Q2021**	**2Q2021**	**1Q2021**	**4Q2020**		
Adjusted ROAA (pa.) (4)	1.0%	1.0%	1.0%	0.7%	1.2%	1.2%	1.4%		
Adjusted ROAE (pa.) (5)	11.4%	10.2%	11.6%	7.9%	13.1%	13.2%	15.8%		
Adjusted Efficiency Ratio (6)	58.1%	53.0%	58.1%	54.5%	54.0%	53.5%	53.0%		
Net Interest Margin on Profitable Assets (7)	5.54%	6.90%	5.08%	5.50%	5.80%	5.83%	7.29%		
Adjusted Operating Cost	3.5%	3.9%	3.5%	3.5%	3.6%	3.7%	3.9%		
Default Rate > 90 Days (8)	2.07%	2.31%	2.07%	2.21%	2.23%	2.42%	2.31%		
Coverage Ratio 90 days (9)	309.7%	317.7%	309.7%	315.3%	327.8%	303.1%	317.7%		
Provisioning Index (10)	6.4%	7.3%	6.4%	7.0%	7.3%	7.3%	7.3%		
Basel Ratio (Prudential Conglomerate)	18.4%	15.8%	18.47%	14.5%	14.8%	14.8%	15.8%		
Structural Indicators	**Dec 2021**	**Dec 2020**	**Dec 2021**	**Sep 2021**	**Jun 2021**	**Mar 2021**	**Dec 2020**		
Branches (11)	497	507	497	499	500	502	507		
Service Stations	138	182	138	142	156	156	182		
Electronic Service Stations	427	418	427	414	418	426	418		
Employees	9,002	9,280	9,002	9,080	9,156	9,224	9,280		
Economic Indicators	**2021**	**2020**	**4Q2021**	**3Q2021**	**2Q2021**	**1Q2021**	**4Q2020**		
Effective Selic Rate	4.42%	2.76%	1.85%	1.23%	0.79%	0.48%	0.47%		
Exchange Rate (R$/USD - end of period)	5.58	5.20	5.58	5.44	5.00	5.70	5.20		
Exchange Rate Variation (%)	7.39%	28.93%	2.59%	8.74%	-12.20%	9.63%	-7.87%		
IGP-M (General Market Price Index)	17.79%	23.14%	1.54%	0.80%	6.31%	8.27%	7.64%		
IPCA (Extended Consumer Price Index)	10.06%	4.52%	2.96%	3.02%	1.68%	2.05%	3.13%		

(1) Includes Adjusted Personnel Expenses and Other Administrative Expenses.
(2) Includes Derivatives, Interbank Deposits and Cash Equivalents and deduces Repurchase Obligations.
(3) Interest on Own Capital and Dividends paid credited and/or provisioned (before retention of income tax).
(4) Net Income / Average Total Asset. As of 2Q2020, the indicator for the year is obtained by multiplying the division quotient by the number of periods.
(5) Net Income / Average Shareholders' Equity. As of 2Q2020, the indicator for the year is obtained by multiplying the division quotient by the number of periods.
(6) Efficiency Ratio for the last 12 months. Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Income – Other Expenses).
(7) As of 2Q2020, the indicator for the year is obtained by multiplying the division quotient by the number of periods.
(8) Past Due Loans > 90 days / Total Credit Portfolio.
(9) Provisions for Expected Losses Associated with Credit Risk/ Past Due Loans > 90 days.
(10) Provisions for Expected Losses Associated with Credit Risk/ Credit Portfolio.
(11) On June 9, 2021, the Board of Directors approved the voluntary termination of the activities of the Miami branch, started on June 30, 2021.

BUSINESS SCENARIO

Since the beginning of the Covid-19 pandemic, Banrisul has directed efforts to guarantee access to banking services to customers and non-customers, investing in technological improvements and adaptations, in compliance with the health and safety protocols established by the authorities.

Among numerous measures, Banrisul adopted work shift schedules, remote work and on-site service, adjusted the customer service model at the branches, initially scheduling appointments as a preferential way, and made it mandatory due to the worsening of the pandemic; with the evolution of scenario, it was possible to adhere to the hybrid service format. In the fourth quarter, Banrisul kept customer service by demand at branches, more dynamically, safe and comfortable. Employees in the administrative areas, beginning in October had staggered and safely returned to work in person.

Faced with the challenges of the year of 2021, the Bank invested in initiatives to expand the product portfolio and the relationship with customers, to promote administrative efficiency and the economic and social development. The effects of the pandemic and initiatives for the period are detailed in the Management Report, as well as in note to the financial statements.

Following the strategy of revenue diversification and business optimization related to the sale of security products, in January 2021, **Banrisul Corretora de Seguros S.A.** started operations, a wholly-owned subsidiary of the holding company Banrisul Seguridade Participações S.A., a company whose capital is wholly owned by Banrisul. Banrisul Corretora de Seguros gradually absorbed Banrisul's insurance operations.

Also in January 2021, Banrisul issued a **new subordinated debt**, in the amount of US$300 million, with interest of 5.375% p.a. The Notes have a 10-year term, with a 5-year repurchase option. Subordinated Debt was authorized, to make up the Tier II Capital, by the Central Bank of Brazil on October 25, 2021.

Digital transformation through development of new business and technology models has been the path taken by Banrisul. In the year of 2021, iniatives were created, such as **BanriHub,** which supports actions and projects that boost the innovation ecosystem in Rio Grande do Sul, one of them was **BanriTech**, startup acceleration program; in November, at the end of the first acceleration cycle, were known the startups that had the best performance in the Program and were classified on Pitch Day to present their businesses for a board of specialists from Banrisul, Tecnopuc and the innovation ecosystem. In September, BanriTech's physical space, **Hub.Space**, was inaugurated, which will be a coworking for startups. Banrisul also participate in the inauguration and has been contributing as master sponpor to NAVI, a Hub that works promoting statups focusing on Artificial Intelligence and emerging technologies.

Regarding **Open Banking**, in January 2021, the Banrisul implemented Phase 1, referring to the sharing of data from the service channels, products and services available to customers. From August 2021, given the greater complexity, Phase 2 was staggered implemented, which enables the sharing, between Banrisul and other institutions, based on the client's consent, of registration and financial data, in accordance with the Central Bank of Brazil schedule. In October, during Phase 3, the staggered implementation of instant payment (PIX) began and, finally, Phase 4 is under development, with completion expected in March 2022, focusing on data on insurance, investments, exchange operations and accreditation.

Among the advances in **sustainability**, stand out in the period initiatives related to climate change, including the creation of the Sustainability Committee, adherence to the Brazilian GHG Protocol Program, with the official publication of the first greenhouse gas inventory and the receivement of Silver Stamp, as well as projects that contribute to the mitigation of greenhouse gas and contributing to the transition to a low carbon economy, such as the Renewable Energy Project and adherence to CDP - Carbon Disclosure Project. In the fourth quarter, Banrisul began to count on the services of a specialized consultancy to improve the strategic management of sustainability and mitigation of greenhouse gases.

FINANCIAL HIGHLIGHTS

The summary of Banrisul's 2021 and 4Q2021 results are presented below. The Analysis of Performance, Management Report, Financial Statements and the Accompanying Notes are available on the Bank's website, www.banrisul.com.br/ri.

Key Items of the Income Statement - R$ Million

	2021	2020	4Q2021	3Q2021	2Q2021	1Q2021	4Q2020	2021/ 2020	4Q2021/ 3Q2021
Net Interest Income	4.845.6	5.262.8	1.173.3	1.215.8	1.249.1	1.207.3	1.462.4	-7,9%	-3,5%
Loan loss provision expenses	787.8	1.501.5	155.7	284.5	217.8	129.8	401.3	-47,5%	-45,3%
Income from Services and Fees	1.972.2	1.955.4	515.6	495.7	482.3	478.5	521.3	0,9%	4,0%
Adjusted Administrative Expenses	3.665.7	3.599.0	976.5	930.9	888.5	869.7	905.0	1,9%	4,9%
Adjusted Operating Income	1.432.1	1.272.4	366.5	218.5	420.9	426.2	491.7	12,6%	67,7%
Adjusted Net Income	990.4	824.8	258.0	171.5	281.9	278.9	329.7	20,1%	50,5%
Net Income	948.5	727.5	247.8	156.6	265.2	278.9	232.3	30,4%	58,2%

Net income reached R$948.5 million in the year of 2021, 30.4% or R$221.1 million above the net income for the same period in 2020. Net income of 2021 was impacted by the adjustment of the provision for tax contingencies and the associated tax effect, events were treated, for the purposes of income analysis, as not recurrent. **Adjusted net income** for non-recurring events reached R$990.4 million in 2021, 20.1% or R$165.5 million above the net income in 2020. In 4Q2021, adjusted net income totaled R$258.0 million, a decrease of 21.7% or R$71.6 million compared to 4Q2020 adjusted net income and an increase of 50.5% or R$86.5 million from 3Q2021 adjusted net income.

The **adjusted performance** recorded by Banrisul in 2021 compared to 2020 reflects especially (i) lower loan loss provision expenses, (ii) decreased net interest income, (iii) increase in adjusted administrative expenses, and (iv) increase in other adjusted expenses net of other income. In comparison between 4Q2021 and 3Q2021, the adjusted performance reflects, in particular (i) lower loan loss provision expenses, (ii) higher flow in other adjusted income, net of other expenses, (iii) decrease in net interest income (iv) increase in administrative expenses, and (vi) consequent higher volume of income taxes.

Net interest income for 2021 reached R$4,845.6 million, decreasing 7.9% or R$417.1 million compared to 2020, mainly reflecting the increase in interest expenses, in a scenario of increase in Selic Rate. In 4Q2021, net interest income amounted to R$1,173.3 million, a decrease of 3.5% or R$42.5 million compared to 3Q2021, trend that reflects, in particular, a greater increase in interest expenses compared to the increase in interest income, in a context that associates increase in the Selic rate and increase in volume of credit loans.

Loan loss provision expenses reached R$787.8 million in 2021, decreasing 47.5% or R$713.7 million compared to 2020, reflecting, in particular, the rollover of the portfolio by risk rating, impacted by the economic scenario, and the decrease in volume of default credit. In 4Q2021, these expenses totaled R$155.7 million, a decrease of 45.3% or R$128.8 million compared to 3Q2021, due to the rollover of the portfolio by risk rating and the lower recovery of written off credit, which is fully provisioned.

Income from services and banking fees reached R$1,972.2 million in 2021, stable from 2020. In 4Q2021, these revenues amounted to R$515.6 million, increasing 4.0% or R$19.9 million from 3Q2021, mostly due to increase in acquiring network's revenues.

Administrative expenses, comprised of personnel and other administrative expenses, totaled R$3,665.7 million in 2021, mostly stable from 2020. In 4Q2021, administrative expenses totaled R$976.5 million, an increase of 4.9% or R$45.5 million compared to 3Q2021. **Personnel expenses** totaled R$1,906.6 million in 2021, a decrease of 3.2% or R$63.3 million compared to the adjusted expenses of 2020, mostly reflecting the collective wage agreement and the resignation of employees within the Voluntary Termination Plan. In 4Q2021, personnel expenses totaled R$506.5 million, an increase of 4.0% or R$19.3 million compared to 3Q2021, mostly reflecting the collective wage agreement. **Other administrative expenses** totaled R$1,759.1 million in 2021, an increase of 8.0% or R$130.0 million compared to 2020, mainly influenced by the increase in expenses with specialized technical services, third-party services and expenses with amortization and depreciation. In 4Q2021, other administrative expenses totaled R$470.0 million, an increase of 5.9% or R$26.2 million compared to 3Q2021, mainly influenced by the increase in expenses with third-party services, expenses with advertising, promotions and publicity and expenses with rentals and condominium fees.

The reconciliation between reported and managerial net income is presented below, and considers the non-recurring events. ROE, ROA and efficiency ratio are calculated based on adjusted net income.

Accounting Net Income Statement X Adjusted Net Income - R$ Million and %

	2021	2020	4Q2021	3Q2021	2Q2021	1Q2021	4Q2020
Adjusted Net Income	990.4	824.8	258.0	171.5	281.9	278.9	329.7
Adjustments	(41.8)	(97.3)	(10.3)	(14.9)	(16.7)	-	(97.3)
Voluntary Termination Plan (1)	-	(177.0)	-	-	-	-	(177.0)
Provision for Tax Contingencies (2)	(76.0)	-	-	-	(76.0)	-	-
Tax Effects (3)	34.2	79.6	-	-	34.2	-	79.6
Tax Credits – CSLL Law No. 14,183/21 (4)	-	-	(10.3)	(14.9)	25.2	-	-
Net Income	948.5	727.5	247.8	156.6	265.2	278.9	232.4
Adjusted ROAA	1.0%	1.0%	1.0%	0.7%	1.2%	1.2%	1.4%
Adjusted ROAE	11.4%	10.2%	11.6%	7.9%	13.1%	13.2%	15.8%
Adjusted Efficiency Ratio (5)	58.1%	53.0%	58.1%	54.5%	54.0%	53.5%	53.0%

(1) Costs accounted for under the Voluntary Termination Plan refer to 901 employees; of this total, 97.1% or 875 employees had already left the Bank under the Voluntary Termination Plan by the end of December 2021.
(2) Provision arising from the review of parameters and progress of the lawsuit related to income tax and social contribution on the deduction of expenses from the settlement of the actuarial deficit at the Banrisul Social Security Foundation, evoked by the Federal Revenue Service for the period 1998 to 2005 (Note 19b).
(3) Refers to Voluntary Termination Plan and Provision for Tax Contingencies.
(4) Refers to the update of the installments to be realized of deferred tax credits and debts, due to the enactment of Law No. 14,183/21, which increases from 20% to 25% the CSLL rate for the financial sector, in the period between 07/01/2021 and 12/31/2021.
(5) Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Income – Other Expenses). Considers the last 12 months.

Adjusted ROAE reached 11.4% in 2021, 1.2 pp. above adjusted ROAE of 2020, reflecting particularly the lower flow of loan loss provision expenses, trend offset by decrease in net interest income, increase in other adjusted expenses net of other revenues and adjusted administrative expenses.

Adjusted efficiency ratio reached 58.1% in 2021 compared to 53.0% in 2020. The trajectory of the efficiency ratio reflects the decrease of the financial margin and stability in income from services and fees, as well as the increase in other adjusted expenses net of other income, compared to the increase in adjusted administrative expenses.

OPERATIONAL HIGHLIGHTS

Total assets reached R$104,575.8 million in December 2021, an increase of 13.9% or R$12,752.9 million compared to December 2020 and 2.9% or R$2,927.2 million compared to September 2021. The main components of assets and liabilities will be discussed below.

Asset Evolution Statement - R$ Million

	Dec 2021	Sep 2021	Jun 2021	Mar 2021	Dec 2020	Dec 2021/ Dec 2020	Dec 2021/ Sep 2021
Total Assets	104,575.8	101,648.6	98,063.0	95,432.1	91,822.9	13.9%	2.9%
Credit Operations	41,042.0	38,701.8	36,640.1	36,852.2	37,605.8	9.1%	6.0%
Securities (1)	35,819.4	38,487.4	37,646.2	37,141.4	35,432.6	1.1%	-6.9%
Funds Raised and Under Management	84,900.0	81,188.1	79,121.1	78,577.4	80,457.7	5.5%	4.6%
Shareholders' Equity	9,048.6	8,749.5	8,654.4	8,581.2	8,346.2	8.4%	3.4%

(1) Includes derivative financial instruments, interbank investments and cash equivalents, net of repo transactions.

Credit assets reached R$41,042.0 million in December 2021, an increase of 9.1% or R$3,436.2 million compared to December 2020, mainly influenced by the increase of R$1,458.1 million in non-earmarked credit and of R$1,444.5 million in rural loans. Compared to September 2021, the credit portfolio increased 6.0% or R$2,340.2 million mostly influenced by the increase of R$1,388.6 million in non-earmarked credit, of R$424.6 million in rural loans and of R$277.3 million in real estate loans.

Statement of the Credit Portfolio - R$ Million

	Dec 2021	% Total Crédito	Sep 2021	Jun 2021	Mar 2021	Dec 2020	Dec 2021/ Dec 2020	Dec 2021/ Sep 2021
Foreign Exchange	814.5	2.0%	639.6	518.7	502.4	510.4	59.6%	27.3%
Commercial	30,345.5	73.9%	28,956.9	28,059.4	28,136.2	28,887.4	5.0%	4.8%
Individuals	23,129.0	56.3%	22,164.0	21,861.8	21,873.5	22,278.0	3.8%	4.4%
Payroll (1)	18,443.1	44.9%	17,557.3	17,148.4	16,943.5	17,057.1	8.1%	5.0%
Other	4,685.9	11.4%	4,606.7	4,713.3	4,930.0	5,220.9	-10.2%	1.7%
Companies	7,216.4	17.6%	6,792.8	6,197.6	6,262.7	6,609.4	9.2%	6.2%
Working Capital	5,480.5	13.4%	5,073.2	4,563.7	4,527.8	4,873.7	12.4%	8.0%
Other	1,736.0	4.2%	1,719.6	1,633.8	1,734.9	1,735.6	0.0%	1.0%
Long-term Financing	610.3	1.5%	535.3	506.9	530.2	569.1	7.2%	14.0%
Real Estate Financing	4,319.8	10.5%	4,042.5	4,077.6	4,104.9	4,125.6	4.7%	6.9%
Agricultural Financing	4,836.7	11.8%	4,412.1	3,361.0	3,459.3	3,392.2	42.6%	9.6%
Other (2)	115.1	0.3%	115.4	116.5	119.2	121.1	-4.9%	-0.2%
Total	**41,042.0**	**100.0%**	**38,701.8**	**36,640.1**	**36,852.2**	**37,605.8**	**9.1%**	**6.0%**

(1) Credits linked to portfolio acquired in assignment.
(2) Includes leasing and public sector.

Securities, included derivatives, interbank investments and cash availabilities totaled R$46,541.2 million in December 2021, which, deducted of repurchase agreements, presented a net balance of R$35,819.4 million, an increase of 1.1% or R$386.9 million compared to December 2020, mainly reflecting the direction of resources for the increase of 9.1% in the loan portfolio. Compared to September 2021, these investments recorded decrease of 6.9% or R$2,668.0 million, reflecting, especially, the direction of resources for the increase of 6.0% in the loan portfolio, as well as the increase in the amount collected in compulsory deposits at Bacen, due to the increase in the rate of compulsory on time deposits.

Funds raised and under management, comprised of deposits, bank notes, subordinated debt and third-party funds, totaled R$84,900.0 million in December 2021, an increase of 5.5% or R$4,442.3 million in twelve months, influenced by the increase in deposits, subordinated debt, facing the foreign raising that took place in January 2021, and increase in funds under management, trend offset by the decrease in bank notes. In the last three months, funds under management increased 4.6% or R$3,711.9 million influenced, mostly, by the balance of foreign funding, that took place in January 2021, that has been reclassified afther the Bacen authorization to compose Tier II Capital, in October 2021.

Shareholders' equity reached R$9,048.6 million in December 2021, an increase of 8.7% or R$702.4 million compared to December 2020 and of 3.4% or R$299.1 million compared to September 2021. The evolution of equity in both comparatives reflects, in particular, the incorporation of net income, the payment of interest on equity and payment and/or provisioning of dividends, the reassessment of actuarial liabilities on post-employment benefits pursuant to the procedures set forth by CPC 33 (R1) and exchange variation adjustments on the equity of foreign branches.

Banrisul paid and provisioned R$1,010.9 million in **taxes and contributions** in 2021. Taxes withheld and paid, directly levied on financial intermediation and other payments, amounted to R$915.2 million in the period.

Other Indicators - %

	2021	2020	4Q2021	3Q2021	2Q2021	1Q2021	4Q2020
Net Interest Margin	5.54%	6.90%	5.08%	5.50%	5.80%	5.83%	7.29%
Basel Ratio (Prudential Conglomerate)	18.4%	15.8%	18.4%	14.5%	14.8%	14.8%	15.8%
Loan Portfolio Normal Risk / Total Credit	91.6%	89.9%	91.6%	90.9%	90.0%	89.9%	89.9%
Loan Portfolio Risks 1 and 2 / Total Credit	8.4%	10.1%	8.4%	9.1%	10.0%	10.1%	10.1%
Default Rate > 90 Days	2.07%	2.31%	2.07%	2.21%	2.23%	2.42%	2.31%
Cover Ratio > 90 Days (1)	309.7%	317.7%	309.7%	315.3%	327.8%	303.1%	317.7%
Provision Ratio (2)	6.4%	7.3%	6.4%	7.0%	7.3%	7.3%	7.3%

(1) Provisions for Expected Losses Associated with Credit Risk / Past Due Loans > 90 days.
(2) Provisions for Expected Losses Associated with Credit Risk / Credit Portfolio.

The **NIM** decrease from 2020 to 2021 reflects the increase in financial expenses and smaller representativeness in loan portfolio in volume of profitable assets in the period, in a context of increase in Selic Rate.

The **90-day default rate** reached 2.07% in December 2021, decreasing 0.24 pp. in twelve months and 0.14 pp. in three months. The balance of 90-day past due credit reached R$849.2 million in December 2021, decreasing 2.4%

in twelve months and 0.6% in three months. The 90-day past due **coverage ratio** reached 309.7% in December 2021, compared to 317.7% in December 2020 and 315.3% in September 2021. From December 2020 to December 2021, the decrease of the 90-day coverage ratio reflects the proportionally bigger decrease in the balance of loan loss provisions, facing the decrese in overdue loans . In comparison with September 2021, the decrease in coverage ratio reflects, mainly, the decrease in balance of loan loss provisions.

Provision ratio reached 6.4% of the credit portfolio in December 2021, 0.9 pp. below December 2020 and 0.6 pp. above September 2021. Loan loss provisions decreased 4.8% or R$133.3 million in twelve months, due to the rolling over of risk rating levels, influenced by the economic scenario, and the decrease in volume of overdue loans. The portfolio of normal risk loans increased 1.7 pp. from December 2020. In the last quarter, the balance of loan loss provisions were decreased 2.4% or R$63.5 million reflecting the rollover of the portfolio by rating levels; the credit portfolio classified as normal risk increased 0.7 pp. from September 2021.

GUIDANCE

After a challenging period for the business, resulting from the Covid-19 pandemic, the scenario in 2021 was more favorable as vaccination progressed in the country. At Banrisul, credit origination was boosted, in particular, by the last quarter, not only due to the improvement in the economic situation, but also due to changes made in incentives regulation and commercial direction.

In this way, credit portfolio and non-direct lending to companies recorded growth in accordance with the expectations disclosed in the Financial Statements, in addition to growth above expectations for agricultural loans, thus offsetting the lower performance seen in the first half of 2021. Although non-direct lending to individuals has seen robust growth in the last quarter, it was still below the disclosed range due to the later reaction of payroll loans originated by banking correspondents. For 2022, expectations are for higher growth in the credit portfolio, in line with the new commercial direction in pace already observed in the last quarter, with a greater focus on credit to companies and rural producers.

Provision expenses in relation to balance of credit portfolio performed below expectations. With a lower default rate, projections for the next period indicate maintenance of the range for this indicator, as the expectation is that credit portfolio will continue to grow sustainably in collateralized lines, not implying an increase in risk.

In terms of funding, growth in 2021 was below the disclosed range, reflecting the resumption of repressed consumption due to the pandemic and low interest rates. However, the increase in the Selic rate, the main funding index, will reflect the increase in the growth expectation of this portfolio for 2022. For the next year, the indicator was adjusted to include Deposits and Banking Notes, excluding Interbank Deposits.

For the next year, Banrisul will disclose its projections for administrative expenses, which will increase as a result of the salary agreement approved in September 2021, with greater impact in the following year, and the investments necessary for the continuity and improvement of the business. This indicator replaces the Efficiency Ratio, which performed within the expected range, and its projection is discontinued as of 2022.

Likewise, the disclosure replaces the indicator related to the Financial Margin to contemplate the growth in this result line. With the starte of the cycle of high interest rates in 2021 and which should be concluded in the first half of 2022, there will still be short-term pressure on the financial margin to be mitigated with the renewal of loan portfolio balance converging to new interest rates.

Return on Average Equity realized in 2021 was within the expected range. For 2022, net interest income and the increase in administrative expenses (with inflationary effects) will contribute to the relative stability of the expected profitability.

Guidance

	2021			2022
	Projected [3]	**Reviewed** [4]	**Accomplished**	**Projected**
Credit Portfolio	10% to 15%	7% to 12%	9.1%	24% to 29%
Non-direct Lending – Individuals	10% to 15%	5% to 10%	3.8%	19% to 24%
Non-direct Lending – Companies	11% to 16%	8% to 13%	9.2%	33% to 38%
Agricultural Loans	22% to 27%	Maintained	42.6%	35% to 40%
Net Interest Income	-	-	-	4.5% to 8.5%
Provision Expenses / Credit Portfolio	3.5% to 4.5%	2% to 3%	1.9%	2% to 3%
Funding [1]	4% to 8%	Maintained	1.7%	8% to 12%
Administrative Expenses [2]	-	-	-	4% to 8%
Return on Average Equity	10% to 14%	Maintained	11.4%	9% to 13%
Efficiency Ratio	50% to 54%	54% to 59%	58.1%	Discontinued
Net Interest Income / Interest-Earning Assets	6% to 7%	Maintained	5.5%	Discontinued

(1) Funding: Deposits + Resources from bank notes and similar.
(2) Administrative Expenses excluded fee commissions on banking correspondents.
(3) Disclosed in 4Q2020 and maintained in 1Q2021.
(4) Reviewed in 2Q2021 and maintained in 3Q2021.

Porto Alegre, February 15, 2022.

Analysis of Performance

We present the Performance Analysis of Banco do Estado do Rio Grande do Sul S.A. for the year 2021 and the fourth quarter of 2021.

COMPETITIVE MARKET

In the competitive market, Banrisul held, in September 2021, the 11th place in total assets among the banks that make up the National Financial System - SFN; the 11th place in equity; the 10th place in funding (total deposits, open market funding, and obligations arising from loans and transfers); and the 6th place in number of branches, according to the ranking disclosed by the Central Bank of Brazil - BACEN, excluding the BNDES.

Banrisul's time deposits accounted for 2.6516% of the Brazilian market in December 2021, compared to a market share of 2.8536% in December 2020, while the Bank's balance of said deposits rose 2.3% in 12 months, against the 10.0% increase recorded in the National Financial System in the same period. Banrisul's demand deposits accounted for 1.3540% of the national market in December 2021, with a year-on-year rise of 0.0629 p.p. Savings deposits reached 1.1180% of the balance of said funds in the SFN in December 2021, with a year-on-year growth of 0.0539 p.p. The Bank's loan portfolio accounted for 0.8762% of SFN's total credit in December 2021, against the share of 0.9352% in December 2020.

In September 2021, the Bank's balance of loan transactions accounted for 18.3461% of the market of Rio Grande do Sul, with a year-on-year growth of 0.0414 p.p. In September 2021, Banrisul's time deposits accounted for 38.8925% of the regional market, shrinking 2.0831 p.p. in 12 months. Savings deposits reached a share of 12.2260% in September 2021, down 0.0996 p.p. in 12 months. Demand deposits accounted for 24.2765% of the regional market in September 2021, with a growth of 0.6479 p.p. in 12 months.

Competitive Market

	Brazil		Rio Grande do Sul	
	Dec 2021 (1)	Dec 2020	Sept 2021 (2)	Sept 2020
Demand Deposits	1.3540%	1.2911%	24.2765%	23.6286%
Savings Deposits	1.1180%	1.0641%	12.2260%	12.3256%
Time Deposits	2.6516%	2.8536%	38.8925%	40.9756%
Loan Transactions	0.8762%	0.9352%	18.3461%	18.3047%
Number of Branches	2.8055%	2.7028%	32.0539%	31.0499%

(1) Latest information disclosed.
(2) Latest information available.

ANALYTICAL MARGIN

FINANCIAL INTERMEDIATION PERFORMANCE

The analytical margin presented was calculated based on the average balances of assets and liabilities, which were, in turn, calculated based on the final balances of the months making up the respective periods under analysis. The following table describes the income-producing assets and onerous liabilities, the corresponding amounts of income from financial intermediation on assets, financial intermediation expenses on liabilities, as well as actual average rates.

Loan transactions include advances on foreign exchange contracts and leasing, which are demonstrated by the net present value of lease contracts. Income from loan transactions overdue for more than 60 days – regardless of their risk levels – is only recognized as such when it is actually received.

The average balances of short-term interbank investments and funds invested or raised in the interbank market correspond to the redemption amount, less income or expenses to be recognized that are equivalent to future periods. The average balance of deposits, open market funding and obligations arising from loans and transfers include charges that are mandatory up to the closing date of the Financial Statements, recognized on a pro rata basis. Deposit expenses include expenses resulting from contributions made to the Credit Guarantee Fund - FGC.

The margin on interest-earning assets decreased year on year in 2021. The average interest-earning assets and onerous liabilities increased by 14.8%. The 2021 absolute margin shrank by 7.9%, and the relative margin declined by 1.36 p.p. over 2020.

The exchange variation, especially as a result of loan transactions (foreign exchange and financing denominated in foreign currency), derivative financial instruments, subordinated debt, international transfers, and the reduction in the Selic rate have had an impact on the rates of interest-earning assets and onerous liabilities in the period. Besides the economy's basic interest rates on which financial transactions are based, the structure of assets and liabilities, and agreed-upon terms and interest are determining factors to calculate the margin in every reporting period.

Credit assets as part of the total interest-earning assets fell by 3.6 p.p. year on year in 2021, to 39.9%. Marketable securities transactions accounted for 48.9% of the interest-earning assets in 2021, up 5.8 p.p. over 2020. Compulsory deposits accounted for 8.9% of interest-earning assets in 2021, down 1.9 p.p. from 2020.

The average balance of time deposits accounted for 59.7% of the onerous liabilities, down 3.7 p.p. year on year in 2021. Savings deposits accounted for 14.7% of onerous liabilities in 2021, down 0.6 p.p. from 2020. Open market funding accounted for 10.7% of onerous liabilities in 2021, up 4.7 p.p. over 2020. The subordinated debt accounted for 5.8% of onerous liabilities in 2021, up 1.4 p.p. over 2020. Proceeds from bank notes accounted for 2.4% of onerous liabilities in 2021, down 2.1 p.p. from 2020.

These variations jointly led to a spread of 5.54% in 2021.

Analytical Margin - R$ Million and Percentage

	2021			2020			2019		
	Average Balance	Income/ Expense	Average Rate	Average Balance	Income/ Expense	Average Rate	Average Balance	Income/ Expense	Average Rate
Interest-Earning Assets	**87,482.6**	**8,212.2**	**9.39%**	**76,228.3**	**8,233.2**	**10.80%**	**70,212.7**	**9,105.4**	**12.97%**
Loans Transactions [(1)]	34,901.2	5,808.2	16.64%	33,186.0	6,311.3	19.02%	31,627.5	6,818.0	21.56%
Marketable Securities [(2)]	42,795.3	1,941.0	4.54%	32,854.9	836.0	2.54%	25,443.9	1,422.7	5.59%
Derivative Financial Instruments	852.0	63.0	7.39%	814.7	782.8	96.09%	81.7	132.1	161.60%
Compulsory Deposits	7,768.8	338.1	4.35%	8,268.3	241.8	2.92%	12,014.8	672.9	5.60%
Other	1,165.2	62.0	5.32%	1,104.4	61.4	5.56%	1,044.7	59.7	5.71%
Non-Interest-Earning Assets	**11,627.4**	-	-	**10,642.8**	-	-	**9,059.0**	-	-
Total Assets	**99,110.0**	**8,212.2**	**8.29%**	**86,871.2**	**8,233.2**	**9.48%**	**79,271.7**	**9,105.4**	**11.49%**
Onerous Liabilities	**77,073.1**	**(3,366.6)**	**4.37%**	**67,116.5**	**(2,970.4)**	**4.43%**	**61,337.2**	**(3,580.4)**	**5.84%**
Interbank Deposits	1,195.8	(19.4)	1.62%	1,098.6	(23.9)	2.18%	257.8	(10.3)	4.01%
Savings Deposits	11,334.9	(389.3)	3.43%	10,256.6	(285.5)	2.78%	9,341.5	(419.9)	4.49%
Time Deposits	46,000.6	(1,836.0)	3.99%	42,571.5	(1,090.4)	2.56%	38,940.9	(2,102.3)	5.40%
Open Market Funding	8,278.5	(429.4)	5.19%	4,046.1	(121.9)	3.01%	3,871.0	(252.7)	6.53%
Proceeds from Bank Notes [(3)]	1,847.8	(72.9)	3.95%	3,040.1	(87.1)	2.86%	3,295.1	(192.3)	5.84%
Subordinated Debt [(4)]	4,487.5	(377.1)	8.40%	2,949.3	(885.7)	30.03%	2,211.8	(315.7)	14.27%
Obligations arising from Domestic Loans and Transfers	1,397.1	(50.4)	3.60%	1,492.2	(55.9)	3.74%	1,631.9	(68.2)	4.18%
Obligations arising from International Loans and Transfers	557.9	(91.2)	16.35%	701.2	(387.0)	55.19%	761.7	(147.8)	19.40%
Financial and Development Funds	1,973.1	(100.8)	5.11%	960.9	(33.1)	3.44%	1,025.4	(71.2)	6.94%
Non-Onerous Liabilities	**13,336.8**	-	-	**11,578.1**	-	-	**10,331.5**	-	-
Equity	**8,700.0**	-	-	**8,176.5**	-	-	**7,603.0**	-	-
Liabilities and Equity	**99,110.0**	**(3,366.6)**	**3.40%**	**86,871.2**	**(2,970.4)**	**3.42%**	**79,271.7**	**(3,580.4)**	**4.52%**
Spread			**4.89%**			**6.06%**			**6.97%**
Margin		**4,845.6**	**5.54%**		**5,262.8**	**6.90%**		**5,525.0**	**7.87%**

(1) Includes advances on foreign exchange contracts, leasing and other credits.
(2) Includes short-term interbank investments.
(3) Includes bank notes, mortgage notes and agribusiness letters of credit.
(4) Includes the international funding held in January 2021, with the change to Tier 2 Capital in October, as approved by BACEN. Until September 2021, this funding was recorded under Obligations arising from International Loans and Transfers.

VARIATIONS IN INTEREST INCOME AND EXPENSES: VOLUME AND RATES

Variations in volume and interest rates were calculated based on the changes in average balances over the reporting period and the variations of average interest rates (including variations in exchange rate, income-producing assets and onerous liabilities). The rate variation was calculated based on the fluctuation in the interest rate in the period multiplied by the average income-producing assets or the average onerous liabilities in the second period. The volume variation was calculated based on the difference between the interest volume of the latest and the previous period.

The lower income (due to the decline in the average rates of interest-earning assets) and lower expenses (due to the decrease in the average rates of onerous liabilities) led to a loss of R$530.1 million in the financial margin. The higher income (due to the variation in the average volume of the interest-earning assets), which was substantially higher than the increase in expenses (due to the variation in the average volume of onerous liabilities), led a gain of R$113.0 million in the financial margin. Adding the variations to the average volume and the average rate of interest-earning assets and onerous liabilities, the financial margin reduced to R$417.1 million year on year in 2021.

The following table describes the variations in interest income and expenses as a result of the change in the average volume of interest-earning assets and onerous liabilities, as well as the variation in the average interest rate on these assets and liabilities, comparing 2021 vs. 2020, and 2020 vs. 2019.

Variations in Interest Income and Expenses: Volume and Rates - R$ Million

	2021/2020			2020/2019		
	Increase / Decrease Due to the variation in:			Increase / Decrease Due to the variation in:		
	Average Volume	Interest Rate	Net Variation	Average Volume	Interest Rate	Net Variation
Interest-Earning Assets						
Loan Transactions, Leasing and Other Credits	314.3	(817.4)	(503.1)	324.3	(831.1)	(506.8)
Marketable Securities	308.1	796.9	1,105.0	335.7	(922.4)	(586.7)
Derivative Financial Instruments (1)	34.3	(754.1)	(719.8)	681.5	(30.8)	650.7
Compulsory Deposits	(13.6)	109.9	96.3	(398.1)	(33.1)	(431.2)
Other	2.7	(2.1)	0.6	3.2	(1.5)	1.7
Total Interest-Earning Assets	**645.9**	**(666.9)**	**(21.0)**	**946.7**	**(1,818.9)**	**(872.2)**
Onerous Liabilities						
Interbank Deposits	(2.0)	6.5	4.5	(15.8)	2.2	(13.6)
Savings Deposits	(32.2)	(71.6)	(103.8)	(37.9)	172.2	134.3
Time Deposits	(94.0)	(651.7)	(745.7)	(180.5)	1,192.5	1,012.0
Open Market Funding	(181.9)	(125.6)	(307.5)	(11.0)	141.7	130.8
Proceeds from Bank Notes	40.7	(26.6)	14.2	16.2	89.0	105.2
Subordinated Debt (1)	(322.2)	830.8	508.6	(132.2)	(437.7)	(569.9)
Obligations arising from Domestic Loans and Transfers	3.2	2.3	5.5	8.7	3.7	12.3
Obligations arising from International Loans and Transfers	101.8	194.0	295.8	10.8	(250.0)	(239.2)
Financial and Development Funds	(46.4)	(21.3)	(67.7)	4.8	33.3	38.1
Total Onerous Liabilities	**(532.9)**	**136.8**	**(396.1)**	**(337.0)**	**946.9**	**609.9**
Financial Margin	**113.0**	**(530.1)**	**(417.1)**	**609.7**	**(872.0)**	**(262.3)**

(1) Banrisul uses derivative financial instruments to mitigate currency fluctuation risks arising from international funding. In this sense, the presented variations shall be analyzed as a whole.

EQUITY PERFORMANCE

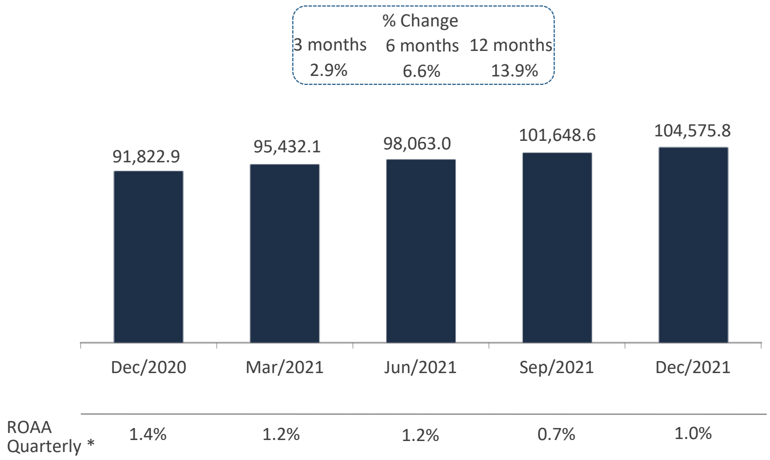
TOTAL ASSETS

Total assets reached R$104,575.8 million in December 2021 and consist of marketable securities (44.5%), plus short-term interbank investments and cash equivalents; loan transactions (39.2%); compulsory deposits at BACEN; and other assets (7.0%).

Total assets increased by 13.9%, or R$12,752.9 million, year on year in December 2021, mainly due to a rise of: (i) R$6,359.3 million in open market funding; (ii) R$1,830.9 million in deposits; (iii) R$1,710.2 million in the international funding held in January 2021; and (iv) R$1,427.5 million in financial and development funds. As for the allocation of proceeds, the treasury balance (marketable securities plus short-term interbank investments and cash equivalents) grew by R$6,746.2 million; the loan portfolio rose by R$3,436.2 million; and the compulsory deposits at BACEN went up by R$1,988.1 million in the period.

In comparison with September 2021, total assets increased by 2.9%, or R$2,927.2 million, especially due to the increase of R$1,773.5 million in open market funding and the increase of R$1,738.1 million in the international funding held in January 2021, which was partially offset by the lower obligations (R$1,338.6 million) arising from loans. The allocation mainly consisted of the loan portfolio that grew R$2,340.2 million.

Chart 1: Total Assets - R$ Million



*Annualized and based on Adjusted Net Income.

MARKETABLE SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

Marketable securities investments, which include derivative financial instruments, plus short-term interbank investments and cash equivalents, less obligations arising from repurchase agreements, totaled R$35,819.4 million in December 2021, up 1.1% or R$386.9 million over December 2020, and down 6.9% or R$2,668.0 million from September 2021.

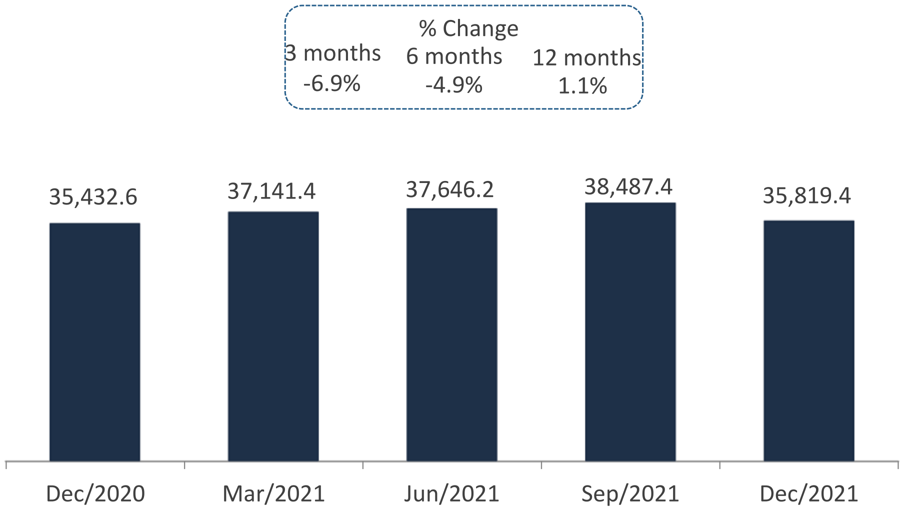
The balance increase over December 2020 was mainly driven by (i) more deposits; (ii) the international funding held in January 2021; and (iii) the financial and development funds amid increased loan portfolio and compulsory deposits at BACEN.

In comparison with September 2021, the lower balance mainly reflects the growth of credit assets and compulsory deposits at BACEN.

Treasury investments consist of held-to-maturity securities (64.0%) in the amount of R$29,788.6 million; securities held for trading (18.4%) in the amount of R$8,584.2 million; short-term interbank investments (12.6%) in the amount of R$5,845.4 million; cash equivalents (3.1%) in the amount of R$1,464.8 million; derivative financial instruments (1.8%) in the amount of R$841.9 million; and securities held for sale in the amount of

R$16.3 million, all of which amounting to R$46,541.2 million in treasury assets. The majority of treasury investments consist of federal instruments (91.7%).

Chart 2: Marketable Securities and Derivative Financial Instruments[1] - R$ Million

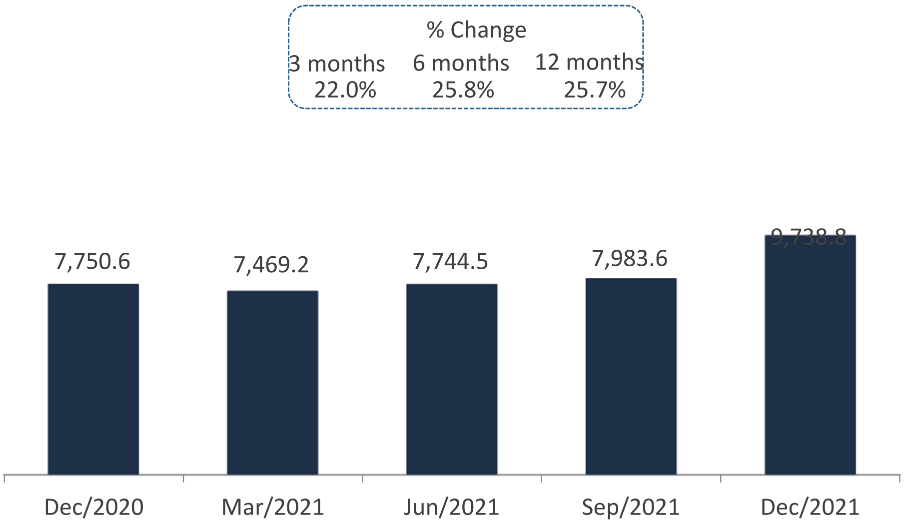


(1) Includes short-term interbank investments and cash equivalents, less obligations arising from repurchase agreements.

COMPULSORY DEPOSITS AT THE CENTRAL BANK OF BRAZIL (BACEN)

The balance of compulsory deposits at BACEN was R$9,738.6 million in December 2021, up by 25.7% or R$1,988.1 million over 2020, and by 22.0% or R$1,755.1 million over September 2021.

Chart 3: Compulsory Deposits at the Central Bank of Brazil (BACEN) - R$ Million



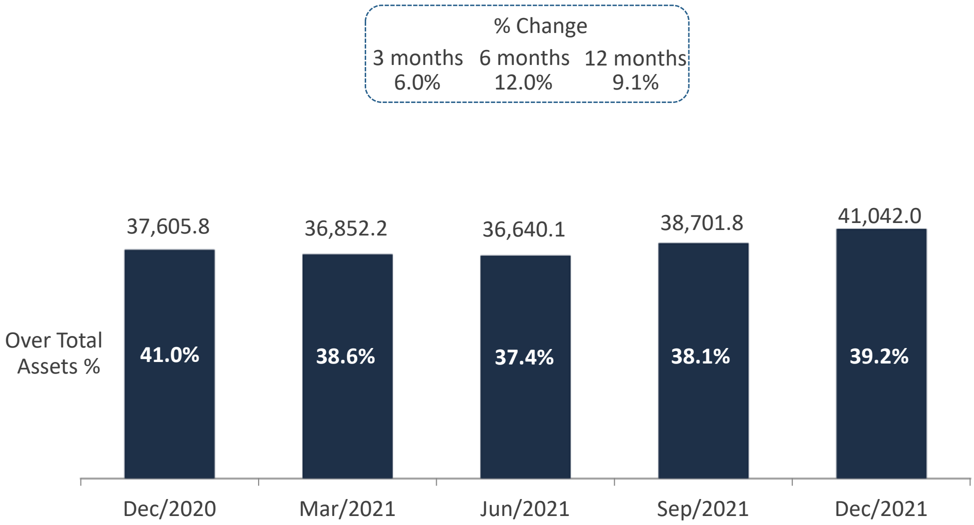
The growth in the balance of Bacen's compulsory deposits year on year in December 2021 was mainly influenced by the increase of R$1,610.2 million in compulsory deposits against time deposits, and the increase of R$104.0 million in compulsory deposits against savings deposits (impacted by the higher balance of these deposits).

In the comparison with September 2021, the growth in BACEN's compulsory deposits in December 2021 was mainly due to an increase of R$1,401.1 million in compulsory deposits against time deposits, owing to the higher compulsory rate applied to time deposits.

LOAN PORTFOLIO

Banrisul's loan portfolio came to R$41,042.0 million, up 9.1% or R$3,436.2 million year on year in December 2021. In the comparison with September 2021, the loan portfolio grew by 6.0% or R$2,340.2 million in December 2021. The expanded loan portfolio, which includes co-obligations and risks on granted guarantees, came to R$41,325.7 million in December 2021, up by 9.3% or R$3,524.0 million over December 2020, and by 6.0% or R$2,332.0 million over September 2021.

Chart 4: Loan Portfolio - R$ Million



The increased balance of the loan portfolio year on year in December 2021 was mainly driven by the increase of R$1,458.1 million in commercial loans and R$1,444.5 million in farm loans.

In comparison with September 2021, the increased balance of the loan portfolio was mainly influenced by the increase of (i) R$1,388.6 million in commercial loans; (ii) R$424.6 million in farm loans; and (iii) R$277.3 million in mortgage.

Loan Breakdown by Company Size

Corporate loans totaled R$9,881.1 million in December 2021, accounting for 24.1% of the total loan portfolio. Of the amount of loans destined for corporate clients, 55.2% is allocated to micro, small and medium enterprises.

In the comparison with December 2020, the balance of loans granted to micro, small and medium enterprises increased by 5.4% or R$281.6 million, while loans granted to large enterprises grew by 14.0% or R$543.7 million. In the last 3 months, the balance of loans granted to micro, small and medium enterprises rose by 6.0% or R$308.0 million, while loans granted to large enterprises increased by 5.4% or R$227.8 million.

Breakdown of Corporate Loans by Company Size - R$ Million

	Dec 2021			Sept 2021			Dec 2020				
	Balance	Corporate Clients (%)	Total Portfolio (%)	Balance	Corporate Clients (%)	Total Portfolio (%)	Balance	Corporate Clients (%)	Total Portfolio (%)	Dec 2021/ Dec 2020	Dec 2021/ Sept 2021
Large Enterprises	4,431.0	44.8%	10.8%	4,203.2	45.0%	10.9%	3,887.2	42.9%	10.3%	**14.0%**	5.4%
Total Micro/Small/Medium Enterprises	5,450.1	55.2%	13.3%	5,142.2	55.0%	13.3%	5,168.6	57.1%	13.7%	5.4%	6.0%
Medium Enterprises	3,087.5	31.2%	7.5%	2,919.5	31.2%	7.5%	3,024.6	33.4%	8.0%	2.1%	5.8%
Small Enterprises	1,924.7	19.5%	4.7%	1,774.1	19.0%	4.6%	1,756.5	19.4%	4.7%	9.6%	8.5%
Microenterprises	437.9	4.4%	1.1%	448.6	4.8%	1.2%	387.4	4.3%	1.0%	13.0%	-2.4%
Total	**9,881.1**	**100.0%**	**24.1%**	**9,345.4**	**100.0%**	**24.1%**	**9,055.8**	**100.0%**	**24.1%**	**9.1%**	**5.7%**

Criteria used - average monthly revenue: Microenterprises (up to R$30k); small enterprises (up to R$400k); medium enterprises (up to R$25M); and large enterprises (over R$25M or with Total Assets above R$240M).

Breakdown of Loans by Sector of Activity

The balance of loan transactions broken down by sector of activity is as follows:

Breakdown of Loans by Sector of Activity - R$ Million

	Dec 2021	Sept 2021	Jun 2021	Mar 2020	Dec 2020	Dec 2021/ Dec 2020	Dec 2021/ Sept 2021
Public Sector	**102.2**	**102.2**	**102.5**	**103.5**	**103.6**	**-1.3%**	**0.0%**
Public Administration - Direct and Indirect	102.2	102.2	102.5	103.5	103.6	-1.3%	0.0%
Private Sector	**40,939.8**	**38,599.6**	**36,537.6**	**36,748.8**	**37,502.2**	**9.2%**	**6.1%**
Corporate Clients	9,778.9	9,243.1	8,342.5	8,475.8	8,952.2	9.2%	5.8%
Agriculture and Cattle Raising	157.2	162.3	249.4	251.6	272.6	-42.3%	-3.1%
Food, Beverages and Tobacco	1,428.9	1,387.9	1,100.5	1,104.0	1,146.4	24.6%	3.0%
Automotive	394.8	379.2	358.6	363.0	383.3	3.0%	4.1%
Pulp, Wood and Furniture	201.5	187.9	156.0	155.8	185.0	8.9%	7.2%
Wholesale Food Business	723.9	739.4	547.1	562.0	535.0	35.3%	-2.1%
Wholesale Business (excluding Food)	656.7	626.6	535.7	539.7	559.9	17.3%	4.8%
Retail Business – Other	1,003.2	915.8	774.1	748.8	784.3	27.9%	9.6%
Construction and Real Estate	719.7	736.1	760.1	816.8	837.5	-14.1%	-2.2%
Education, Healthcare and Other Social Services	1,025.4	989.6	1,039.3	1,138.1	1,233.6	-16.9%	3.6%
Electronics and Information Technology	350.1	321.1	287.9	272.1	313.8	11.6%	9.0%
Finance and Insurance	376.1	371.0	316.2	329.6	338.7	11.0%	1.4%
Machinery and Equipment	265.8	269.6	261.2	236.1	239.2	11.2%	-1.4%
Metallurgy	304.0	250.1	213.3	214.8	230.3	32.0%	21.6%
Infrastructure Construction	42.2	42.1	33.6	30.0	31.4	34.4%	0.3%
Oil and Natural Gas	398.7	348.5	317.0	315.1	355.3	12.2%	14.4%
Chemicals and Petrochemicals	521.7	458.1	398.6	406.4	434.1	20.2%	13.9%
Private Services	334.6	250.4	221.1	212.7	219.6	52.4%	33.6%
Textile, Garment and Leather Production	265.4	231.2	198.5	201.5	234.0	13.4%	14.8%
Transportation	299.8	290.3	296.7	295.6	314.7	-4.7%	3.3%
Other	309.1	286.1	277.6	281.9	303.5	1.9%	8.1%
Individuals	31,160.9	29,356.4	28,195.1	28,273.0	28,550.0	9.1%	6.1%
Total	**41,042.0**	**38,701.8**	**36,640.1**	**36,852.2**	**37,605.8**	**9.1%**	**6.0%**

Breakdown of Loans by Portfolio

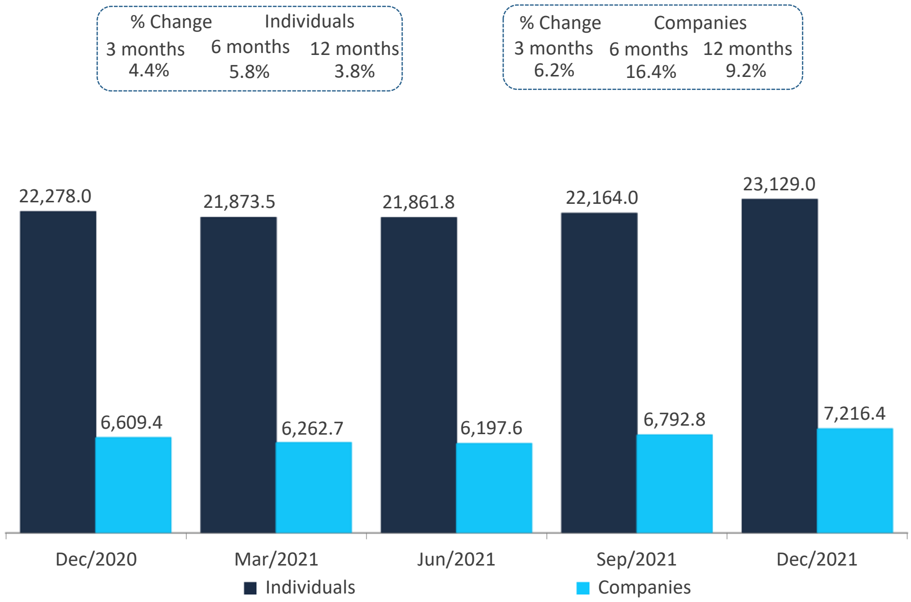
The breakdown by portfolio shows both earmarked and unearmarked credit assets. The commercial portfolio, leasing and the public sector are freely funded from deposits and equity, accounting for 74.2% of the total loan portfolio in December 2021. The long-term financing, farm loan, mortgage and foreign exchange portfolios mostly have specific funding sources making up earmarked credits, accounting for 25.8% of the balance in December 2021.

Breakdown of Loans by Portfolio - R$ Million

	Dec 2021	Sept 2021	Jun 2021	Mar 2020	Dec 2020	Dec 2021/ Dec 2020	Dec 2021/ Sept 2021
Private Sector	**40,939.8**	**38,599.6**	**36,537.6**	**36,748.8**	**37,502.2**	9.2%	6.1%
Commercial	30,345.5	28,956.9	28,059.4	28,136.2	28,887.4	5.0%	4.8%
Individuals	23,129.0	22,164.0	21,861.8	21,873.5	22,278.0	3.8%	4.4%
Corporate Clients	7,216.4	6,792.8	6,197.6	6,262.7	6,609.4	9.2%	6.2%
Real Estate	4,319.8	4,042.5	4,077.6	4,104.9	4,125.6	4.7%	6.9%
Rural	4,836.7	4,412.1	3,361.0	3,459.3	3,392.2	42.6%	9.6%
Long-Term Financing	610.3	535.3	506.9	530.2	569.1	7.2%	14.0%
Foreign Exchange	814.5	639.6	518.7	502.4	510.4	59.6%	27.3%
Leasing	12.9	13.1	14.1	15.7	17.6	-26.4%	-1.6%
Public Sector	**102.2**	**102.2**	**102.5**	**103.5**	**103.6**	**-1.3%**	**0.0%**
Total Loan Transactions	**41,042.0**	**38,701.8**	**36,640.1**	**36,852.2**	**37,605.8**	**9.1%**	**6.0%**
Co-obligations and Risks on Granted Guarantees	283.7	291.9	225.7	192.3	195.9	44.8%	-2.8%
Total	**41,325.7**	**38,993.7**	**36,865.8**	**37,044.6**	**37,801.7**	**9.3%**	**6.0%**

The commercial portfolio totaled R$30,345.5 million in December 2021, accounting for 73.9% of the Bank's total loan transactions. In December 2021, individuals accounted for 76.2% of the balance of commercial loans, while corporate clients accounted for 23.8% of said balance.

Chart 5: Performance of Commercial Loans - Individuals and Corporate Clients - R$ Million



The mortgage portfolio reached R$4,319.8 million in December 2021, up by 4.7% or R$194.2 million over December 2020, and by 6.9% or R$277.3 million over September 2021. Mortgages include the amount of R$9.5 million referring to real estate credit assignment with recourse. The mortgage portfolio accounted for 10.5% of Banrisul's total loan transactions in December 2021.

The farm loan portfolio totaled R$4,836.7 million in December 2021, up by 42.6% or R$1,444.5 million over December 2020, and by 9.6% or R$424.6 million over September 2021. The farm loan portfolio accounted for 11.8% of Banrisul's total loan transactions in December 2021.

The balance of long-term financing reached R$610.3 million in December 2021, up by 7.2% or R$41.2 million over December 2020, and by 14.0% or R$75.1 million over September 2021.

The foreign exchange portfolio came to R$814.5 million in December 2021, up by 59.6% or R$304.1 million over December 2020, and by 27.3% or R$174.9 million over September 2021.

Commercial Loan

Commercial loan for individuals – made up of low-risk credit lines – reached a balance of R$23,129.0 million in December 2021, up by 3.8% or R$851.1 million over December 2020, and by 4.4% or R$965.0 million over September 2021. The portfolio of commercial loan for individuals mainly consists of payroll-deductible loans, with a balance of R$18,443.1 million at the end of December 2021, which represents 79.7% of said portfolio and 60.8% of commercial loans. Of the total payroll-deductible loans, 63.2% or R$11,654.4 million corresponds to the balance of transactions carried out within the Banrisul network; 36.5% or R$6,740.9 million refers to loans taken out with banking correspondents; and 0.3% or R$47.7 million consists of loans with recourse.

Breakdown of Commercial Loans - Individuals and Corporate Clients - R$ Million

	Dec 2021	Sept 2021	Jun 2021	Mar 2020	Dec 2020	Dec 2021/ Dec 2020	Dec 2021/ Sept 2021
Individuals	**23,129.0**	**22,164.0**	**21,861.8**	**21,873.5**	**22,278.0**	**3.8%**	**4.4%**
Credit and Debit Cards (1)	2,419.6	2,194.8	2,128.0	2,021.6	2,194.6	10.3%	10.2%
Overdraft	390.3	410.1	385.1	424.7	349.8	11.6%	-4.8%
Payroll-deductible Loans	18,443.1	17,557.3	17,148.4	16,943.5	17,057.1	8.1%	5.0%
Consumer Loans (Non-Deductible)	938.5	1,130.0	1,362.5	1,640.9	1,842.5	-49.1%	-16.9%
Other	937.5	871.8	837.8	842.8	834.0	12.4%	7.5%
Corporate Clients	**7,216.4**	**6,792.8**	**6,197.6**	**6,262.7**	**6,609.4**	**9.2%**	**6.2%**
Credit and Debit Card (1)	151.0	135.8	134.3	132.0	147.0	2.7%	11.2%
Working Capital	5,480.5	5,073.2	4,563.7	4,527.8	4,873.7	12.4%	8.0%
Debtor Accounts	287.9	321.0	333.0	352.3	294.1	-2.1%	-10.3%
Compror/Vendor Financing	7.7	7.8	9.1	18.7	13.2	-41.6%	-0.8%
Foreign Credit	149.1	138.0	48.6	89.5	98.6	51.3%	8.1%
Discount on Receivables	47.5	43.3	40.1	53.3	64.2	-26.0%	9.7%
Other	1,092.7	1,073.7	1,068.7	1,089.1	1,118.5	-2.3%	1.8%
Total	**30,345.5**	**28,956.9**	**28,059.4**	**28,136.2**	**28,887.4**	**5.0%**	**4.8%**

(1) Of the balance of R$2,570.6 million, R$315.8 million refers to revolving credit card.

In comparison with December 2020, the commercial portfolio for individuals was mainly influenced by the increase of R$1,386.0 million in state payroll-deductible loans, and the increase of R$225.0 million in debit and credit cards, which was offset by the decrease of R$904.0 million in consumer loans, especially due to the salary advance loan product.

In comparison with September 2021, the commercial portfolio for individuals saw an increase of R$885.8 million in payroll-deductible loans (particularly INSS payroll-deductible loans), and an increase of R$224.8 million in credit and debit cards, partially offset by the decrease of R$191.5 million in consumer loans, especially due to the salary advance loan product.

The commercial loan portfolio for corporate clients totaled R$7,216.4 million in December 2021, up by 9.2% or R$607.1 million year on year, and by 6.2% or R$423.6 million quarter on quarter, mainly influenced by the increases of R$606.7 million and R$407.2 million in the working capital lines, especially due to emergency credit relief programs, such as the Brazilian Program to Support Micro and Small Enterprises (PRONAMPE), the Emergency Credit Access Program (PEAC), the Investment Guarantee Fund (FGI), and the Guarantee Fund for Micro and Small Enterprises (FAMPE).

Breakdown of Disbursement by Financing Line

Credit assets granted came to R$43,674.7 million in 2021, down 5.4% or R$2,510.0 from 2020. In 4Q21, credit assets granted amounted to R$12,859.4 million, up by 13.3% or R$1,509.0 million year on year, and by 1.9% or R$233.7 million quarter on quarter.

Breakdown of Granted Loans by Financing Line - R$ Million

	2021	2020	4Q21	3Q21	2Q21	1Q21	4Q20	2021/ 2020	4Q21/ 3Q21
Foreign Exchange	1,232.3	857.5	367.9	407.3	209.8	247.3	135.0	43.7%	-9.7%
Commercial (1)	37,033.9	41,625.7	10,951.0	10,139.2	8,760.8	7,183.0	10,261.0	-11.0%	8.0%
Individuals	26,532.2	29,877.1	8,009.4	7,220.1	6,148.0	5,154.7	7,272.5	-11.2%	10.9%
Corporate Clients	10,501.7	11,748.6	2,941.5	2,919.1	2,612.8	2,028.2	2,988.6	-10.6%	0.8%
Leasing	0.0	1.2	-	0.0	-	-	-	-97.0%	-
Long-Term Financing	260.4	230.5	95.3	50.1	64.1	50.9	44.5	13.0%	90.4%
Real Estate	1,224.8	691.9	535.8	245.2	225.4	218.3	220.9	77.0%	118.5%
Rural	3,923.2	2,777.9	909.4	1,783.9	701.6	528.3	689.0	41.2%	-49.0%
Total	**43,674.7**	**46,184.7**	**12,859.4**	**12,625.7**	**9,961.8**	**8,227.7**	**11,350.5**	**-5.4%**	**1.9%**

(1) Granted loans do not include amounts to bill/debit from credit and debit cards.

The lower amount of loans granted year on year in 2021 was mainly due to the lower disbursement of commercial loans (R$4,591.8 million), which was partially offset by the higher disbursement of farm loans (R$1,145.4), mortgages (R$532.9 million), and foreign exchange (R$374.8 million).

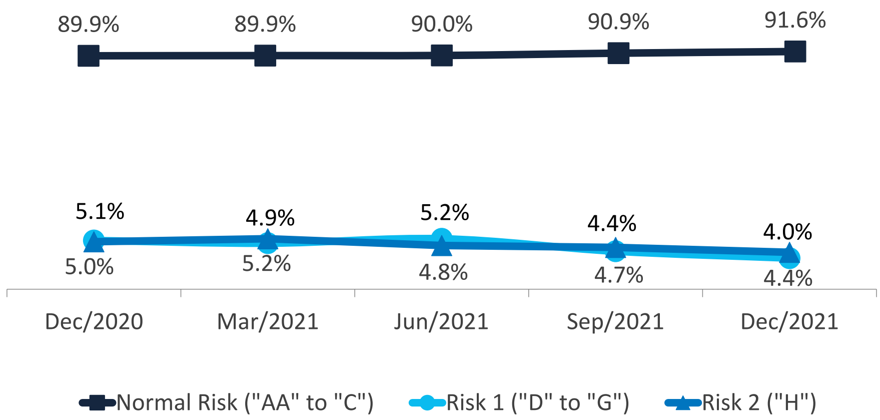
The higher amount of loans granted year on year in 4Q21 was mainly due to the higher disbursement of commercial loans (R$689.9 million), mortgages (R$315.0 million), foreign exchange (R$232.8 million), and farm loans (R$220.4 million).

The higher amount of loans granted quarter on quarter was mainly due to the higher disbursement of commercial loans (R$811.8 million) and mortgages (R$290.6 million), being partially offset by the lower disbursement of farm loans (R$874.5 million).

Breakdown of Loans by Credit Rating

Loan transactions rated as normal (from AA to C), according to the rules established by CMN Resolution 2,682/99, accounted for 91.6% of the loan portfolio in December 2021. The indicator increased by 1.7 p.p. over December 2020, and by 0.7 p.p. over September 2021.

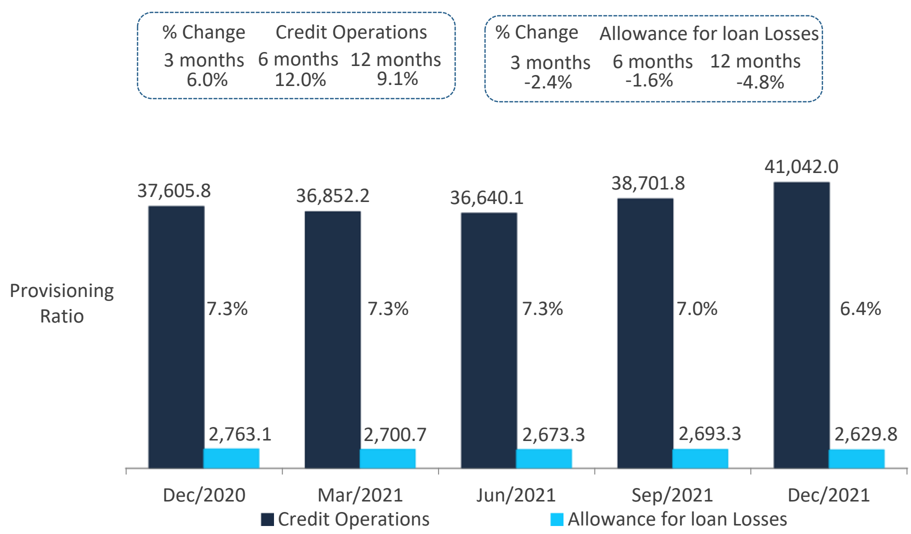
Chart 6: Loan Portfolio by Risk Level (%)



Provision for Credit Losses

The provision for credit losses, which includes provisions for credits arising from leasing and other loans, came to R$2,629.8 million in December 2021, accounting for 6.4% of the loan portfolio. The indicator decreased by 0.9 p.p. over December 2020 and by 0.6 p.p. over September 2021.

Chart 7: Breakdown of Provision for Credit Losses - R$ Million



The balance of provision for credit losses fell by 4.8% or R$133.3 million over December 2020, reflecting the rolling over of the loan portfolio according to the credit rating levels. Although the loan portfolio is growing, it has been affected by the current economic scenario and the lower overdue loans.

In comparison with September 2021, the balance of provision for credit losses shrank by 2.4% or R$63.5 million, reflecting the rolling over of the loan portfolio according to the credit rating levels and the lower overdue loans amid the growth of the loan portfolio.

In December 2021, the provision for credit losses was broken down under CMN Resolution 2,682/99, with supplemental amounts, as follows:

(i) R$756.5 million for transactions with installments overdue for more than 60 days; and

(ii) R$1,873.3 million for contracts falling due or contracts with installments overdue for less than 60 days.

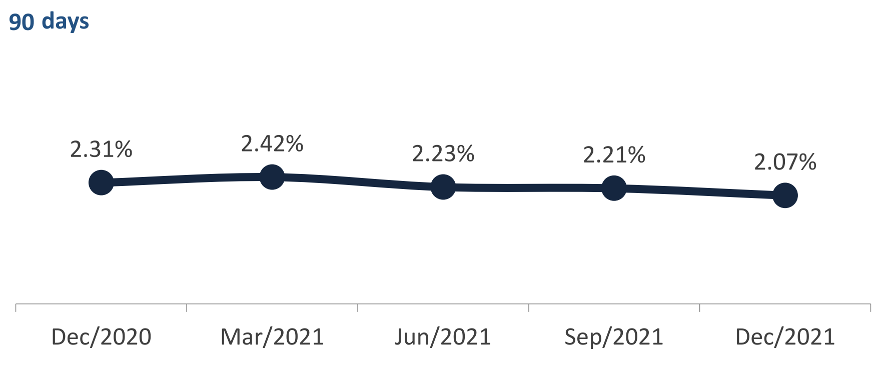
Balance of Provision for Credit Losses - R$ Million

Risk Level	Required Provision (%)	Total Portfolio	Accumulated Relative Share (%)	Overdue Loans	Loans Falling Due	Minimum Provision		Total Provision	Provision on the Portfolio (%)
						Overdue	Falling Due		
AA	-	4,886.9	11.91%	-	4,886.9	-	-	-	0.00%
A	0.5%	28,081.3	80.33%	-	28,081.3	-	140.4	140.4	0.50%
B	1.0%	3,205.2	88.14%	-	3,205.2	-	32.1	32.1	1.00%
C	3.0%	1,402.0	91.55%	30.8	1,371.3	0.9	41.1	42.1	3.00%
D	10.0%	707.7	93.28%	55.6	652.1	5.6	65.2	70.8	10.00%
E	30.0%	229.7	93.84%	71.9	157.8	21.6	47.3	68.9	30.00%
F	50.0%	219.2	94.37%	68.1	151.1	34.0	75.6	109.6	50.00%
G	70.0%	479.9	95.54%	112.4	367.5	78.7	257.2	335.9	70.00%
H	100.0%	1,830.1	100.00%	615.7	1,214.4	615.7	1,214.4	1,830.1	100.00%
Total		**41,042.0**		**954.6**	**40,087.4**	**756.5**	**1,873.3**	**2,629.8**	**6.41%**

DELINQUENCY RATE

The delinquency rate represents the amount of loan transactions overdue for more than 90 days against the total amount of active loan transactions.

Chart 8: Delinquency Rate

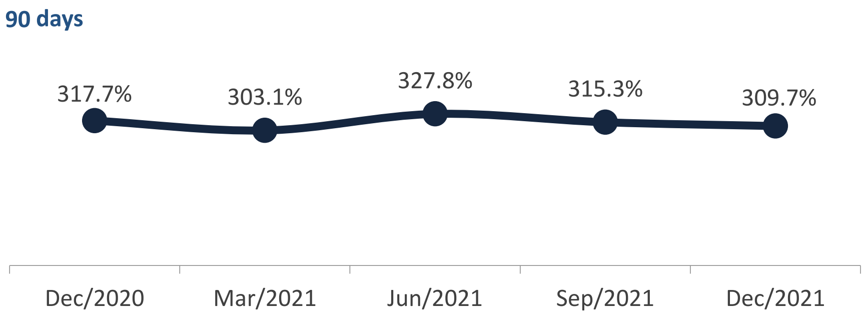


Delinquency over 90 days reached 2.07% of the loan transactions in December 2021, shrinking by 0.24 p.p. in 12 months and by 0.14 p.p. from September 2021. The balance of loan transactions overdue for more than 90 days reached R$849.2 million in December 2021, down by 2.4% or R$20.5 million from December 2020 (relatively flat), and by R$4.9 million from September 2021.

Coverage Ratio

The coverage ratio consists of the ratio between the provision for credit losses and the balance of loan transactions overdue for more than 90 days, showing that the provision is capable of covering delinquency.

Chart 9: Coverage Ratio

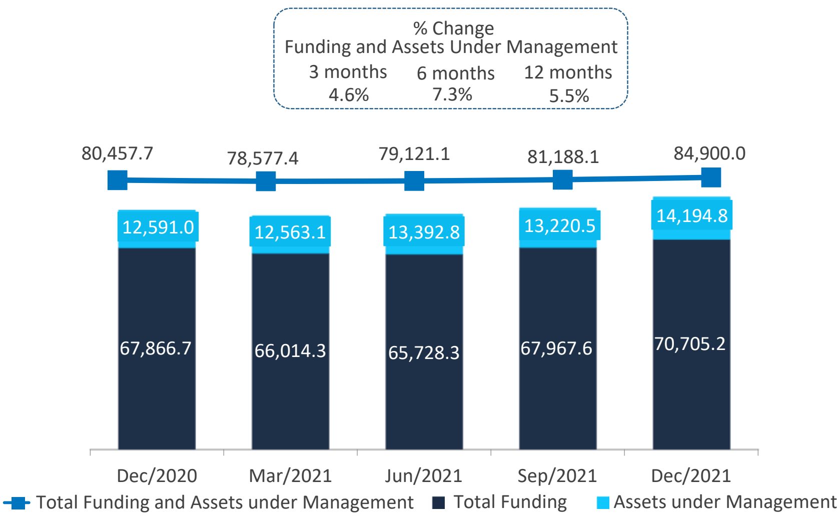


The coverage ratio of loan transactions overdue for more than 90 days was 309.7% in December 2021, lower than in December 2020 and September 2021. The lower coverage ratio mainly reflects the reduced balance of provision for credit losses, which was higher than the overdue loans.

Funds Raised and Under Management

Funds raised (consisting of deposits, proceeds from bank notes, and the subordinated debt) and under management reached R$84,900.0 million in December 2021, up by 5.5% or R$4,442.3 million in 12 months, and by 4.6% or R$3,711.9 million over September 2021.

Chart 10



The higher funds raised and under management compared to 2020 were influenced by the increase in deposits and subordinated debt, which was offset by the decline in proceeds from bank notes. Compared to September 2021, this was mainly due to the higher subordinated debt and funds under management.

Breakdown of Funds Raised by Product Type - R$ Million

	Dec 2021	Sept 2021	Jun 2021	Mar 2020	Dec 2020	Dec 2021/ Dec 2020	Dec 2021/ Sept 2021
Total Deposits	64,277.4	63,409.0	61,180.0	60,966.5	62,446.5	2.9%	1.4%
Demand Deposits	4,675.7	4,014.0	3,768.2	3,580.4	4,289.1	9.0%	16.5%
Savings Deposits	11,565.6	11,527.0	11,416.6	11,110.9	11,065.6	4.5%	0.3%
Interbank Deposits	1,392.7	1,357.6	123.4	1,183.9	1,478.8	-5.8%	2.6%
Time Deposits	46,626.2	46,495.1	45,855.5	45,076.3	45,599.6	2.3%	0.3%
Other Deposits	17.3	15.3	16.3	15.1	13.4	29.4%	13.0%
Proceeds from Bank Notes (1)	1,738.0	1,606.9	1,742.5	1,919.8	2,440.5	-28.8%	8.2%
Subordinated Debt	4,689.8	2,951.7	2,805.7	3,127.9	2,979.6	57.4%	58.9%
Total Funds Raised	**70,705.2**	**67,967.6**	**65,728.3**	**66,014.3**	**67,866.7**	**4.2%**	**4.0%**
Funds Under Management	14,194.8	13,220.5	13,392.8	12,563.1	12,591.0	12.7%	7.4%
Total Funds Raised and Under Management	**84,900.0**	**81,188.1**	**79,121.1**	**78,577.4**	**80,457.7**	**5.5%**	**4.6%**

(1) Bank notes, mortgage notes and agribusiness letters of credit.

Total Deposits

Total deposits reached R$64,277.4 million in December 2021, up by 2.9% or R$1,830.9 million over December 2020, mainly influenced by the higher balances of time, savings, and demand deposits. In the comparison with September 2021, the 1.4% increase, or R$868.4 million, was mainly due to the increase in demand and time deposits.

Time Deposits

Banrisul's main funding source is time deposit. Time deposits reached R$46,626.2 million, up by 2.3% or R$1,026.5 millio, year on year in December 2021 (relatively flat), with a growth of R$131.0 million over September 2021.

Demand Deposits

Demand deposits came to R$4,675.7 million in December 2021, up by 9.0% or R$386.6 million over December 2020, and by 16.5% or R$661.7 million over September 2021.

Savings Deposits

Savings deposits totaled R$11,565.6 million in December 2021, up by 4.5% or R$500.0 million over December 2020 (relatively flat), with an increase of R$38.6 million over September 2021.

Proceeds from Bank Notes

The balance of bank notes, mortgage notes and agribusiness letters of credit came to R$1,738.0 million in December 2021, down 28.8% or R$702.5 million from December 2020, and up 8.2% or R$131.1 million over September 2021.

In August 2021, Banrisul started to raise funds by means of Agribusiness Letters of Credit (LCAs), so as to diversify its funding sources and obtain funding for farm loans. LCAs offer individuals a new and profitable investment option that is exempt from income tax. In December 2021, Banrisul raised R$296.9 million in LCAs.

Subordinated Debt

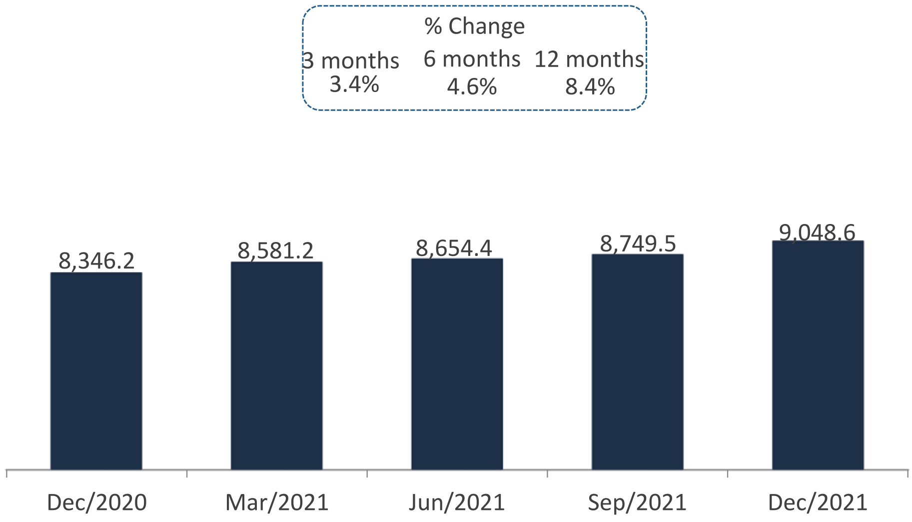
The subordinated debt reached R$4,689.8 million in December 2021, up by 57.4% or R$1,710.2 million over December 2020, and by 58.9% or R$1,738.1 million over September 2021, mainly reflecting the international funding held in January 2021, reclassified after authorization by Bacen to compose Tier II capital, which took place in October 2021.

On January 28, 2021, Banrisul issued a new subordinated debt (Tier 2) of three hundred million U.S. dollars (US$300M), with annual interest of 5.375%, maturing in 10 years, and repurchase option in 5 years, as per the conditions previously agreed upon in the Offering Memorandum of the issue. The Subordinated Debt is Tier 2 Capital, as authorized by the Central of Brazil on October 25, 2021.

EQUITY

Banrisul's equity was R$9,048.6 million at the close of December 2021, up by 8.4% or R$702.4 million over December 2020, and by 3.4% or R$299.1 million over September 2021.

Chart 111: Equity - R$ Million



In comparison with December 2020, the equity variation was mainly due to the recognition of results, the payment of interest on equity, the distribution and/or provision of dividends, and the re-measuring of actuarial liabilities, which had a positive impact of R$120.1 million on equity in December 2021, as a result of post-employment benefits (CPC 33 - R1) and FX variation adjustments in the amount of R$39.2 million on equity held abroad.

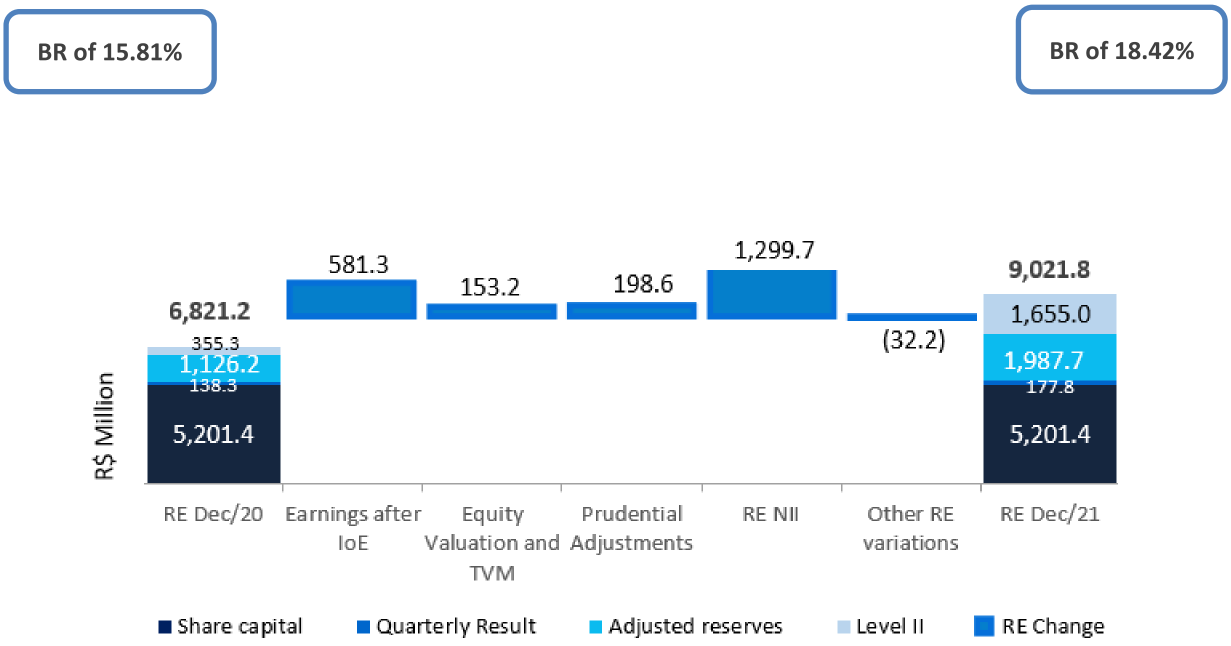
In comparison with September 2021, the growth in equity mainly reflects the recognition of results, the payment of interest on equity, the distribution and/or provision of dividends, and the re-measuring of actuarial liabilities, which had a positive impact of R$120.1 million on equity in December 2021, as a result of post-employment benefits (CPC 33 - R1) and FX variation adjustments in the amount of R$14.4 million on equity held abroad.

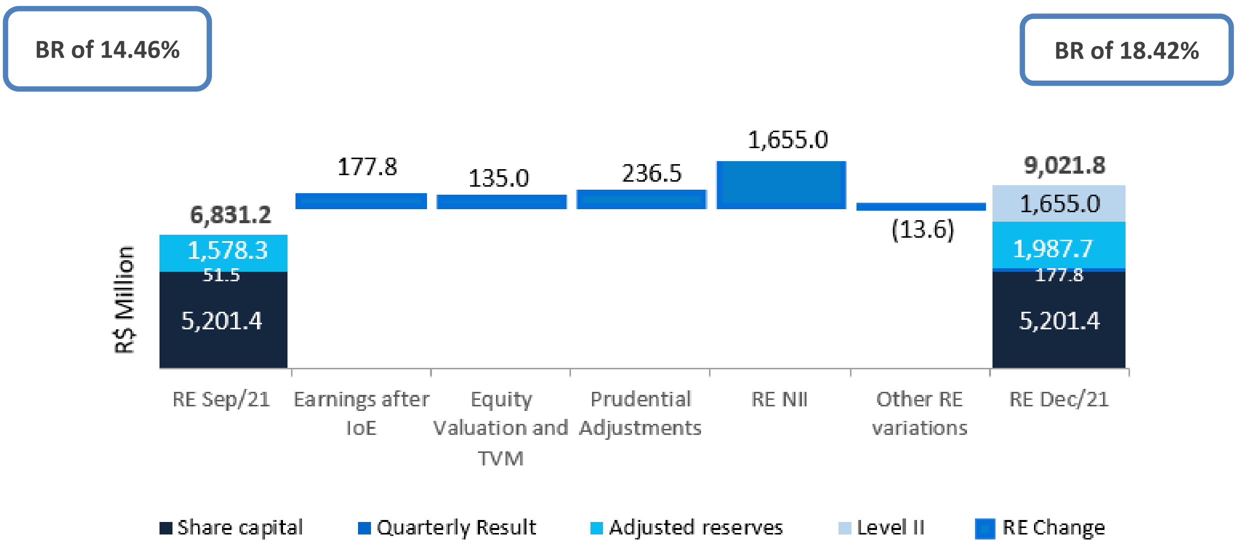
BASEL RATIO

CMN Resolutions 4,192/13 and 4,193/13, revoked as of January 3, 2022 by BCB Resolutions No. 4955/21 and 4958/21, respectively, provide for the regulatory capital and the risk-weighted assets to be calculated based on the Prudential Conglomerate. The Basel Ratio measures the ratio between the sum of the Tier 1 Capital - T1C and the Tier 2 Capital - T2C, as well as the total risk-weighted assets calculated on the reference date. We maintain the Capital Indices above the levels defined by the regulator in an attempt to protect Banrisul in the event of stress scenarios.

The capital management area seeks to encourage the investment of available funds and to ensure that the institution will meet its obligations. The QoQ and YoY Basel Ratio and equity variations are as follows.

Chart 12: Basel Ratio – R$ Million





In December 2021, Banrisul's equity consisted of Tier I Capital and Tier Capital II, as shown in the chart above. The variation in equity was R$2.200.6 million over December 2020.

On December 31, 2021, the Basel Ratio reached 18.42%, 8.42 p.p. above the minimum regulatory level with the additional core capital ratio of 10.0%. In the same period, the Core Capital Ratio and the Tier 1 Capital Ratio were the same and ended the period with 15.04%, 8.54 p.p. and 7.04 p.p., respectively, above the minimum regulatory level.

PERFORMANCE OF THE INCOME STATEMENT ACCOUNTS

NET INCOME

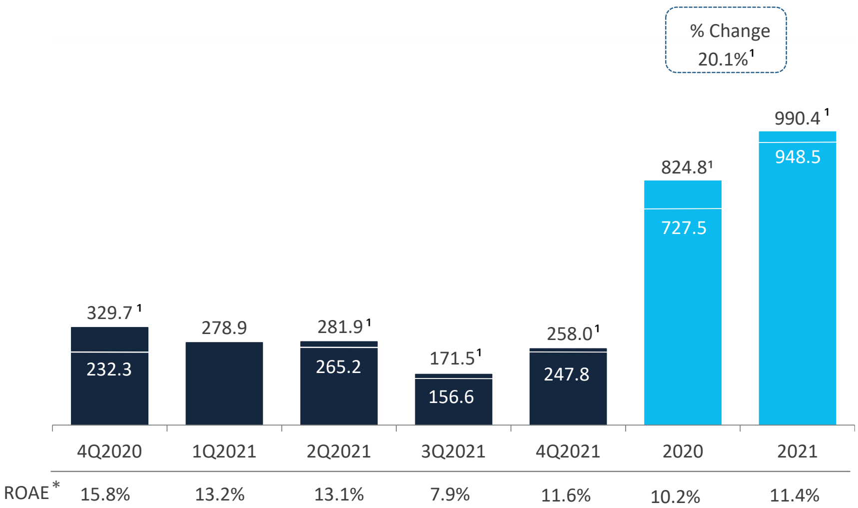
In 2021, net income reached R$948.5 million, up 30.4% or R$221.1 million over 2020, being impacted by the tax contingency provision adjustment and the associated tax effect. In 4Q20, net income was impacted by the Voluntary Separation Program (R$97.3 million), net of tax effects. For the purposes of results analysis, all these events have been recognized as non-recurring.

In 2021, adjusted net income came to R$990.4 million, 20.1% or R$165.6 million higher than in 2020, mainly due to lower provision expenses for credit losses (R$713.7 million); lower financial margin (R$417.1 million); higher administrative expenses (R$66.7 million); and higher other adjusted expenses (R$77.6 million), net of other income.

Adjusted net income declined by 21.7% or R$71.6 million year on year in 4Q21, mainly due to lower provision expenses for credit losses (R$245.6 million); lower financial margin (R$289.1 million); higher administrative expenses (R$71.4 million); and lower taxes on income (R$51.1 million).

Adjusted net income rose by 50.5% or R$86.5 million quarter on quarter in 4Q21, mainly due to lower provision expenses for credit losses (R$128.8 million); lower financial margin (R$42.5 million); higher administrative expenses (R$45.5 million); higher other net income (R$97.8 million) arising from other expenses; and higher taxes on income (R$61.4 million).

Chart 13: Net Income - R$ Million



[1] Adjusted Net Income.
*Annualized and based on Adjusted Net Income.

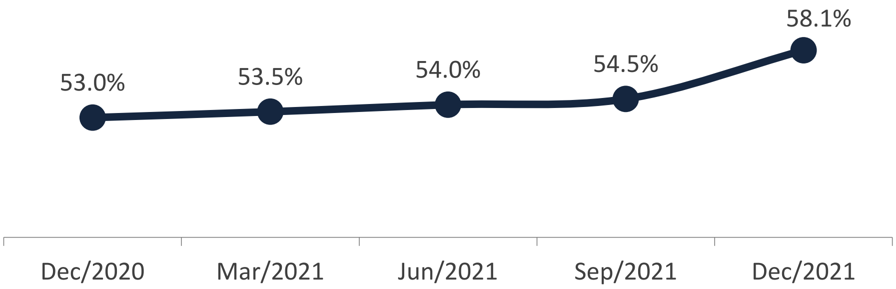
Return On Average Equity (ROAE)

Adjusted ROAE came to 11.4% in 2021, 1.2 p.p. higher than in 2020, reflecting: (i) lower provision expenses for credit losses; (ii) lower financial margin; (iii) higher adjusted administrative expenses; and (iv) higher other adjusted expenses, net of other income.

Efficiency Ratio

The efficiency ratio was 58.1% in 2021, compared to 53.0% in 2020, reflecting: (i) lower financial margin; (ii) relatively flat income from services and banking fees; and (iii) higher other adjusted expenses net of other income, against higher adjusted administrative expenses.

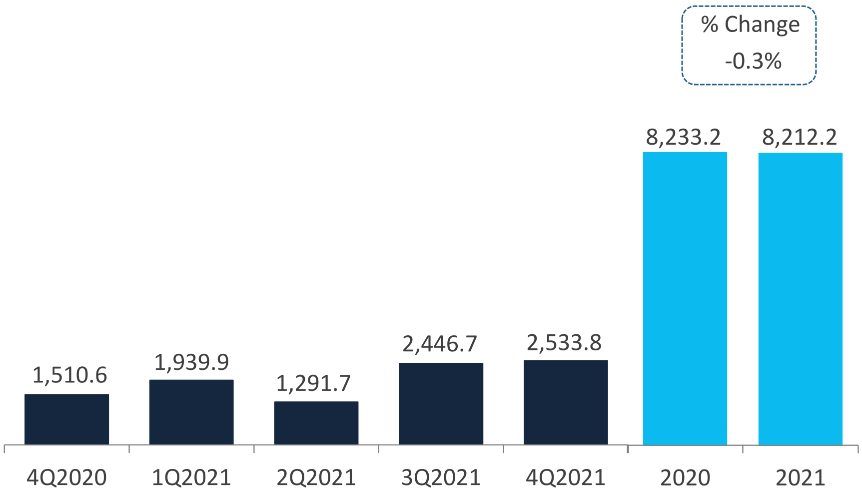
Chart 14: Adjusted Efficiency Ratio



Income from Financial Intermediation

Income from financial intermediation was R$8,212.2 million in 2021, relatively flat, and shrinking by R$21.0 million over 2020. In 4Q2021, income from financial intermediation amounted to R$2,533.8 million, up by 67.7% or R$1,023.2 million over 4Q20, and by 3.6% or R$87.0 million over 3Q21. The performance of the Selic Rate and the exchange variation influenced income from financial intermediation in the periods mentioned below.

Chart 12: Income from Financial Intermediation - R$ Million



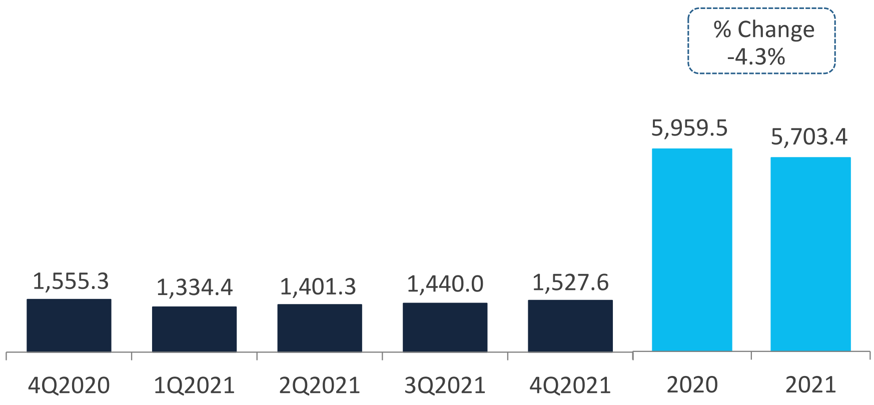
The year-on-year performance of income from financial intermediation was influenced by the lower income from loan transactions (R$256.0 million); the result of foreign exchange transactions (R$247.1 million), which was partially offset by the higher result of marketable securities and derivative financial instruments (R$384.9 million); and the result of compulsory investments (R$97.2 million).

The growth of income from financial intermediation year on year in 4Q21 was mainly influenced by the higher result of marketable securities and derivative financial instruments (R$853.4 million), and the result of compulsory investments (R$114.3 million). The quarter-on-quarter growth of income from financial intermediation was mainly due to the higher income from loan transactions (R$87.6 million).

INCOME FROM LOAN TRANSACTIONS

Income from loan transactions (including income from leasing and other loans) totaled R$5,703.4 million in 2021, shrinking by 4.3% or R$256.0 million over 2020. In 4Q21, income from loan transactions amounted to R$1,527.6 million, down by 1.8% or R$27.7 million over 4Q20, and by 6.1% or R$87.6 million over 3Q21.

Chart 13: Income from Loan Transactions - R$ Million



The performance of income from loans year on year in 2021 was mainly influenced by: (i) lower income from commercial loans (R$228.9 million); and (ii) long-term financing (R$45.6 million), mainly due to income from financing denominated in foreign currency, which was impacted by the FX variation in the period – partially offset by the higher income from farm loans (R$39.2 million).

In comparison with 4Q20, the lower income from loan transactions in 4Q21 was mainly due to lower income from the recovery of credit written off as loss (R$145.3 million), which was partially offset by the higher income from commercial loans (R$82.0 million); farm loans (R$16.7 million); and long-term financing (R$16.3 million), especially as a result of income from financing denominated in foreign currency, which was impacted by the FX variation in the period.

In comparison with 3Q21, the growth of income from loan transactions in 4Q21 was mainly due to the higher income from commercial loans (R$63.7 million); farm loans (R$13.8 million); and income from the recovery of credit written off as loss (R$8.3 million).

Income from Commercial Loans - Individuals and Corporate Clients

In 2021, income from commercial loans totaled R$4,626.7 million, down 4.7% or R$228.9 million from 2020. In 4Q21, income from commercial loans amounted to R$1,212.6 million, up by 7.3% or R$82.0 million over 4Q20, and by 5.5% or R$63.7 million over 3Q21.

Income from Commercial Loans - Individuals and Corporate Clients - R$ Millions

	2021	2020	4Q21	3Q21	2Q21	1Q21	4Q20	2021/ 2020
Individuals	**3,849.5**	**4,075.3**	**972.7**	**950.5**	**963.3**	**963.1**	**965.9**	**-5.5%**
Credit Card (1)	172.0	168.9	45.4	41.3	43.8	41.4	36.8	1.9%
Overdraft	405.7	420.2	102.8	99.4	103.3	100.2	93.5	-3.4%
Payroll-deductible Loans	2,720.2	2,827.7	694.5	676.5	674.5	674.8	696.6	-3.8%
Consumer Loans (Non-Deductible)	410.7	515.5	92.7	98.1	107.3	112.6	104.1	-20.3%
Other	140.9	143.1	37.3	35.1	34.4	34.1	35.0	-1.5%
Corporate Clients	**777.1**	**780.2**	**239.9**	**198.4**	**176.5**	**162.3**	**164.7**	**-0.4%**
Credit Card (1)	6.6	8.8	1.5	1.5	1.8	1.7	1.4	-25.1%
Working Capital	492.3	432.7	165.4	131.2	106.4	89.2	95.7	13.8%
Debtor Accounts	173.0	219.4	42.6	40.0	44.6	45.8	41.1	-21.2%
Compror/Vendor Financing	1.3	1.7	0.3	0.3	0.4	0.3	0.4	-23.6%
Foreign Credit	2.7	5.1	1.0	0.4	0.5	0.8	0.9	-46.3%
Discount on Receivables	11.9	20.8	3.5	2.8	2.5	3.1	3.5	-42.7%
Other	89.3	91.7	25.6	22.1	20.3	21.3	21.7	-2.6%
Total	**4,626.7**	**4,855.5**	**1,212.6**	**1,148.9**	**1,139.8**	**1,125.3**	**1,130.7**	**-4.7%**

(1) Refers to revolving credit card.

Income from commercial loans for individuals, which accounted for 83.2% of the total income from commercial loans in 2021, declined by 5.5% or R$225.8 million from 2020. In 4Q21, income from commercial loans for individuals amounted to R$972.7 million, relatively flat, with year-on-year growth of R$6.8 million and quarter-on-quarter growth of 2.3% or R$22.2 million.

The lower income from commercial loans for individuals year on year in 2021 was mainly influenced by the lower income from payroll-deductible loans (R$107.5 million) and income from consumer loans (R$104.8 million). Income from commercial loans for individuals was relatively flat year on year in 4Q21, mainly due to the higher income from overdraft (R$9.3 million); and credit cards (R$8.7 million), which was offset by the lower income from consumer loans (R$11.4 million). In comparison with 3Q21, the higher income from commercial loans for individuals was mainly due to the higher income from payroll-deductible loans (R$18.0 million).

In 2021, income from commercial loans for corporate clients amounted to R$777.1 million, relatively flat, and down R$3.1 million from 2020, especially due to lower income from debtor accounts (R$46.4 million); discount on receivables (R$8.9 million); and renegotiation (R$5.7 million), being partially offset by the growth in the working capital lines (R$59.6 million). Income from commercial loans for corporate clients grew by 45.7% or R$75.2 million year on year in 4Q21, mainly due to an increase of R$69.8 million in the working capital lines. Income from commercial loans for corporate clients rose by 20.9% or R$41.5 million quarter on quarter in 4Q21, mainly due to an increase of R$34.3 million in the working capital lines.

Average Monthly Rates of Commercial Loans - Individuals and Corporate Clients

	2021	2020	4Q21	3Q21	2Q21	1Q21	4Q20
Individuals	**1.64%**	**1.79%**	**1.63%**	**1.64%**	**1.66%**	**1.65%**	**1.69%**
Credit Cards (1)	7.47%	7.14%	7.72%	7.34%	7.53%	7.29%	6.62%
Overdraft	7.87%	7.87%	7.87%	7.87%	7.87%	7.86%	7.86%
Payroll-deductible Loans	1.35%	1.47%	1.32%	1.34%	1.36%	1.37%	1.40%
Payroll-deductible Loans (Own)	1.35%	1.48%	1.33%	1.35%	1.36%	1.37%	1.41%
Payroll-deductible Loans (Acquired)	0.85%	0.93%	0.84%	0.84%	0.84%	0.88%	0.92%
Consumer Loans (Non-Deductible)	2.64%	2.59%	3.49%	2.64%	2.30%	2.11%	3.03%
Other	1.26%	1.40%	1.22%	1.25%	1.28%	1.28%	1.33%
Corporate Clients	**0.98%**	**1.09%**	**1.11%**	**0.96%**	**0.94%**	**0.92%**	**0.88%**
Credit Cards (1)	12.02%	11.83%	11.83%	11.92%	12.06%	12.28%	11.96%
Working Capital	0.83%	0.86%	1.01%	0.82%	0.76%	0.73%	0.71%
Debtor Accounts	4.53%	4.34%	4.48%	4.32%	4.65%	4.68%	4.51%
Compror/Vendor Financing	0.86%	0.99%	1.10%	0.92%	0.78%	0.65%	0.69%
Discount on Receivables	1.41%	1.49%	1.52%	1.41%	1.40%	1.31%	1.28%
Other	0.55%	0.61%	0.62%	0.53%	0.52%	0.53%	0.54%
Total	**1.48%**	**1.62%**	**1.50%**	**1.47%**	**1.49%**	**1.47%**	**1.49%**

(1) Refers to the average monthly rate of revolving credit card.

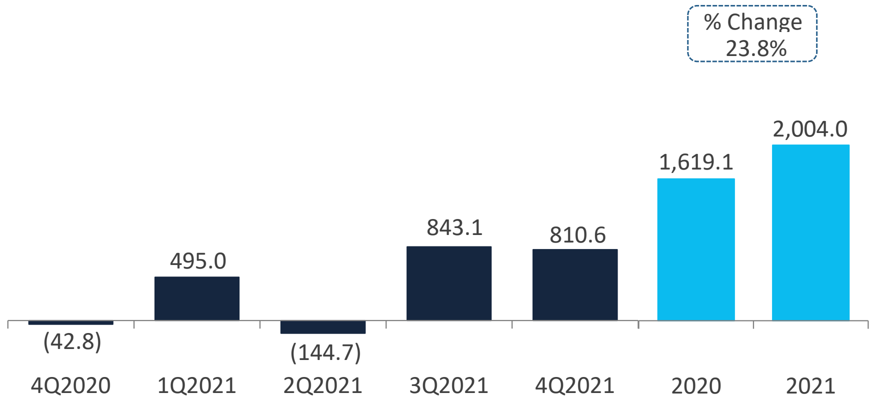
In 2021, the average monthly rates of commercial loans reduced by 0.14 p.p. from 2020. In 2021, the average monthly rates of commercial loans for individuals decreased by 0.15 p.p. from 2020, while the average monthly rates of commercial loans for corporate clients shrank by 0.11 p.p. in the same period. The average monthly rates of commercial loans were relatively flat year on year in 4Q21, increasing by 0.01 p.p. The average monthly rates of commercial loans for individuals fell by 0.06 p.p. year on year in 4Q21, while the average monthly rates of commercial loans for corporate clients grew by 0.23 p.p. in the same period. The average monthly rates of commercial loans grew by 0.03 p.p. quarter on quarter, and the average monthly rates for commercial loans for corporate clients increased by 0.15 p.p. Commercial loans for individuals were relatively flat in the same period, shrinking by 0.01 p.p.

The average rates of payroll-deductible loans (the main product of the portfolio of commercial loans for individuals) fell in the comparative periods, while the average rates of the working capital lines (the main product of the portfolio of commercial loans for corporate clients) increased in the comparative periods, except for the year-to-date comparative periods. The average monthly rates of commercial loans for corporate clients were mainly influenced by the performance of the basic interest rate and the credit market competition. The average monthly rates of the portfolio of commercial loans for individuals were affected by the inventory of fixed transactions and the market competition.

Income from Marketable Securities and Derivative Financial Instrument Transactions

In 2021, income from marketable securities and derivative financial instrument transactions amounted to R$2,004.0 million, up 23.8% or R$384.9 million. In 4Q21, income from marketable securities and derivative financial instrument transactions amounted to R$810.6 million, up R$853.4 million over 4Q20, and down 3.8% or R$32.4 million from 3Q21.

Chart 147: Income (Loss) from Marketable Securities and Derivative Financial Instruments - R$ Million



The performance of treasury year on year in 2021 was due to the higher income from marketable securities (R$1,104.7 million), mainly as a result of a higher balance and the effective Selic Rate, which was partially offset by the lower income from derivative financial instruments (R$719.8 million), due to the exchange variation and mark to market in the period.

The performance of treasury year on year in 4Q21 was due to the higher income from marketable securities (R$649.8 million), mainly due to the growth of the effective Selic Rate, which moved up from 0.47% in 4Q20 to 1.85% in 4Q21, as the balance increased, and income from derivative financial instruments (R$203.6 million), due to the exchange variation and mark to market in the period.

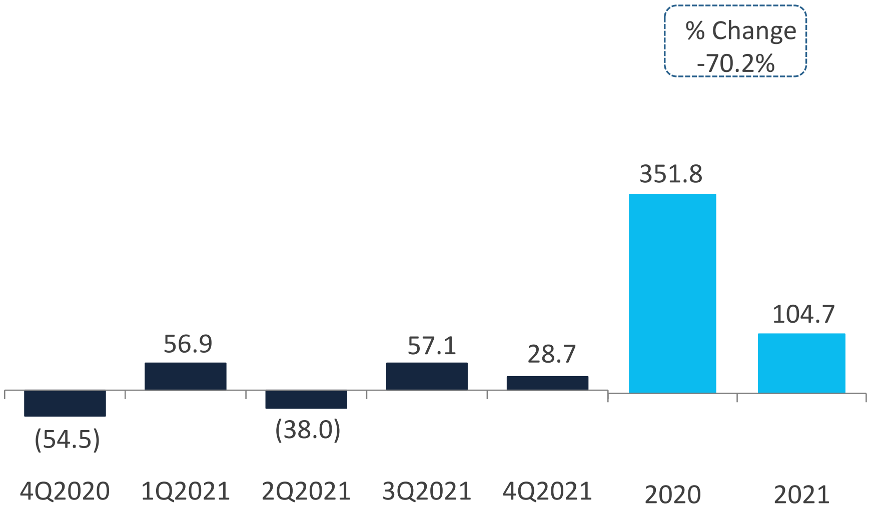
The quarter-on-quarter performance of treasury resulted from the lower income from derivative financial instruments (R$295.5 million), due to the exchange variation and mark to market in the period, being partially offset by the higher income from marketable securities (R$263.0 million), mainly due to the higher effective Selic Rate and the increased balance.

Income from Foreign Exchange Transactions

Income from foreign exchange transactions totaled R$104.7 million in 2021, down 70.2% or R$247.1 million from 2020. In 4Q21, income from foreign exchange transactions amounted to R$28.7 million – R$83.2 million higher than in 4Q20 (+49.7%), or R$28.3 million lower than in 3Q21. Banrisul's foreign exchange transactions are linked to funding in foreign currency. As a result, the variation in income was proportionally offset by the variation in expenses with obligations arising from loans and transfers in foreign currency.

The foreign exchange performance reflects the currency depreciation of 7.39% in 2021 compared to a depreciation of 28.93% in 2020. In the quarterly comparison, the variation in income from foreign exchange reflects the currency depreciation of 2.59% in 4Q21, compared to an appreciation of 7.87% in 4Q20 and a depreciation of 8.74% in 3Q21.

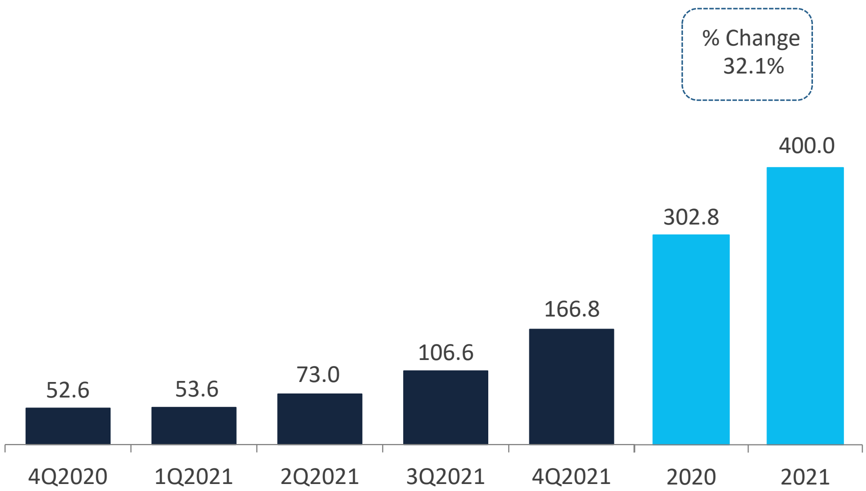
Chart 18: Income (Loss) from Foreign Exchange Transactions - R$ Million



Income from Compulsory Investments

Income from compulsory investments amounted to R$400.0 million in 2021, up 32.1% or R$97.2 million year on year in 2021. In 4Q21, income from compulsory investments came to R$166.8 million, with a growth of R$114.3 million over 4Q20, and R$60.2 million over 3Q21.

Chart 15: Income from Compulsory Investments - R$ Million

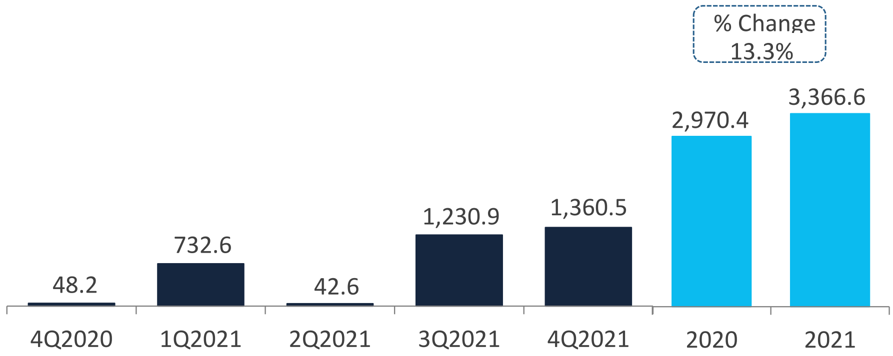


The performance of income from compulsory investments in the analyzed periods mainly reflects the higher income from credits linked to time deposits, especially due to an increase in the effective Selic Rate and in the balance of these compulsory deposits.

Financial Intermediation Expenses

Financial intermediation expenses amounted to R$3,366.6 million, up 13.3% or R$396.2 million year on year in 2021. In 4Q21, financial intermediation expenses totaled R$1,360.5 million, a growth of R$1,312.3 million year on year, and R$129.5 million (+10.5%) quarter on quarter. The evolution of financial intermediation expenses was mainly influenced by the performance of the Selic Rate and the exchange variation.

Chart 20: Financial Intermediation Expenses - R$ Million



The higher financial intermediation expenses year on year in 2021 were influenced by the higher market funding expenses (R$584.1 million), which were partially offset by the lower loan, assignment and transfer expenses (R$187.9 million).

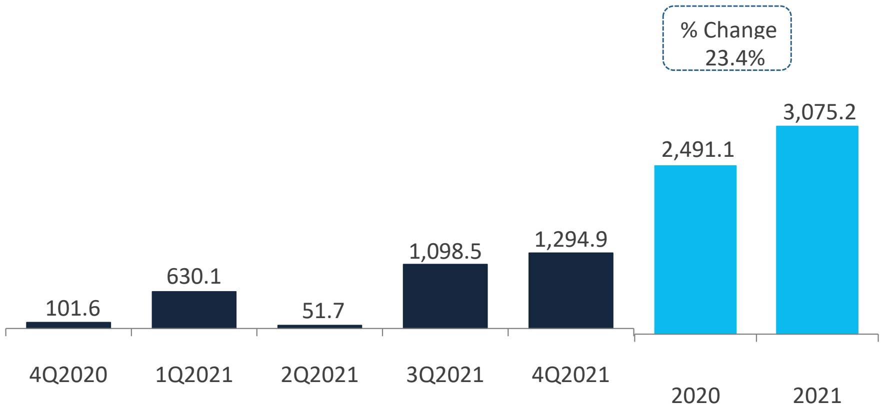
The higher financial intermediation expenses year on year in 4Q21 was influenced by the higher market funding expenses (R$1,193.3 million) and the loan, assignment and transfer expenses (R$119.0 million).

The quarter-on-quarter growth in financial intermediation expenses was influenced by the higher market funding expenses (R$196.4 million), being partially offset by the lower loan, assignment and transfer expenses (R$66.8 million).

Market Funding Transactions

In 2021, market funding expenses amounted to R$3,075.2 million, 23.4% or R$584.1 million higher than in 2020. In 4Q21, market funding expenses were R$1,294.9, million, with a growth of R$1,193.3 million over 4Q20, or R$196.4 million (+17.9%) over 3Q21.

Chart 16: Market Funding Expenses - R$ Million



The increase in market funding expenses year on year in 2021 was mainly influenced by higher time deposit expenses (R$740.0 million) and repurchase agreement expenses (R$307.5 million), being partially offset by the lower subordinated debt expense (R$550.0 million), due to the exchange variation and the obligation's mark to market.

The increase in market funding expenses year on year in 4Q21 was mainly influenced by the higher time deposit expenses (R$570.3 million) and subordinated debt expenses (R$327.5 million) – due to the exchange variation and the obligation's mark to market – and repurchase agreement expenses (R$190.8 million). The higher Selic Rate – on which most funding is based – has also impacted funding expenses.

The quarter-on-quarter increase in market funding expenses was mainly due to the higher time and savings deposit expenses (R$297.0 million) and repurchase agreement expenses (R$101.3 million), being partially offset by the lower subordinated debt expenses (R$215.4 million), due to the exchange variation and the obligation's mark to market.

On January 28, 2021, Banrisul issued a new Subordinated Debt (Tier 2 Capital) of three hundred million U.S. dollars (US$300M), with annual interest of 5.375%, maturing in 10 years, and repurchase option in 5 years, as per the conditions previously agreed upon in the Offering Memorandum of the issue. The Subordinated Debt is Tier 2 Capital, as authorized by the Central of Brazil on October 25, 2021.

FUNDING COST

The funding cost was calculated based on the average balances of funds raised, which are linked to the corresponding amounts of the effective funding expenses, thus generating the average rates. As for the liabilities, deposits, funds from acceptance and securities were grouped into funding products.

The average price of funding reached 1.46% in 4Q21, higher than the average cost of 0.44% in 4Q20 and 1.00% in 3Q21, in line with the Selic Rate. Time and savings deposits were the most relevant items making up costs. The average cost indicator in relation to the Selic Rate reached 78.91% in 4Q21, down 14.15 p.p. year on year and 2.59 p.p. quarter on quarter.

The average cost of time deposits – whose balance accounts for 71.5% of the set of items shown in the table below – reached 1.62% in 4Q21, up by 1.21 p.p. year on year and by 0.54 p.p. quarter on quarter. The proportion of time deposit costs in relation to the Selic Rate was 87.28% in 4Q21, up by 0.52 p.p. year on year, and down by 0.52 p.p. quarter on quarter.

Funding Cost - R$ Million and Percentage

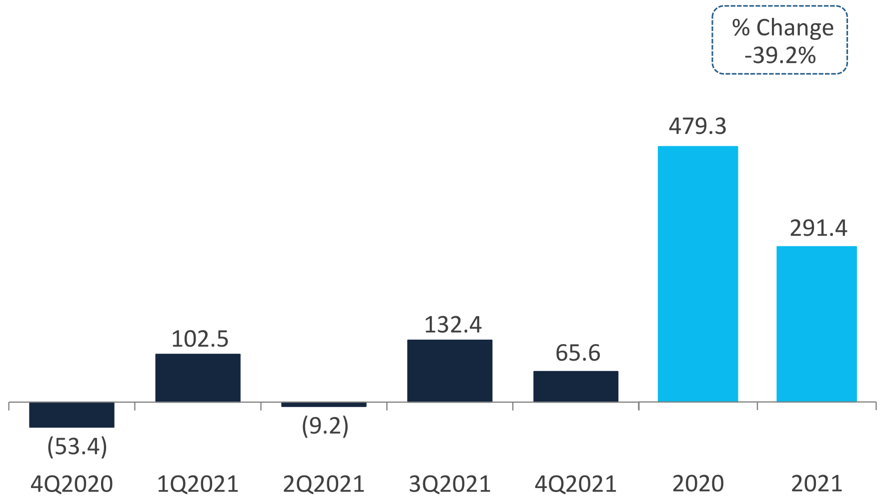
	4Q21			3Q21			4Q20		
	Average Balance (1)	Accumulated Expense	Average Cost	Average Balance (1)	Accumulated Expense	Average Cost	Average Balance (1)	Accumulated Expense	Average Cost
Time Deposits	46,685.1	(755.0)	1.62%	46,311.4	(500.4)	1.08%	45,148.8	(184.8)	0.41%
Savings Deposits	11,525.1	(146.5)	1.27%	11,496.3	(104.2)	0.91%	10,869.5	(60.6)	0.56%
Demand Deposits	4,052.3	-	0.00%	3,791.0	-	0.00%	3,706.8	-	0.00%
Interbank Deposits	1,349.7	(5.0)	0.37%	1,013.6	(2.4)	0.23%	1,485.8	(4.5)	0.31%
Other Deposits	15.6	(0.0)	0.00%	15.7	(0.0)	0.00%	12.6	(0.0)	0.00%
Bank Notes	734.9	(14.1)	1.91%	788.5	(10.0)	1.26%	1,643.0	(8.2)	0.50%
Mortgage Notes	723.6	(11.8)	1.63%	776.4	(8.4)	1.09%	892.4	(3.8)	0.42%
Agribusiness Letters of Credit	209.2	(3.6)	1.73%	49.3	(0.5)	1.08%	-	-	-
Contribution Expenses - FGC	-	(18.7)	-	-	(18.5)	-	-	(18.0)	-
Total Average Balance/Total Expense	**65,295.6**	**(954.8)**	**1.46%**	**64,242.2**	**(644.3)**	**1.00%**	**63,759.0**	**(279.9)**	**0.44%**
Selic Rate			**1.85%**			**1.23%**			**0.47%**
Average Cost / Selic Rate			**78.91%**			**81.50%**			**93.06%**
Time Deposit Cost / Selic Rate			**87.28%**			**87.80%**			**86.76%**

(1) Average balances based on the final balances for the months making up the analyzed periods.

LOAN, ASSIGNMENT AND TRANSFER EXPENSES

Loan, assignment and transfer expenses totaled R$291.4 million in 2021, down 39.2% or R$187.9 million from 2020. Loan, assignment and transfer expenses amounted to R$65.6 million, R$119.0 million higher than in 4Q20, and 50.4% or R$66.8 million lower than in 3Q21.

Chart 22: Loan, Assignment and Transfer Expenses - R$ Million



The lower loan, assignment and transfer expenses year on year in 2021 mainly reflects lower expenses with transfers in foreign currency (R$254.3 million), due to the exchange variation in the period, which was partially offset by higher expenses with reserve fund cash to guarantee the refund of court deposits (R$67.7 million).

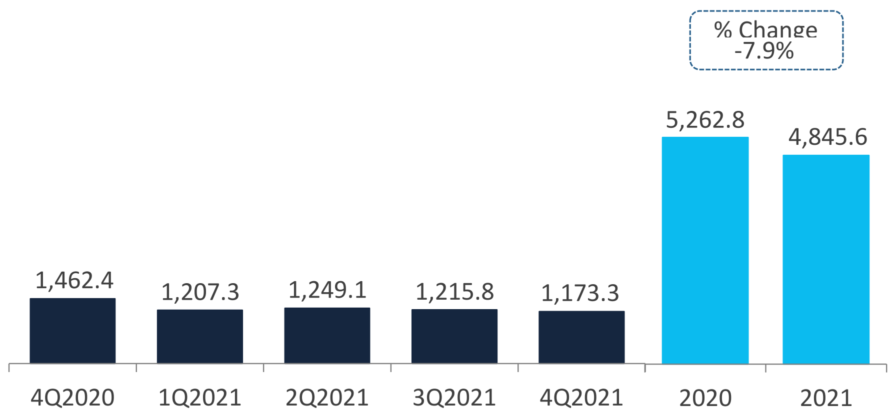
The growth in loan, assignment and transfer expenses year on year in 4Q21 was mainly due to higher expenses with transfers in foreign currency (R$71.1 million), as a result of the exchange variation in the period, and expenses with reserve fund cash to guarantee the refund of court deposits (R$43.5 million).

The lower loan, assignment and transfer expenses quarter on quarter mainly reflects lower expenses with transfers in foreign currency (R$90.0 million), due to the exchange variation in the period, which was partially offset by higher expenses with reserve fund cash to guarantee the refund of court deposits (R$21.9 million).

Financial Margin

The financial margin totaled R$4,845.6 million in 2021, down 7.9% or R$417.1 million from 2020. In 4Q21, financial margin reached R$1,173.3 million, down by 19.8% or R$289.1 million from 4Q20, and by 3.5% or R$42.5 million from 3Q21.

Chart 17: Financial Margin - R$ Million



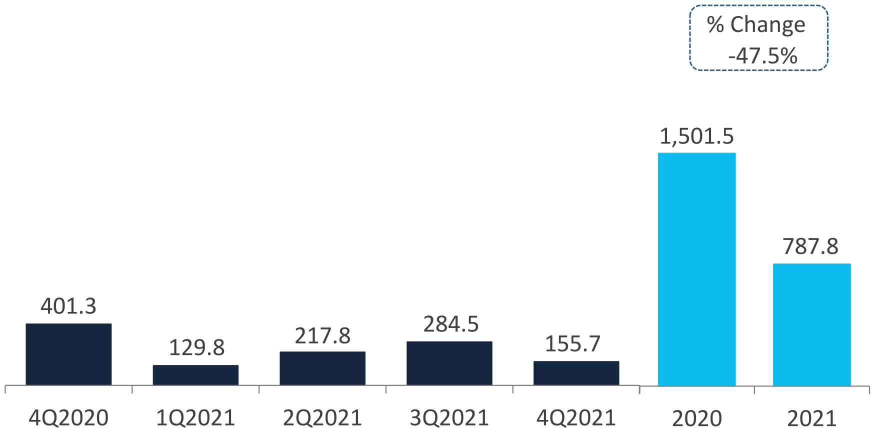
The lower financial margin year on year in 2021 mainly reflects higher interest expenses and relatively flat interest income amid the currency depreciation, the lower interest rate of loan transactions and the higher Selic Rate.

In the comparison with 4Q20 and 3Q21, the lower financial margin in 4Q21 reflects the growth in interest expenses in a proportion that is higher than the rise in interest income amid the exchange variation and the increases of 1.38 p.p. and 0.62 p.p., respectively, in the effective Selic Rate.

PROVISION EXPENSES FOR CREDIT LOSSES

Provision expenses for credit losses amounted to R$787.8 million in 2021, shrinking by 47.5% or R$713.7 million from 2020. In 4Q21, provision expenses for credit losses totaled R$155.7 million, down by 61.2% or R$245.6 million from 4Q20, and by 45.3% or R$128.8 million from 3Q21.

Chart 24: Provision Expenses for Credit Losses - R$ Million



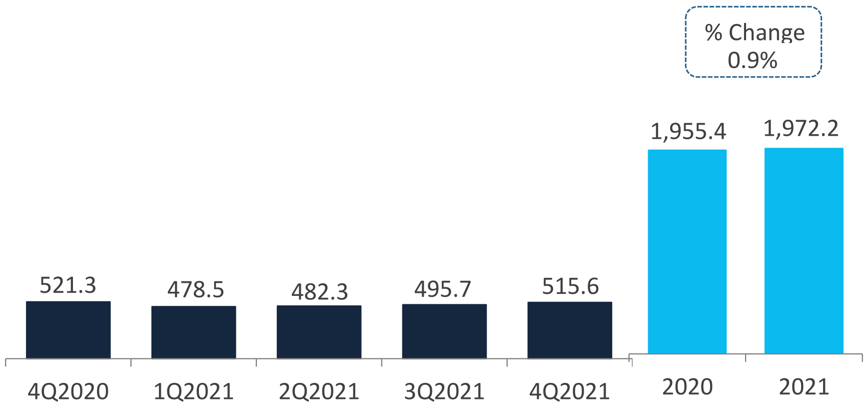
Provision expenses for credit losses in the analyzed periods 2021 x 2020 e 4Q2021 x 4Q2020 mainly reflect the rolling over of the portfolio according to the credit rating levels, which was influenced by the current economic scenario, and the lower overdue.

In 4Q2021, the movement in expenses with allowance for loan losses in relation to 3Q2021 reflects, in particular, the scrolling of the portfolio by rating levels and the lower volume of recovery of credits written off with full provisioning.

INCOME FROM SERVICES AND BANKING FEES

Income from services and banking fees amounted to R$1,972.2 million in 2021, being relatively flat, with a growth of R$16.8 million over 2020. In 4Q21, income from services and banking fees was R$515.6 million, down by 1.1%, or R$5.7 million from 4Q20, and up by 4.0% or R$19.9 million over 3Q21.

Chart 25: Income from Services and Banking Fees - R$ Million



The performance of income from services and banking fees year on year in 2021 was mainly influenced by the higher income from the acquiring network (R$37.3 million), especially due to a higher volume of transactions processed by the acquiring network, which was partially offset by the lower income from debit transactions (R$21.7 million).

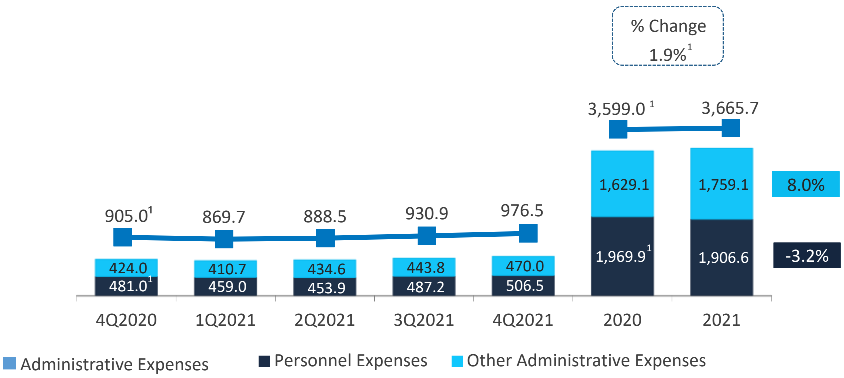
The performance of income from services and banking fees year on year in 4Q21 was mainly due to the lower income from debit transactions (R$8.6 million); income from checking account banking fees (R$7.0 million); and income from credit cards (R$2.6 million), being partially offset by the higher income from the acquiring network (R$15.1 million).

The quarter-on-quarter variation in income from services and banking fees was mainly due to the higher income from the acquiring network (R$24.6 million), which was particularly offset by the lower income from insurance, private pension and capitalization (R$2.1 million); income from checking account banking fees (R$1.5 million); and income from funds under management (R$1.1 million).

Adjusted Administrative Expenses

Administrative expenses came to R$3,665.7 million in 2021, up 1.9% or R$66.7 million over 2020. In 4Q21, administrative expenses amounted to R$976.5 million, up 7.9% or R$71.4 million over 4Q20, and by 4.9% or R$45.5 million over 3Q21.

Chart 18: Administrative Expenses - R$ Million



[1] Adjusted.

In 2020, Banrisul approved the Voluntary Separation Program - VSP, benefiting employees retired through the National Institute of Social Security (INSS), or employees who would meet/had already met the required contribution time in 24 months, including other conditions to retire under the INSS rules, with a period to apply for the program until the last quarter of 2020 and dismissal occurred in the same period, except for employees allocated at the units of the Office of Information Technology, who may be dismissed until 2022. The VSP was implemented through the Collective Bargaining Agreement entered into with unions that represent bank employees. The agreement contains a specific clause about the full termination of employment contracts. Costs recorded within the scope of the VSP totaled R$177.0 million in 4Q20 and refer to 901 employees. Of the 901 employees, at the close of December 2020, 865 employees – and until the end of December 2021 – 98.1% (or 884 employees) – had already been dismissed under the VSP. Adjusted personnel expenses do not include VSP costs, which are recognized as non-recurring.

Adjusted personnel expenses amounted to R$1,906.6 million, down 3.2% or R$63.3 million year on year in 2021, mainly reflecting the collective bargaining agreement related to bank employees and the dismissal of employees under the VSP. Other administrative expenses totaled R$1,759.1 million, up 8.0% or R$130.0 million, particularly influenced by the higher expenses with specialized technical services (R$46.8 million), mainly due to technical consultancy and third party service expenses (R$25.0 million), amortization and depreciation expenses (R$21.8 million), and data processing expenses (R$14.3 million).

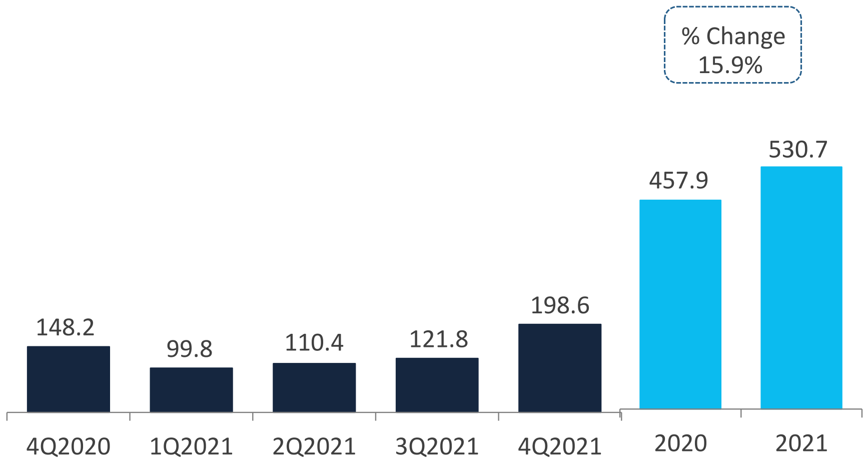
Adjusted personnel expenses rose by 5.3% or R$25.5 million year on year in 4Q21. Other administrative expenses increased by 10.8% or R$45.9 million over 4Q20, mainly influenced by higher third party service expenses (R$13.0 million); expenses with specialized technical services (R$9.3 million); data processing expenses (R$5.4 million); and advertising, promotion and publicity expenses (R$3.8 million).

Personnel expenses increased by 4.0% or R$19.3 million quarter on quarter. Other administrative expenses increased by 5.9% or R$26.2 million over 3Q21, mainly influenced by higher third party service expenses (R$12.8 million); advertising, promotion and publicity expenses (R$7.7 million); and rental and condominium expenses (R$4.3 million).

OTHER INCOME

Other income amounted to R$530.7 million in 2021, up 15.9% or R$72.7 million over 2020. In 4Q21, other income reached R$198.6 million, up 34.0% or R$50.4 million over 4Q20, and by 63.1% or R$76.9 million over 3Q21.

Chart 27: Other Income - R$ Million



The increase in other income year on year in 2021 was mainly due to the reversal of civil provisions (R$48.3 million); the reversal of provision for assets not in use (R$29.8 million); higher income from the rental of acquiring equipment (R$27.9 million); and sundry income from cards (R$16.4 million). This was particularly offset by the lower income from the update of guaranteed deposits (R$25.8 million) and income from the recovery of charges and expenses (R$20.5 million).

The increase in other income year on year in 4Q21 was mainly influenced by the higher reversal of civil provisions (R$48.3 million).

The quarter-on-quarter increase in other income was mainly due to the higher reversal of civil provisions (R$48.3 million) and income from actuarial adjustments - CPC 33 (R$28.5 million).

OTHER ADJUSTED EXPENSES

Other adjusted expenses were R$1,041.3 million in 2021, up 16.9% or R$150.3 million over 2020. In 4Q21, other expenses reached R$279.5 million, up 21.5% or R$49.5 million over 4Q20, and down 7.0% or R$21 million from 3Q21.

The growth in other adjusted expenses year on year in 2021 was mainly due to labor provision expenses (R$87.3 million) and expenses with INSS partnership charges (R$42.9 million).

The growth in other expenses year on year in 4Q21 was mainly due to higher labor provision expenses (R$31.5 million) and expenses with the update of provision for tax risks (R$11.8 million).

The quarter-on-quarter decrease in other expenses was mainly due to lower labor provision expenses (R$60.8 million), which was partially offset by the higher expenses with actuarial adjustments - CPC 33 (R$35.2 million).

Chart 19: Other Adjusted Expenses - R$ Million

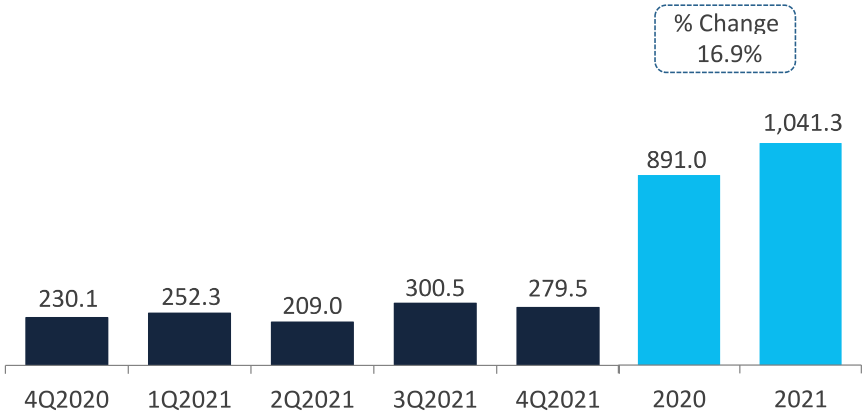


Table 15: Summarized Consolidated Balance Sheet - R$ Thousand

Assets	Dec 2021	Sept 2021	Jun 2021	Mar 2020	Dec 2020	Dec 2021/ Dec 2020	Dec 2021/ Sept 2021
Cash Equivalents	1,464,768	1,669,927	1,583,843	1,457,599	1,263,648	15.9%	-12.3%
Financial Assets	100,594,067	96,994,136	93,465,517	91,171,064	88,011,432	14.3%	3.7%
Short-Term Interbank Investments	5,845,434	8,800,744	8,063,373	8,337,526	6,041,572	-3.2%	-33.6%
Compulsory Deposits at the Central Bank of Brazil	9,738,751	7,983,621	7,744,492	7,469,218	7,750,609	25.7%	22.0%
Marketable Securities	38,389,069	36,145,131	36,016,688	33,353,737	31,645,202	21.3%	6.2%
Derivative Financial Instruments	841,900	819,882	661,669	1,012,350	844,599	-0.3%	2.7%
Loan Transactions	37,910,306	35,969,497	34,074,673	34,397,499	34,860,941	8.7%	5.4%
Other Financial Assets	7,854,055	7,260,416	6,888,776	6,583,149	6,848,904	14.7%	8.2%
Leasing Transactions	14,552	14,845	15,846	17,585	19,605	-25.8%	-2.0%
Provision for Credit Losses	(2,681,589)	(2,747,212)	(2,725,494)	(2,750,876)	(2,813,138)	-4.7%	-2.4%
Tax Assets	3,125,439	3,549,970	3,490,854	3,236,138	3,119,592	0.2%	-12.0%
Other Assets	700,470	778,639	865,235	914,398	817,994	-14.4%	-10.0%
Investments	154,439	164,815	162,060	156,275	177,951	-13.2%	-6.3%
PP&E in Use	476,867	471,839	464,865	454,892	439,693	8.5%	1.1%
Intangible Assets	741,303	766,442	756,135	792,563	805,729	-8.0%	-3.3%
Total Assets	**104,575,764**	**101,648,556**	**98,063,015**	**95,432,053**	**91,822,901**	**13.9%**	**2.9%**
Liabilities	**Dec 2021**	**Sept 2021**	**Jun 2021**	**Mar 2020**	**Dec 2020**	**Dec 2021/ Dec 2020**	**Dec 2021/ Sept 2021**
Deposits and Other Financial Liabilities	90,644,572	87,331,773	83,837,370	81,733,912	78,730,375	15.1%	3.8%
Deposits	64,277,380	63,409,002	61,179,999	60,966,517	62,446,503	2.9%	1.4%
Open Market Funding	10,721,736	8,948,284	8,679,331	7,019,799	4,362,437	145.8%	19.8%
Funds from Acceptance and Issue of Securities	1,738,001	1,606,917	1,742,545	1,919,839	2,440,535	-28.8%	8.2%
Obligations arising from Loans and Transfers	2,416,122	3,725,261	3,318,305	3,541,009	1,898,981	27.2%	-35.1%
Derivative Financial Instruments	136,170	96,848	174,239	36,083	-	-	40.6%
Other Financial Liabilities	11,355,163	9,545,461	8,742,951	8,250,665	7,581,919	49.8%	19.0%
Provisions	2,315,530	2,331,237	2,218,988	2,101,742	2,012,954	15.0%	-0.7%
Tax Liabilities	608,811	829,926	813,260	643,674	561,565	8.4%	-26.6%
Other Liabilities	1,958,268	2,406,149	2,538,980	2,371,483	2,171,792	-9.8%	-18.6%
Equity	**9,048,583**	**8,749,471**	**8,654,417**	**8,581,242**	**8,346,215**	**8.4%**	**3.4%**
Total Liabilities and Equity	**104,575,764**	**101,648,556**	**98,063,015**	**95,432,053**	**91,822,901**	**13.9%**	**2.9%**

SUMMARY OF THE CONSOLIDATED AND ADJUSTED INCOME STATEMENT

Table 16: Summarized Consolidated Income Statement - R$ Thousand

	2021	2020	4Q21	3Q21	2Q21	1Q21	4Q20	2021/ 2020	4Q21/ 3Q21
Income from Financial Intermediation	**8,212,176**	**8,233,170**	**2,533,797**	**2,446,749**	**1,291,712**	**1,939,918**	**1,510,605**	**-0.3%**	**3.6%**
Loan Transactions, Leasing and Other Credits	5,703,434	5,959,465	1,527,619	1,440,039	1,401,349	1,334,427	1,555,280	-4.3%	6.1%
Income from Marketable Securities Transactions	1,941,000	836,298	827,933	564,910	344,136	204,021	178,174	132.1%	46.6%
Income (Loss) from Derivative Financial Instruments	62,995	782,776	(17,304)	278,153	(488,837)	290,983	(220,943)	-92.0%	-106.2%
Income (Loss) from Exchange Transactions	104,724	351,787	28,736	57,078	(37,982)	56,892	(54,464)	-70.2%	-49.7%
Income from Compulsory Investments	400,023	302,844	166,813	106,569	73,046	53,595	52,558	32.1%	56.5%
Financial Intermediation Expenses	**(3,366,573)**	**(2,970,417)**	**(1,360,489)**	**(1,230,943)**	**(42,564)**	**(732,577)**	**(48,229)**	**13.3%**	**10.5%**
Market Funding Transactions	(3,075,199)	(2,491,130)	(1,294,857)	(1,098,503)	(51,725)	(630,114)	(101,601)	23.4%	17.9%
Loan, Assignment and Transfer Transactions	(291,374)	(479,287)	(65,632)	(132,440)	9,161	(102,463)	53,372	-39.2%	-50.4%
Income from Financial Intermediation	**4,845,603**	**5,262,753**	**1,173,308**	**1,215,806**	**1,249,148**	**1,207,341**	**1,462,376**	**-7.9%**	**-3.5%**
Provision for Credit Losses	**(787,794)**	**(1,501,496)**	**(155,696)**	**(284,534)**	**(217,807)**	**(129,757)**	**(401,261)**	**-47.5%**	**-45.3%**
Other Adjusted Operating Income	**2,545,652**	**2,469,035**	**723,372**	**631,945**	**601,699**	**588,636**	**686,729**	**3.1%**	**14.5%**
Income from Services and Banking Fees	1,972,158	1,955,399	515,589	495,721	482,304	478,544	521,271	0.9%	4.0%
Equity in Affiliates	42,830	55,691	9,161	14,467	8,951	10,251	17,281	-23.1%	-36.7%
Other Adjusted Income	530,664	457,945	198,622	121,757	110,444	99,841	148,177	15.9%	63.1%
Other Adjusted Operating Expenses	**(5,171,392)**	**(4,957,915)**	**(1,374,527)**	**(1,344,724)**	**(1,212,156)**	**(1,239,985)**	**(1,256,150)**	**4.3%**	**2.2%**
Adjusted Personnel Expenses	(1,906,581)	(1,969,860)	(506,508)	(487,158)	(453,906)	(459,009)	(480,999)	-3.2%	4.0%
Other Administrative Expenses	(1,759,082)	(1,629,096)	(469,987)	(443,791)	(434,603)	(410,701)	(424,050)	8.0%	5.9%
Tax Expenses	(464,418)	(467,926)	(118,507)	(113,290)	(114,680)	(117,941)	(121,045)	-0.7%	4.6%
Other Adjusted Expenses	(1,041,311)	(891,033)	(279,525)	(300,485)	(208,967)	(252,334)	(230,056)	16.9%	-7.0%
Adjusted Operating Income	**1,432,069**	**1,272,377**	**366,457**	**218,493**	**420,884**	**426,235**	**491,694**	**12.6%**	**67.7%**
Earnings Before Tax and Employee Profit Sharing (without Profit)	**1,432,069**	**1,272,377**	**366,457**	**218,493**	**420,884**	**426,235**	**491,694**	**12.6%**	**67.7%**
Adjusted Income Tax and Social Contribution	**(315,828)**	**(331,597)**	**(78,144)**	**(16,701)**	**(106,673)**	**(114,310)**	**(129,243)**	**-4.8%**	**367.9%**
Employee Profit Sharing	**(125,616)**	**(115,778)**	**(30,221)**	**(30,221)**	**(32,256)**	**(32,918)**	**(32,711)**	**8.5%**	**0.0%**
Non-Controlling Interests	**(270)**	**(202)**	**(55)**	**(71)**	**(72)**	**(72)**	**(67)**	**33.7%**	**-22.5%**
Adjusted Net Income	**990,355**	**824,800**	**258,037**	**171,500**	**281,883**	**278,935**	**329,673**	**20.1%**	**50.5%**
Voluntary Separation Program - VSP	-	(176,952)	-	-	-	-	(176,952)	-100.0%	-
Provision for Tax Contingencies	(76,036)	-	-	-	(76,036)	-	-	100.0%	-
Tax Effects	34,216	79,628	-	-	34,216	-	79,628	-57.0%	-
Tax Credits (CSLL) - Law 14,183/21	-	-	(10,265)	(14,898)	25,163	-	-	-	-31.1%
Net Income	**948,535**	**727,476**	**247,772**	**156,602**	**265,226**	**278,935**	**232,349**	**30.4%**	**58.2%**

Management Report

We present the Management Report and the individual and consolidated Financial Statements of Banco do Estado do Rio Grande do Sul SA, for the year 2021, prepared in accordance with accounting practices adopted in Brazil, applied to institutions authorized to operate by the Central Bank of Brazil.

Economic Scenario

In 2021, the world economy was — and continues to be — marked by the high degree of uncertainty caused by the Covid-19 pandemic. After a serious slowdown in economic activity in practically all countries in the previous year, the crisis showed another side: its inflationary effects. A long period of stimulative monetary policies was followed by disruptions in supply chains, soaring commodity prices and resumption of activity. This scenario brought back the debate on fighting inflation and the prospect of a global monetary tightening.

Brazil, after a first semester of expansion in economic activity, concomitant with the acceleration in inflation indicators, there was an evident loss of impetus in growth. In this sense, the GDP variation favored, in large part, by the weak comparison base of the 2H2020, lost steam, during the 2H2021, in the face of a more robust comparative base, the reduction of the mass of real income due to the high inflation and of greater fiscal uncertainties. The IPCA, the reference index of the inflation targeting system, accumulated a variation of 10.06% in the year. This factor led the monetary authority, after almost six years, to raise the basic interest rate of the Brazilian economy, the Selic, which reached 9.25% per year.

The credit market in Brazil, in 2021, grew by 13.9%, mainly in the Individuals segment. The default rate was 3.1%, lower than pre-pandemic. In Rio Grande do Sul, the pace was less intense, with growth in the total loan portfolio of 6.7% and delinquency of 1.72%, as of October regional credit dado. The Rio Grande do Sul economy, after outperforming the national performance in 1H2021, pointed to a more sensitive deceleration in 3Q21, reflecting climatic factors that penalized agricultural activity. On the other hand, Rio Grande do Sul's external accounts benefited from the resumption of some of its largest trading partners. As a result, Rio Grande do Sul's exports maintained an outstanding growth in the period.

Brazil GDP
+5.7%
(YTD, up to the third quarter)

IPCA
+10.06%
(in 2021)

Robust growth in relation to 2020 is accompanied by inflation well above the target.

Business Strategy and Guidelines

Mission and Vision

At Banrisul, we guide our efforts based on five pillars, with the objective of fulfilling the Mission of being the financial agent in charge of promoting the economic and social development of the State. Our Vision is to be a profitable, solid and competitive public bank, integrated with communities and a service provider with excellence.

Essence

Its essence is to be a retail bank. For this reason, we maintained **payroll loan credit lines** for public servants and INSS beneficiaries and **working capital** lines to promote micro, small and medium-sized business activities, in partnership with Sebrae. In **agribusiness**, we improved the systems for contracting agricultural credit, and continued to focus on expanding financing for the entire production chain. Agroconecta and the opening of exclusive spaces in branches in the countryside were the main highlights. We prioritize **sustainability** practices with more robust governance mechanisms and, for 2022; we are preparing Banrisul's Strategic Sustainability Agenda. During 2021, Banrisul also maintained the credit line for university students to finance their studies, enabling the training of students from 13 universities in Rio Grande do Sul.

People

With the help of a contracted consultancy, advances were made in the area of People Management, such as the review of the main human resources processes. The first process reassessed and implemented refers to Management by Competencies. An **Engagement Survey** was also carried out with all the Bank's employees. Regarding the Covid-19 pandemic, guidelines and actions helped to **reduce impacts on employees**, in accordance with the protocols necessary to prevent infection by the virus.

Eficiency

We adopted **agile and simplified processes** from the continuity of the merger or the closure of nine branches and 26 service stations. We seek excellence in the efficient use of resources, in improving the infrastructure and architecture of Information Technology - IT and in improving risk management and best management practices. Our **personnel expenses are under control**, and other administrative expenses are handled diligently. In 2022, the focus will be on **increasing use of artificial intelligence**, with new intelligent virtual assistant.

Transformation

In addition to the actions related to the products, there was a continuous improvement of the **IT structure focused on teleworking**. We made progress in **Open Banking**, in carrying out the **1st cycle of acceleration of startups**, BanriTech, and in the inauguration of a new **sustainable Datacenter**. These initiatives help our Institution to follow the path of transformation, with new business models, technology and competitiveness.

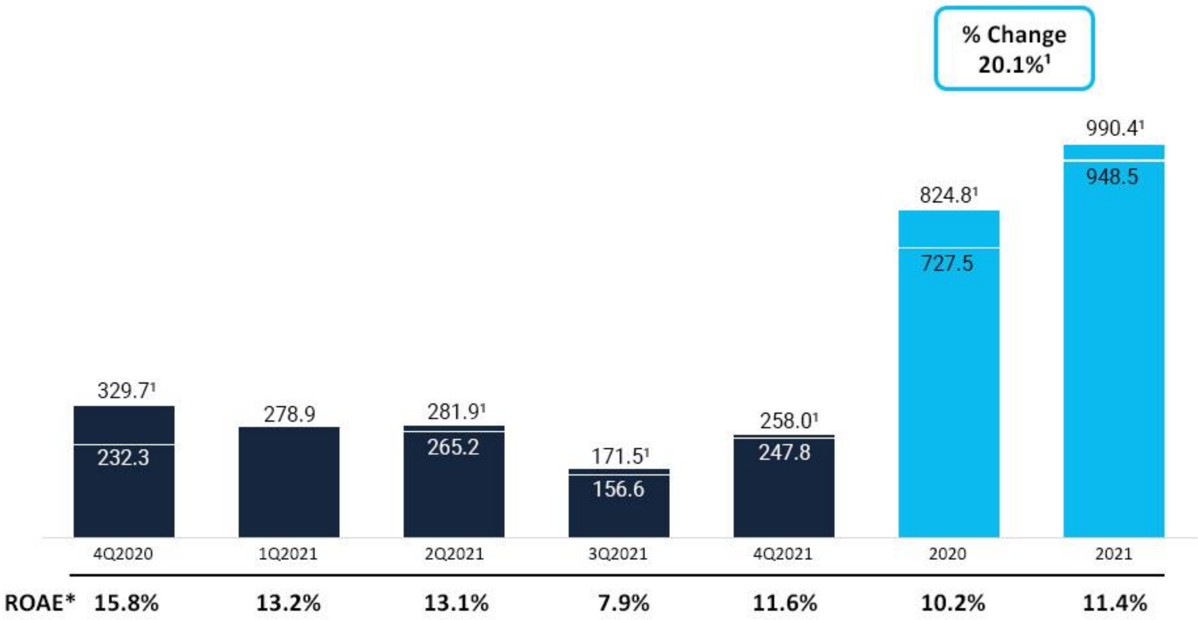
Customer

We improved service to the **Affinity** segment. There were improvements in the **customer journey**, with new functionalities such as the expansion of account opening for Individuals - Individuals customers of all profiles. Throughout 2021, our **credit card** area continued to be recognized as one of the best in the market. There were also improvements in the **Agroconecta** app, which was the winning case in the Credit Innovation category at the 2021 Banking Transformation Award. In **Vero Wallet**, the web Sales Monitor was launched, allowing sellers to consult the execution of payments in sales made without using the " little machine".

Consolidated Performance

Net Income

R$ Million



[1] Adjusted net income
* Annualized and calculated based on adjusted net income

Net income of 2021 reached R$948.5 million, which represents R$221.1 million (30.4% higher) than the net income for the same period in 2020. The result was impacted of R$41.8 million in 2021, by non-recurring events, such as the adjustment of the provision for tax contingencies and the associated tax effect and impacted by the Voluntary Termination Program, which reached R$97.3 million in 2020. Adjusted net income of 2021 reached R$990.4 million, R$165.6 million (20.1%) above the same period in 2020. The adjusted annualized return on average equity reached 11.4%.

The growth in the period reflects, especially:

(I) lower allowance for loan losses expenses
(II) decrease of the financial margin
(III) increase in adjusted administrative expenses
(IV) increase in other adjusted expenses net of other income

The wealth generated by Banrisul of 2021, measured by the concept of added value, reached a total of R$3,856.7 million, of which R$1,767.3 million or 45.8% was allocated to personnel expenses; R$1,010.9 million or 26.2% for the payment of taxes, fees and contributions; R$948.8 million or 24.6% for remuneration of equity; and R$129.7 million or 3.4% for remuneration of third-party capital.

Shareholders' Equity

Shareholders' equity reached R$9,048.6 million in December 2021. The increase of R$702.4 million (8.4%) in twelve months was due to the incorporation of the results generated, payments of interest on equity and dividends paid and/or provisioned, the reassessment of actuarial liabilities — referring to post-employment benefits (CPC 33 - R1) — and exchange variation adjustments on the equity of foreign branches.

Total Assets

Total assets reached R$104,575.8 million in December 2021, an increase of 13.9% compared to the R$91,822.9 million registered in the same month in 2020. The increase of R$6,359.3 million is mainly due to the growth in open market funding, of R$1,830.9 million in deposits, of R$1,710.2 million in external funding carried out in January 2021, and of R$1,427.5 million in financial and development funds.

Regarding the assets breakdown, bonds and securities, added to liquid interbank investments and to the derivative financial instruments, represent 44.5% of the total, credit operations make up 39.2%, compulsory deposits at Bacen 9.3% and others assets 70%. Investments in securities, including derivatives, added to liquid interbank investments and cash, reached R$46,541.2 million in December 2021, an increase of R$6,746.2 million or 17.0% compared to December 2020, mainly reflecting the increase in the balance of deposits, open market funding and external funding carried out in January 2021, in a context of growth in the loan portfolio and compulsory deposits at Bacen.

Banrisul has financial capacity, proven through technical studies developed internally, and intends to hold until maturity the securities classified in the “held to maturity” category, as provided for in article 8 of Circular No. 3,068/01 of Bacen.

Products and Services Highlights

Loan Portfolio

The loan portfolio reached R$41,042.0 million in December 2021, an increase of R$2,444.1 million or 9.1% in the twelve months. The strategy of expanding access to payroll loans was maintained, mainly through the Banrisul Digital application and Home Banking. The functionality was made available to INSS retirees and pensioners, and over 80 municipal and state agreements. In 2021, the volume granted through these channels totaled R$279.9 million, through 43.9 thousand contracts.

Banrisul adopted a vulnerability classification model as a way to assist in customer service and in directing credit, avoiding over-indebtedness and preserving our customers' financial health.

We strategically support renewable energy financing lines, which are vital for the country to be able to advance in the diversification of the energy matrix. In this sense, we work with two specific lines to meet the demand for renewable energy solutions: the CDC Sustentabilidade own resources line and the BNDES FINAME Baixo Carbono transfer line.

Banrisul acts as onlending agent for BNDES lines: FINAME, for the acquisition of machinery, equipment, buses and trucks; and BNDES Automático, for projects for the installation and expansion of companies and industries, as well as the construction of storage silos. We also operate with two lines of own resources: Banrisul Fomento, for investment projects and acquisition of machinery, equipment, buses and trucks; and Financiamento Especial Banrisul - FEB, intended to finance capital goods to municipalities in Rio Grande do Sul.

In partnership with Finep, we incorporated two new lines of onlending from the financing company, aimed at technological innovation: FINEP Inovacred 4.0 and FINEP Acquisition Inovadora — in addition to the lines that are already offered, Inovacred and Inovacred Expresso. The FINEP Inovacred 4.0 line finances the formulation and implementation of services of enabling technologies for industry 4.0, covering topics such as internet of things, cloud computing, big data, digital security, additive manufacturing, digital manufacturing, systems integration, digitization, computing and cloud, simulation system, advanced robotics, and artificial intelligence.

The table for the breakdown of credit portfolio is presented below:

Breakdown of Credit Portfolio R$ Million	Dec 2021	Sep 2021	Jun 2021	Dec 2020	Dec2021 / Dec2020	
					Var. Abs.	Var. %
Private Sector	**40,939.8**	**38,599.6**	**36,537.6**	**37,502.2**	**3,437.5**	**40,939.8**
Non-earmarked	30,345.5	28,956.9	28,059.4	28,887.4	1,458.1	30,345.5
Individuals	23,129.0	22,164.0	21,861.8	22,278.0	851.1	23,129.0
Companies	7,216.4	6,792.8	6,197.6	6,609.4	607.1	7,216.4
Real Estate	4,319.8	4,042.5	4,077.6	4,125.6	194.2	4,319.8
Rural	4,836.7	4,412.1	3,361.0	3,392.2	1,444.5	4,836.7
Long Term	610.3	535.3	506.9	569.1	41.2	610.3
Foreign Exchange	814.5	639.6	518.7	510.4	304.1	814.5
Leasing	12.9	13.1	14.1	17.6	(4.6)	12.9
Public Sector	102.2	102.2	102.5	103.6	(1.3)	102.2
Total	**41,042.0**	**38,701.8**	**36,640.1**	**37,605.8**	**3,436.2**	**41,042.0**

The classification of the credit portfolio by risk levels follows the procedures established by CMN Resolution No. 2682/99. In December 2021, Normal Risk operations, covering ratings AA to C, totaled R$37,575.4 million, representing 91.6% of the total portfolio. Operations classified as Risk 1, which include ratings D to G, totaled R$1,636.5 million, corresponding to 4.0% of the portfolio. Risk 2, made up exclusively of rating H operations, reached R$1,830.1 million or 4.4% of the total.

Non-earmarked Credit

Non-earmarked credit to individuals reflects the Institution's main business strategy and grew by R$851.1 million in 12 months, including asset transfers — accounted for in accordance with Bacen Circular Letter No. 3,543/12, in credits linked to operations acquired through assignment.

The evolution was mainly influenced by the growth of payroll loans, which reached the amount of R$18,443.1 million in December 2021. Of this total, R$11,654.4 million refers to operations granted at Banrisul's branches, while R$6,740.9 million consists of operations granted through correspondents. Another R$47.7 million are related to operations acquired from other institutions.

Non-earmarked credit for companies grew by R$607.1 million in December 2021 compared to the same period in 2020. This is especially due to working capital lines, given the increase in the volumes granted in the Guarantee Fund - FGI and FAMPE – and emergency lines of Pronampe and PEAC credit.

Individuals

Balance of

R$23,129.0 million

+ 3.8%

in 12 months

Companies

Balance of

R$7,216.4 million

+ 9.2%

in 12 months

In 2021, we will promote, in a sustainable way, the economic, social and technological development of the region. We launched two working capital credit lines that are guaranteed by Guarantor Funds: the Banrisul Giro FGI line, which is guaranteed by the FGI Fund, and the Banrisul FAMPE Mais line, which is guaranteed by the Guarantee Fund for Micro and Small Enterprises (FAMPE). In addition to these two lines, in 2021 we resumed operations with the PRONAMPE working capital credit line, which is guaranteed by the FGO Guarantee Fund.

These three lines, as they are guaranteed by Guarantee Funds, allow a greater number of companies, especially micro and small ones, to have more access to credit for working capital.

In the last quarter of 2021, we expanded the portfolio of solutions available through the Banrisul Digital app. Our customers can contract, in a simple, secure and intuitive way, the anticipation of their FGTS anniversary withdrawal, since September 9, 2021, and the refinancing of payroll loan operations, since November 16, 2021.

Agribusiness

Being alongside the farmer, in a long-term partnership, is what makes the difference. With its own resources and onlending from BNDES lines, Banrisul is one of the main financial institutions that support agribusiness in Rio Grande do Sul. In the 2021/2022 Harvest Plan, R$5.2 billion in credit is being made available, 27% more than in the previous cycle. The volume represents a historic record.

As a way of strengthening its reach in several regions, the launching **Agro Spaces Banrisul**, specialized in the sector, in branches located in strategic cities. At these points, the producer finds not only customized physical space, but mainly personalized service, technical support and financial guidance for his production activity, offered by specialist professionals in the sector. The project is part of a broad program for customizing the service to agribusiness, which will extend into 2022.

We had an important presence at the 44th Expointer — the main event in the Rio Grande do Sul primary sector —, with a turnover of R$441.2 million.

Agro Spaces launched in branches in Passo Fundo, Cruz Alta and Santo Ângelo

R$4,836.7 million was the balance of rural credit in Decemer 2021

+42.6% compared to December 2020

Funding

Funds raised, consisting of deposits, funds in bank notes and subordinated debt, and funds under management reached R$84,900.0 million in December 2021. These funds are mainly composed of 54.9% of time deposits, 16.7% of managed third-party funds and 13.6% of savings deposits. In order to diversify sources and generate funding for rural credit, fundraising through the Agribusiness Notes - LCA began in the second half of the year. For individual customers, LCA allows financial investment with income tax free profitability. The amount raised totaled R$296.9 million in December 2021.

The table below shows the composition of funds raised and managed by product:

Composition of Funds Raised by Product – R$ Million	Dec 2021	Sep 2021	Jun 2021	Dec 2020	Dez2021 / Dec2020 Var. Abs.	Var. %
Total Deposits	64,277.4	63,409.0	61,180.0	62,446.5	1,830.9	64,277.4
Demand Deposits	4,675.7	4,014.0	3,768.2	4,289.1	386.6	4,675.7
Savings Deposits	11,565.6	11,527.0	11,416.6	11,065.6	500.0	11,565.6
Interbank Deposits	1,392.7	1,357.6	123.4	1,478.8	(86.2)	1,392.7
Time Deposits	46,626.2	46,495.1	45,855.5	45,599.6	1,026.5	46,626.2
Other Deposits	17.3	15.3	16.3	13.4	3.9	17.3
Resources from Notes (1)	1,738.0	1,606.9	1,742.5	2,440.5	(702.5)	1,738.0
Subordinated Debt(2)	4,689.8	2,951.7	2,805.7	2,979.6	1,710.2	4,689.8
Total Funding	**70,705.2**	**67,967.6**	**65,728.3**	**67,866.7**	**2,838.5**	**70,705.2**
Assets Under Management	14,194.8	13,220.5	13,392.8	12,591.0	1,603.8	14,194.8
Total Funding and Assets Under Management	**84,900.0**	**81,188.1**	**79,121.1**	**80,457.7**	**4,442.3**	**84,900.0**

[1] Financial, Real Estate Credit and Agonegocio Bills.

[2] Includes the transfer of R$1,657.6 million from Obligations for Borrowings Abroad due to the authorization of the subordination of the new debt by the Central Bank, in October/2021.

On January 2021, Banrisul issued new subordinated debt, in the amount of US$300 million, with annual interest of 5.375% p.a, with ten-year maturity, with a repurchase option in five years, according to conditions previously agreed by the Offering Memorandum.

Credit and Debit Cards

The payment method market in Brazil operates at an increasingly fast and agile pace. Therefore, we provide tools to facilitate the customer experience, focusing on technological improvement and innovation.

We have included new functionalities in contactless transactions, such as the possibility of blocking and unblocking the function and sending SMS for attempts to make contactless payments on cards with this option blocked.

Aware of the current scenario, we also offer BanriFast, the Banrisul bracelet, with which customers can make payments with the POS machine without the need to use cards. The service does not require the use of a password for purchases of up to R$200 and can be requested online, in the Banrisul Digital app.

Credit Cards

82.3 million
transactions in 2021

+10.6%
in 12 months

Volume of
R$7.5 billion

+7.8%
in 12 months

The Bank ended 2021 with a base of 1.2 million credit cards, under the Mastercard and Visa brands. Income from credit and fees from credit cards and from BNDES cards totaled R$414.5 million in 2021.

App improvements

The conditions for contracting and expanding credit card limits for account holders in the Banrisul Digital app were relaxed. The improvement benefited more than 380 thousand customers, who used the service in 2021. For non-account holders, the functionality to change Credit Card limits was made available. The virtual environment has been redesigned, with a new timeline and more accessible data for consultation. The improvements have earned Banrisul national recognition: the Institution is ranked third in the ranking of the 40 main credit card applications in the market, in the category "quantity of features in the app", with features considered rare, according to CardMonitor, company specialized in research and evaluation of market trends in the sector. The study revealed that the Banrisul app is among the best in the Brazilian market in terms of functionality, with tools considered rare.

BANRICARD	**6.1 thousand** active affiliated customers until December 2021	**R$1.5 billion** revenue in 2021
BANRICOMPRAS	**165.5 million** transactions in 2021 + 9.8% in 12 months	**R$15.6 billion** in transactions

Vero Acquiring Network

Vero has 138.7 thousand active accredited merchants. In 2021, it implemented new features such as Aceite Digital, a feature that allows customers to register with Vero without leaving home or office. Vero Conecta was also launched, an app that allows companies to integrate with Vero to make sales with Visa, Master, Elo, Banricompras and BanriCard cards directly from their applications. Other enhancements are described in the highlight on the side.

In 2021, 373.4 million transactions were captured, 265.4 million with debit cards, with growth of 21.3% compared to the previous year; and 108.0 million credit card transactions, an increase of 15.1%. In financial volume, the amount transacted totaled R$36.2 billion, reflecting a growth of 19.3% compared to 2020. Of this amount, R$20.6 billion with debit cards and R$15.6 billion with credit cards.

Enhancements

- Change in the model of QR Codes generated for sellers, starting to adopt the BR Code standard
- Implementation of the Onde Tem Vero functionality, allowing Vero Wallet users to find establishments to use the digital wallet
- Implementation of the centralized and interoperable receivables registration system in compliance with CMN and Bacen regulations
- Launch of the Sales Monitor, intended for customers who sell withoutteh POS machine to monitor their transactions
- Start of capturing the Senf brand

Insurance

Our portfolio of solutions includes a set of personal insurance products, property insurance, capitalization bonds and supplementary pension plans that meet the needs of different customer profiles and their needs according to their life stage.

In 2021 we provide auto and home insurance life **Allianz,** personal accident insurance **AP Perfil Accident**, offering 24-hour emergency dental care and monthly drawings.

Of note during the year was the availability of quotes and auto insurance contracts in the Banrisul Digital application (app), through a simple and fluid experience. Also in the app, the offer of private pension products were expanded, with the digital offer of BanrisulPrev Prestige and BanrisulPrev Junior.

In January 2021, we launched Banrisul Corretora de Seguros S.A., which gradually absorbed all operations aimed to sale of insurance, private pension plans and capitalization bonds through the Bank's channels.

The collection of insurance premiums, pension contributions and capitalization reached **R$2.3 billion** in 2021, an increase of 31.5% compared to the same period in 2020, while total revenues reached R$221.4 million and income from insurance commissions reached R$264.3 million in the period.

Customer Relations

Service

In 2021, Banrisul **resumed service at branches**, in a more dynamic, safe and comfortable way. The **Afinidade** segment continue to service by direct appointment with the account manager, according to the flow already adopted before the pandemic. A survey was also carried out in the service network, to guide projects and improvements for 2022.

In 2021, 8,514 demands were handled by the Ombudsman, of which 3,161 referred to protocols registered in the Ombudsman channel — within these, the letters answered are accounted for —, another 2,897 of demands registered with Bacen and 2,456 from Procons.

1,062
Service Points

497
Branches

474 in Rio Grande do Sul

17 in Santa Catarina

4 in other states

2 abroad

656
Service and Electronic Stations

138 service stations

427 electronic stations

1,082
Correspondents

Digital Channels

We continue to work constantly on improving our digital channels, expanding the range of services available and optimizing the journey and experience of customers and users.

Our digital channels presents the increase of 3.8% of the operations in 2021, including PIX operations, considering the available channels (digital, ATM, correspondents, cashiers) and Banrifone) from 76.2% of 2020.

The Internet Banking (Home and Office Banking) and Mobile Banking (My Account, Afinidade and Office App) channels had 450.7 million accesses in 2021, 25.4% higher than the same period in 2020.

80.0%
of the operations carried out are by digital means

Internet Banking channels had an average

1.2 million

daily acesses

The total number of operations carried out in these channels including PIX, increased by 2.8%. The number of financial transactions and the amount transacted increased 51.0% and 22.7%, respectively, compared to the same period in 2020.

Considering the Covid-19 pandemic, digital channels remained the main channel for maintaining the relationship with our customers. Among the actions carried out by Banrisul, we highlight improvements in the PIX service, such as: transaction scheduling service; PIX limit management service for the customer; Pix Withdrawal/Exchange; monitoring of PIX transactions by the Antifraud System, among others.

Regarding investment services through the Banrisul Digital app, a new home screen was implemented, as well as a push to renew the CDB and a statement to monitor investments. Also noteworthy is the data sharing service via Open Banking, where Banrisul acts both as a transmitter and receiver of data from other institutions.

o provide greater protection to customers against scams and fraud, we implemented improvements in virtual card services, as an additional step for card requests, both for Individuals and for Office operators. We also implemented the cancellation of virtual cards from other devices and services, such as the new IPVA Online, in addition to unifying the consultation of securities in DDA with Banrisul's registered securities.

Valuing transparency and communication, we implemented in the app the sending of notices directed to the client's profile and with marking of the reading of the message. In the evaluation of app stores, Banrisul Digital achieved a score of 4.0 in the Play Store and 3.6 in the Apple Store (scales 1 to 5).

Main Subsidiaries of the Banrisul Group

Banrisul Cartões

Manages the Vero acquiring network and the issuance of BanriCard benefit and business cards, with 138.7 thousand of active accredited establishments and 6.1 thousand of agreements active in December 2021.

Gross operating revenue totaled R$589.4 million in 2021, an increase of R$51.5 million or 9.6% compared to the previous year. Of this total, R$583.6 million comes from the revenues of the acquiring network.

Banrisul Cartões's net income accumulated in 2021 was R$281.0 million, an increase of 14.5% compared to the same period of the previous year.

Banrisul Cartões released a material fact stating that the Board of Directors of its controller, Banco do Estado do Rio Grande do Sul S.A., approved a proposal from its Board of Executive Officers to initiate the process aimed at implementing a strategic operation aimed at the segment means of payment and cards business, consolidated in the Company.

Banrisul Administradora de Consórcios

With 75.3 thousand members, it manages consortium groups for the acquisition of goods in the movable property, real estate and services segments, with alternatives for the acquisition of goods suited to market demands and the new social behavior imposed by the Covid-19 pandemic.

In 2021, the volume of letters of credit totaled R$5.4 billion, with 11.9 thousand draws, making available to the market the volume of credit of R$569.9 million for the purchase of consumer goods. Net income registered in 2021 reached R$153.7 million, an increase of 22.3% compared to 2020.

Banrisul Seguridade

Banrisul Corretora de Seguros S.A. acts into operation, which is a wholly owned subsidiary of the holding Banrisul Seguridade Participações S.A., with capital fully held by the Bank.

Banrisul Seguridade Participações S.A. (Seguridade) operates in the market of insurance, private pension plans and capitalization bonds on Banrisul's channels. In January 2021, continuing the restructuring of the insurance business, we launched Banrisul Corretora de Seguros S.A.,. (Corretora), which is a wholly-owned subsidiary of the company Banrisul Seguridade Participações S.A., whose capital is fully owned by the Bank.

The income received - referring to commissions for the sale of insurance, private pension plans and capitalization bonds - will be paid by the partner insurance companies, directly to Banrisul Corretora de Seguros. In 2021, Banrisul Seguridade's net income was R$115.6 million.

Banrisul Corretora de Valores Mobiliários e Câmbio

It operates in the capital market as an intermediary in variable income operations – in the stock, options and future markets – and in private fixed income and public fixed income (Tesouro Direto), with B3 S.A - Brasil, Bolsa, Balcão.

From January 4, 2021, Banrisul Corretora de Valores became the full manager of the full administrator of the activity of administration of securities portfolios, being responsible for the trusteeship and for the resource management of the investment funds of the Conglomerate Banrisul– fixed income, variable income and multimarket. In this way, the Institution incorporated a portfolio of products that, along with its qualified technical support services, contribute to the diversification of investments, in accordance with investor's profiles, distributed through the branch network and digital channels.

In 2021, Banrisul Corretora de Valores intermediated R$5.7 billion in operations at B3 S.A. - Brasil, Bolsa, Balcão, representing a decrease of 19.1% in relation to the same period in 2020. Net income in 2021 was R$7.5 million, increasing 257.5% from 2020.

Corporate Governance

Listed under Level 1 of Corporate Governance at B3 S.A. since 2007, and in line with the best market practices, Banrisul fully meets the requirements of this level of listing and additional aspects that are required by other levels of Governance at B3, giving it greater transparency, equity and adequate accountability, seeking to generate value for its shareholders and reinforce its credibility with investors and customers.

Pursuant to CVM Instruction No. 381/03, Banrisul informs that the company Deloitte Touche Tohmatsu, hired in 2021, provided services exclusively related to independent audit in 2021. Information on Corporate Governance is available on our Investor Relations website (ri.banrisul.com.br – Corporate Governance Section).

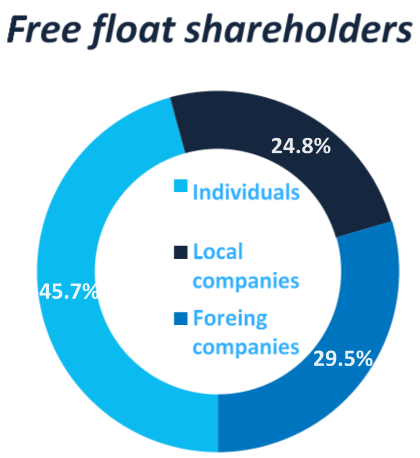
On December 9, 2021, we held the first investor day, BanriDay 2021. In this online event, Management discussed the strategies and opportunities for 2022, reinforcing our commitment to shareholders, investors and other specialized market agents.

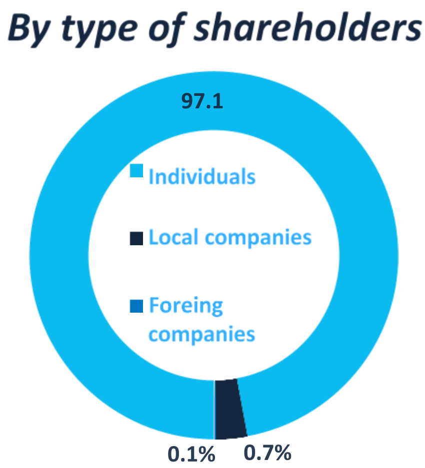
Ownership Structure

With 165,000 shareholders, Banrisul has a higher-than-required ownership dispersion for the Level 1 of Corporate Governance: free float represents 50.6% of the total shares issued by the Bank, while the minimum required is 25.0%. The State of Rio Grande do Sul, the controlling shareholder, holds 98.1% of the common shares with voting rights and 49.4% of Banrisul's Total Capital.

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

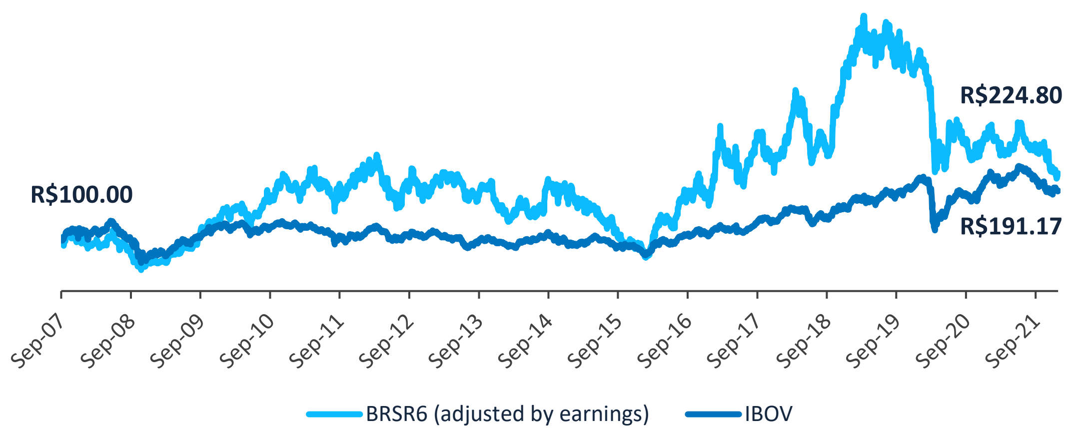
Additional information on Banrisul's shareholder base and share trading is presented below:





Appreciation of Banrisul PNB Shares - BRSR6

Evolution of R$100.00 invested in the Follow On carried out in 2007.



R$3.9 billion
of market value

R$26.8 million
Average Daily Trading Volume (4Q2021)

10.7%
Dividend Yield in 12 months

Ratings

The following table shows Banrisul's ratings, according to the main global risk rating agencies:

Fitch Ratings	
Foreign Currency - Long-Term IDR	BB-
Foreign Currency - Short-Term IDR	B
Local Currency - Long-Term IDR	BB-
Local Currency - short-Term IDR	B
National Rating - Long-Term Rating	A+(bra)
National Rating - Short-Term Rating	F1(bra)
Support Rating	4
Viability Rating	bb-
Tier II Capital Subordinated Notes	B
Outlook National Rating	Stable
Outlook Foreign-Currency. Long-Term IDR	Negative
Moody's	
Outlook	Negative
Bank Deposits	Ba3/NP
Individual Credit Risk	ba3
Counterparty Risk Assessment	Ba2(cr)/NP(cr)
Subordinate	B1
Issuer Rating - Location	A+.br
Deposit Rating – Short Term – Local	ML A-1.br
Deposit Rating – Long Term – Local	A+.br
Perspective - Location	Stable
Standard & Poor's	
Issuer Credit Rating Global scale	BB-
Outlook – Global scale	Stable
Issuer Credit Rating - National scale	brAA+
Outlook – Nacional scale	Positive
Individual Credit Profile (SACP)	bb-

Interest on Equity and Dividends Payout Policy

Since early 2008, Banrisul has been paying interest on equity every quarter, and historically has remunerated its shareholders with a payout policy higher than the minimum legally required level. From January to December 2021, R$382.2 million were paid or provisioned as interests on equity or dividends, before taxes.

Capital and Risk Management

Integrated Management Structure

We review, at a minimum, the institutional structures for capital management and corporate risk on an annual basis. The reports are available on Banrisul'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 equity - PR and leverage ratio - RA.

Capital Management

The capital management is a continuous process of monitoring, controlling, evaluation and planning of goals and capital needs considering risks that the Institution is subject to, as well as with its strategic objectives.

In order to improve this process, the National Monetary Council - CMN, through Resolution No. 4,557 / 17, determined 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 exposure to risks.

For institutions in the S2 segment, according to rules for the framework of prudential regulation as an improvement in capital management, the Simplified Internal Capital Adequacy Assessment Process, the $ICAAP_{SIMP}$.

Credit Risk

The challenging scenario caused by the pandemic affects individuals and business' financial capacity. Thus, governments and regulatory bodies have developed measures seeking to compensate its economic effects, including the use of regulatory demands in order to encourage the continuity of credit offer by financial institutions.

Banrisul, committed to contributing with the economic and social development of the State of Rio Grande do Sul, has made promptly available, by suiting its credit policies, products and services to help mitigate the impacts of Covid-19.

Throughout the year, we followed the discussions of the Public Consultation Notices 78/20 and 80/20, from Bacen, which disclose the set of normative proposals for the prudential treatment applicable to payment services and the proposed resolution of the Bacen that improves the procedures for calculating the capital requirement of exposures to credit risk subject to the capital requirement using the standardized approach - RWA_{CPAD}, respectively.

Market Risk

In the fourth quarter of 2021, Banrisul participated of the Spot Summit Internacional of Risks, promoted by Fenabran together with the banking industry. In the, we discussed the alignment of Resolution BCB 111, which provides for the criteria for the classification of instruments in the trading book or in the banking book. Other topics were the requirements of governance relating to the trading desks where instruments subject to market risk are managed and on the requirements for the recognition of internal transfers of risk in the determination of minimum requirements.

On that occasion, there were discussions on Bacen's Public Consultation 88/21, which has already been completed and which will require a new resolution from Bacen, which will establish procedures for calculating the portion of Risk-Weighted Assets - RWA. This is related to exposures to Credit Risk of Financial Instruments Classified in the Trading Book – RWA_{DRC}. There were also debates about the new Market Risk methodologies that will go into public consultation next year, in another stage of the Fundamental Review of the Trading Book - FRTB on a set of proposals from the Basel Committee on Banking Supervision, for a new requirement capital related to market risks.

Liquidity Risk

In 2021, the liquidity risk monitoring processes did not indicate the occurrence of events or crisis events that culminate in increased liquidity risk. The scenarios used in the projections of the results of the cash flows of the operations did not indicate relevant liquidity risks, as well as no materialization of any projected stress scenario in the positions occurred, and the risk indicators remained at adequate levels in accordance with the risk policy and the limits established in the Risk Appetite Statement.

Operational Risk

In 2021, projects and activities were carried out to adapt the operational risk database to comply with Central Bank of Brazil Circular No. 3979/20. Highlighting the associations between loss events and risks, allowing the assessment of operational risks and the consequent adoption of mitigation measures to be based on more consistent data, helping in the decision-making process.

Aiming the continuity of operations and the management of impacts caused by the Covid-19 pandemic, the Company implemented measures to minimize the exposure of customers and employees to contagion, without jeopardizing activities. The initiatives adopted are detailed in note 31 (d).

Socio, Environmental and Climatic Risk

The process of the risk management in operations covers all the products, services, activities and process of Banrisul and activities performed by its counterparts, controlled entities, suppliers, and outsourced service providers subject to the management of social, environmental and climate risks, whose methodology is based on consistent and verifiable criteria, including public information, when available.

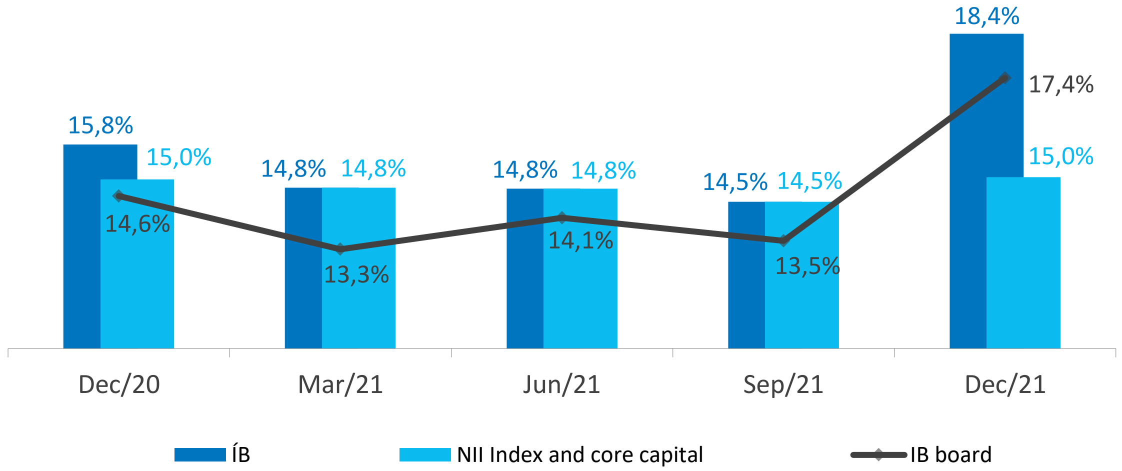
The results of the analyzes and the records of events are reported to the deliberative committees, following the governance structure defined in the corporate risk policies, including the Executive Board, the Risk Committee and the Board of Directors.

In compliance with Central Bank of Brazil Circular No. 3979/20 and update of Febraban's SARB self-regulation standard No. 14, as well as Resolution No. 4,943/21 of the National Monetary Council – CMN, are being carried out aiming the improvements in socio-environmental risk management and integration of the social, environmental and climatic risk.

Basel Ratio

CMN Resolutions 4,192/13 and 4,193/13, revoked as of January 3, 2022 by BCB Resolutions No. 4955/21 and No. 4958/21, determine that the calculation of regulatory capital and risk-weighted assets is based on the Prudential Conglomerate. The Basel Index measures the ratio between the sum of Tier I Capital - CNI and Tier II Capital - CNII and the total risk-weighted assets calculated for the base date. The maintenance of Capital Ratios above the levels defined by the regulator seeks to protect Banrisul in case of stress events.

Capital Management seeks to leverage the application of available resources, in addition to ensuring the Institution's insolvency. The variation of the Basel Index – IB in the last 12 months is presented below.



On December 31, 2021, the Basel Ratio reached 18.4%, 8.4 p.p. above the minimum regulatory level with additional principal capital (10.00%). For this same period, the Core Capital Ratio and the Tier I Ratio are equal to the Basel Ratio were 15.0%, being, respectively, 8.5 p.p. and 7.0 p.p. above the regulatory minimum.

Investments in Innovation

Technological modernization is embedded in Banrisul's DNA, the result of a wide and constant investment in the sector. In 2021, R$292.9 million were invested in digital transformation, expansion of the IT infrastructure and the increasing commitment to information security. Thus, Banrisul progresses consistently, committed to providing an increasingly complete, effective and secure digital experience to its customers.

Measures and Initiatives

In the current context of innovation in the financial market, in the Brazilian instant payment environment PIX, we have improved security, fraud prevention and new features such as those listed in the box on the side.

Also noteworthy is the Information and Communication Technology Monitoring service - ICT, to meet the new demands of the banking segments, such as the aforementioned PIX and Open Banking Projects. In this service, Elasticsearch and Kibana market technology was used to create management and monitoring dashboards. This tool innovated the methods used until then, providing greater autonomy and agility to operational managers in the delivery of new works.

New features

- Monitoring of PIX transactions by the Antifraud System
- Customer PIX boundary management service
- PIX Transaction Scheduling Service
- Online demonstration of the pricing to be applied to the PIX transaction
- Special return mechanism (MED)
- PIX Withdrawal and PIX Exchange
- Payment of IPVA via PIX

In 2021, Banrisul's technological modernization, as in previous years, continued to evolve, with large investments and innovations. Regarding infrastructure, it is worth mentioning the conclusion of the civil works and the start of operation of the new Banrisul datacenter, located in the south of Porto Alegre. Over the past few months, there has been a full focus on migrating IT assets to the new infrastructure; this migration has already partially made the productive environment available in the new structure, providing greater robustness, availability, contingency and all the benefits that an enterprise of this size can provide to IT services.

Another important IT achievement to make the financial market safer and more integrated is the Project to Create a Receivables Centralization and Register for all banks, in compliance with the provisions of Circular No. 3,952/19 and Resolution No. 4,734/19. This initiative allows for centralized control of all customer receivables included in the acquirers' agendas, making it possible, from this base, to consult the agendas of receivables used as guarantees to the credit granting market, expanding customer service conditions.

Still in the context of Digital Transformation, we continued our way of working with new deliveries of digital products developed under the principles of agile methods, consolidating the integration of business and technology in the search for results, always taking the customer's vision as a fundamental reference. In the agribusiness costing process, the focus was on Banrisul's relationship with agro partners, through the launch of Agrofácil Conecta, whose Minimum Viable Product – MVP – brought simplification to the preparation and submission of technical projects. The version of Agrofácil for the branch network teams maintained its cycle of incremental deliveries with the opening of the "retention of matrices" modality and the contracting of pre-costing with MCR6.3 resources. The solution even won the Innovation in Credit category at the 2021 Banking Transformation Award.

In the journeys involving the improvement of the experience at Banrisul Digital, an innovative and simplified way of quoting and contracting Auto Insurance was launched: with just three driver data, it is possible to have access to a better offer, whether for new insurance or for renewal .

The investment solution, on the other hand, had its extract improved based on customer feedback, in addition to the publication of a new home for the solution, including a space for news, push communication, the possibility of renewing CDBs and creating financial goals to be reached by the user.

In the account opening journey, we expanded to Individuals - Individual customers of all profiles, including the upload of documents and a series of improvements in the flow and usability of the product. Other advances in the application experience were also focused on, such as querying check images, the automated publication of banners, notices targeted by customer profile and the new presentation of Authorized Direct Debit - DDA.

The year 2021 was extremely challenging in the context of information security. With the advancement of technologies and the creation of new services and digital business models, we intensified awareness campaigns aimed at customers, with guidance to the population on the necessary care with their data and passwords. With wide dissemination of the aforementioned campaigns on social networks, we also explored the Thematic Area of the Banrisul Portal, with an emphasis on the types of scams most incident at the moment.

Among these actions, we highlight:

• carrying out the Safe Internet Day awareness campaign;

• adhesion to the Security Campaign against scams involving PIX, carried out by Bacen;

• adherence to the Digital Security Week campaign, promoted by Febraban, with the motto “Stop & Think: it could be a coup!”.

Also noteworthy is the renewal of the PCI – PIN Security Certifications, which ensures our permanence in the market for capturing transactions of means of payment on the Vero network; and the PCI DSS certification of the Vero network, ensuring the viability of the acquiring business.

Open Banking

The possibility for the customer to share their data from other financial institutions, through the Banrisul Digital application, was implemented in 2021. We also had a representative participation in the processes of discussion and definition of the Open Financial System, through the Technical Groups of User Experience of Open Banking of the Bacen and Febraban Convention.

Banrisul was the first Brazilian bank to receive certification that authorizes the sharing of customer information in Open Banking Brasil in phase 3 of payment initiation.

Throughout 2021, there were important deliveries in the context of Open Banking:

- **Phase 1 (January):** opening of Service Channels data; of the Current Account; Microcredit, General Credit, Real Estate Credit and respective Guarantees; and Credit Cards, making up the so-called Open Data.
- **Phase 2 (August):** staggered implementation referring to the Client's Consent to the recipients to access and share their transaction data on Banrisul.
- **Phase 3 (October):** staggered implementation regarding instant payment (PIX).
- **Phase 4 (under development, expected to be completed in March 2022):** focus on insurance, investment, foreign exchange and accreditation data.

BanriHub

BanriHub supports actions and projects to boost the innovation ecosystem in Rio Grande do Sul. It is structured around four strategic pillars:

Hub.Startup

Banritech, Startup Acceleration Program, in partnership with Tecnopuc.

Hub.Venture

Participation in funds focused on innovation.

Hub.Education

Training, mentoring and exchanges between Bank professionals, market experts and entrepreneurs on topics related to innovation.

Hub.Space

Spaces designed to incubate accelerated startups in the Program and promote networking, with meeting rooms, pitches arena, recording studio.

BanriTech, Startup Acceleration Program, selected, between February and March 2021, thirty companies with different levels of maturity to be accelerated, focusing on the following verticals: Financial Services, Operational Efficiency, Governments, Agribusiness, Information Security, Relationship with Customers and Companies. The cycle lasted eight months. In November, at the end of the first acceleration cycle, we got to know the ten startups that had the best performance in the Program and were classified for Pitch Day to present their businesses to a panel of specialists from the Bank, Tecnopuc and the innovation ecosystem as a whole.

In December, the construction of the new public notice for the second cycle of acceleration of BanriTech began, with publication expected for the end of January 2022. Throughout the year we also inaugurated the coworking space to incubate startups.

We participate in Instituto Caldeira and are master sponsors at NAVI, a Hub that works to foster startups focused on Artificial Intelligence and emerging technologies. In November, the NAVI Awards took place, an initiative that seeks to discover and support startups and academic researchers that have and/or develop solutions with innovative potential capable of impacting the market and society.

Sustainability

In 2021, we prioritized the improvement of our sustainability practices with more robust governance mechanisms, with emphasis on the creation of the **Sustainability Committee** and the prioritization of the topic of climate change. When treading a path towards sustainability, we adopt actions such as those listed in the highlight to the side.

Actions linked to sustainability

- Realigned strategies to achieve net zero emissions target
- We adapt operating models and supply chains
- We invest in innovation
- We finance projects linked to the green economy

With this awareness, we align management with an agenda focused on good corporate practices, working on behalf of society and the environment, following the guidelines of our **Social and Environmental Responsibility Policy - PRSA**. For 2022, the creation of Banrisul's Strategic Sustainability Agenda is planned.

Priority was also given to actions that encourage a low-carbon economic system. Since 2013, we have been signatories of the **United Nations - UN Global Compact**, improving and disseminating good business practices in favor of sustainable growth and citizenship, contributing with actions, projects and businesses related to the four stipulated themes: human rights, labor rights , environment and fight against corruption. These pillars are also connected to the 2030 Agenda of the Global Compact, through the Sustainable Development Goals - SDGs.

Also in 2021, we joined the **Brazilian GHG Protocol Program**, drawing up the first inventory of greenhouse gases, earning the Silver seal. We also started reporting the impact of its activities and operations to CDP, an international climate change reporting initiative.

The **ESG commitment**, from the English Environmental, Social and Governance, is also present in our business and financial services, through credit lines that promote better socio-environmental practices, financing sectors and assets with a positive impact on society and the environment.

In order to consolidate itself as the main financer of equipment linked to renewable energy in Rio Grande do Sul, we offer several lines of credit to finance equipment for capturing and generating solar energy (plates, batteries and inverters) and wind energy (small stations) — such as CDC Sustentabilidade, available since 2012. In 2021, in this type of credit, more than 7,000 operations were carried out, reaching R$278.8 million in credit.

People

In line with business planning, in the **STRENGTH OF PEOPLE** pillar, Banrisul supports projects that benefit society and develops best management practices in this area. We hired a consultancy to update Banrisul's main People Management processes. The areas related to this topic were restructured, creating new units focused on the Human Resources strategy and the Employee Relationship Management, with the role of business partner, to bring HR closer to the business areas.

The first evolution related to HR processes was related to Management by Competencies, in which five essential competencies were defined, common to all employees, and five leadership competencies, specific to our leaders.

9,002
employees

1,879
interns

4,056
Female employees

37.2%
Women occupy of the management positions

An Engagement Survey was also carried out with all employees, with the aim of listening to them on topics relevant to the Institution and making improvements possible. The Labor Gymnastics program was maintained in the remote model.

As of October 2021, we started the face-to-face return of employees in the administrative area, in a gradual, staggered and safe way. The fortnightly rotation is limited to 50% of employees. Cases of Covid-19, whether suspected or confirmed, are attended by the telemedicine service of Hospital Moinhos de Vento. To ensure greater protection, including for customers, employees received PFF2 masks.

Regarding the **Corporate University**, 2,203 improvement and training courses were made available. Banrisul also offers subsidies to encourage the qualification of its employees. The total investment in **Corporate Education** was **R$3.8 million** in 2021.

Environmental management

Since 2001, the Recycle Program has established practices for the correct disposal of waste, and promotes environmental education, guiding the internal public on conscious consumption and the principles of sustainability. We have a Solid Waste Management Plan, which regulates actions, prioritizes the reuse of materials, seeks to extend the useful life of objects and also properly disposes of solid waste generated in the activities. No corporate solid waste is disposed of in a waste landfill. Even with legal provisions, we prioritize reuse, recycling and forwarding for use as a source of energy.

We are represented on the Deliberative Committee of the Sustentare Program of the government of the State of Rio Grande do Sul, which establishes guidelines for the proper forwarding of electronic waste from the direct and indirect public administration. Also in partnership with the state government, we are part of the Interinstitutional Commission for Environmental Education - CIEA.

Another highlight with significant environmental impact is the new Data Center, built with a focus on energy efficiency and socio-environmental responsibility. The building's air conditioning uses the Free Cooling system, which uses external air for cooling 40% of the time, reducing energy consumption. The building also has rainwater harvesting, a chiller system and a bike rack.

As climate change becomes a global challenge, it becomes an increasing global requirement to promote low-carbon businesses, seeking to transition to a greener economy.

To act in the collective effort to face climate change, projects that contribute to the mitigation of greenhouse gas emissions and contribution to the transition to a low carbon economy stand out. One of them is the Renewable Energy Project, which provides for the migration of our electricity consuming units to the use of energy from a 100% renewable source, with implementation scheduled to start in 2022, and continuity in the coming years. Through this project, we will also promote indirect impacts on the renewable energy supply chain.

Environmental, cultural and community support actions and programs

The **Programa Sementes** promotes agroecological agriculture in Rio Grande do Sul. The project is focused on preserving the environment, in addition to generating social impact, by benefiting small family farmers and indigenous and quilombola communities.

The **Projeto Pescar Banrisul** offers, annually, to 20 young people between 16 and 19 years old, the Professional Initiation course in Administrative Services, taught by volunteer instructors from Banrisul, started its 18th class in March 2021. The teenagers took the Percurso do Negro in Porto Alegre, guided by a volunteer historian, and participated in innovation activities at the Instituto Caldeira and in professional guidance workshops at PUCRS. Graduation took place on December 16.

More than 330 young people are served by the Young Apprentice program and have the opportunity to experience, in practice, the learning offered at Banrisul's partner Training Institutions. For the young people who work in our institution, during this period of pandemic, face-to-face activities were suspended and, through the Corporate University, we developed an online training program. Young people received psychosocial care and guidance related to financial education. Professional training workshops were also offered, in partnership with PUCRS.

We are part of the national programming of Global Money Week, focused on the financial education of young people, with webinars aimed at interns from Banrisul and from the Pescar and Jovem Aprendiz projects. The educational strategy, involving 863 participants, expanded knowledge and best practices in planning, time and resource management.

Another strategy was the offer of another edition of the Study and Practice in Libras course to employees of the Branch Network, for knowledge and practice of the Brazilian Sign Language. The Banrisul Museum, in turn, expanded its facilities with the construction of a banking technology memorial at the headquarters of the Innovation Hub – Banritech.

Aware of the moment of a pandemic, in 2021, we allocated approximately R$7 million in health services and equipment to help fight Covid-19. Six DNA/RNA extractors were delivered to carry out Covid-19 tests, with supplies, to six universities and 77 respirators with monitors to 19 hospitals in Rio Grande do Sul.

Through the Fund for the Rights of Children and Adolescents and the Fund for the Elderly, through tax incentives, we support actions that serve children and adolescents at risk and social vulnerability, as well as the elderly, defending essential rights. In 2021, we allocated R$2.3 million to Funcriança and Fundo do Idoso.

Awards

February 2021

Banrisul elected the best fixed-income investment fund manager

Banrisul won first place among investment fund managers in the Fixed Income Specialist category, in a survey carried out by Fundação Getúlio Vargas - FGV.

April 2021

Featured as the Greatest Brand from Rio Grande do Sul

Banrisul is the highlighted brand in the minds of business managers and executives in the Rio Grande do Sul market in the Greatest Brand from Rio Grande do Sul category and the preferred brand in the Publicly-Owned Company category. The awards were presented by the 23rd edition of the Marcas de Quem Decide survey, promoted by Jornal do Comércio in partnership with Qualidata.

Abril 2021

Featured in the Top 20 stocks with the best dividend yield in the last 10 years

Banrisul is present in the survey carried out by the Economatica platform, which ranked the Top 20 shares with the best dividend yield in the decade, between April 2011 and April 2021.

April 2021

Banrisul is featured in Forbes

Banrisul was featured in the World's Best Banks 2021 report, by Forbes, where it appears in the list of the 15 best banks in Brazil.

April 2021

Featured among the 100 best banks in the world

The list is compiled by the international publication CEOWorld.

May 2021

Featured in the Champion of Innovation ranking

The Bank was featured in the 17th edition of the Innovation Champions Ranking, promoted by Grupo Amanhã and IXL-Center — a global technical partner headquartered in the United States. Banrisul is among the five companies that received recognition in the special State-Owned & Philanthropic category, reaching second place.

July 2021

Banrisul's investment funds are featured in the national ranking

Banrisul's investment fund portfolio received national prominence with Banrisul Foco IRF-M Fixed Income and Banrisul Index Ações, which are among the 10 most profitable in the last three years, according to Guia Valor de Investimento Funds.

September 2021

Tribute for supporting Sogipa's Olympic athletes

The Porto Alegre - Sogipa Gymnastics Society, from Porto Alegre, paid a special tribute to Banrisul, sponsor of the club's Olympic Project, which had two medalists at the Tokyo Olympic Games: judokas Mayra Aguiar and Daniel Cargnin.

September 2021

Banrisul Armazéns Gerais is featured in the RS Export Award

Banrisul Armazéns Gerais - Bagergs, a Banrisul Group company, received the RS Export Award. The distinction was granted by ADVB/RS in the Highlight Export Support Services category.

September 2021

Banrisul's credit card app is the 3rd best on the market

The Banrisul Digital application was highlighted in a survey released by Cardmonitor, a company from São Paulo specialized in research and evaluation of trends in the card market. The study revealed that Banrisul's app is among the best in the national market, compared to the top 40 credit card apps in the market.

October 2021

National ranking highlights Banrisul and Group companies

Banrisul is among the 100 largest banks in the country in the Finance ranking of the 2021 edition of the Valor 1000 yearbook. The annual study is prepared by the Valor Econômico newspaper, in partnership with Serasa Experian and the Fundação Getulio Vargas Center for Studies in Finance.

October 2021

Directory Exame MELHORES & MAIORES 2021

Banrisul is among the Best Banks in the Country, in an analysis that includes 627 companies and 121 banks, in a total of 782 institutions. The banking segment was organized by equity size.

November 2021

Featured in ESARH 2021 by strategy in people development

The recognition was given for the strategy presented in the Banrisul Training Programs case: valuing people, sharing knowledge and building careers.

November 2021

Banrisul is one of the largest banks in the South (Amanhã Magazine)

We are one of the companies recognized by the 500 Maiores do Sul – Grandes & Líderes ranking, occupying the fourth position when considering only organizations in Rio Grande do Sul, and the 12th position in the general category, which highlights companies from the entire southern region of the country.

November 2021

Banrisul among the 100 most innovative companies in the use of IT (IT Media)

It highlights innovative IT projects, which have had real impacts on the business of Brazilian companies during the last few months. Projects are selected by a committee made up of experts and journalists.

December 2021

Top Marketing in the Financial category (ADVB-RS)

In the case of BanriTech - Banrisul Boosting the Innovation Ecosystem, which gave Banrisul the winning position in the Financial category, the context and operating strategy of the first startup acceleration cycle, which took place in 2021, were presented.

December 2021

Banking Transformation Award 2021 Innovation Category

The AgroFácil case was presented, a tool that speeds up service to rural producers, from prospecting the customer to contracting the credit operation, offering greater efficiency for the work of the sales teams.

Acknowledgements

The year of 2021 was a challenging year for all sectors and required us, at Banrisul, to be even more attentive to the scenario and the needs of society. We offer support and encouragement, focusing on development and recovery, without neglecting the essentials, in the midst of the Covid-19 pandemic: the health of our employees and customers.

We have advanced in innovation, with transformations that have resulted in more agile, safe and accurate services. It is important to highlight that our channels will gain an important reinforcement in the coming months, with the integration of a new virtual assistant. We were also connected to social and environmental guidelines. We also intend to intensify our Strategic Sustainability Agenda throughout 2022.

All this construction was only possible because we walked together, with unity, empathy and responsibility. Therefore, we thank the more than 4 million customers, the 9 thousand employees, shareholders and investors, who understand the essence of the values that drive us.

The Executive Board

Financial Statements

BALANCE SHEET

(IN THOUSANDS OF REAIS)

		Parent Company		Consolidated	
ASSETS	**Note**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Cash	4	1,464,621	1,263,595	1,464,768	1,263,648
Financial Instruments		98,045,961	86,163,895	100,594,067	88,011,432
Interbank Lending Market Investments	5	5,843,792	6,040,268	5,845,434	6,041,572
Compulsory Deposits of Central Bank of Brazil	6	9,738,751	7,750,609	9,738,751	7,750,609
Securities	7	38,101,151	31,550,155	38,389,069	31,645,202
Derivative Financial Instruments	8	841,900	844,599	841,900	844,599
Loans	9	37,910,306	34,860,941	37,910,306	34,860,941
Other Financial Instruments	10	5,595,509	5,097,718	7,854,055	6,848,904
Leases	9	14,552	19,605	14,552	19,605
(Provisions for Expected Losses Associated with Credit Risk)	9e	(2,678,378)	(2,811,892)	(2,681,589)	(2,813,138)
(Loans)		(2,491,660)	(2,590,995)	(2,491,660)	(2,590,995)
(Leases)		(4,709)	(6,587)	(4,709)	(6,587)
(Other Credits)		(182,009)	(214,310)	(185,220)	(215,556)
Tax Assets		3,115,599	3,113,232	3,125,439	3,119,592
Current		106,662	47,304	109,439	49,021
Deferred	11	3,008,937	3,065,928	3,016,000	3,070,571
Other Assets	12	819,132	888,145	700,470	817,994
Investments		2,256,357	1,919,646	154,439	177,951
Investments in Associates and Subsidiaries	13	2,248,573	1,912,302	146,655	170,607
Other Investments		7,784	7,344	7,784	7,344
Property and Equipment	14	371,632	333,015	476,867	439,693
Property and Equipment		972,362	924,030	1,130,556	1,068,140
(Accumulated Depreciation)		(600,730)	(591,015)	(653,689)	(628,447)
Intangible Assets	15	741,214	805,606	741,303	805,729
Intangible Assets		1,759,627	1,639,318	1,762,053	1,641,756
(Accumulated Amortization)		(1,018,413)	(833,712)	(1,020,750)	(836,027)
TOTAL ASSETS		**104,136,138**	**91,675,242**	**104,575,764**	**91,822,901**

		Parent Company		Consolidated	
LIABILITIES	**Note**	**12/31/2021**	**12/31/2020**	**12/31/2021**	**12/31/2020**
Deposits and Other Financial Instruments		90,463,813	78,756,045	90,644,572	78,730,375
Deposits	16	65,045,847	62,820,455	64,277,380	62,446,503
Repurchase Agreements	16	10,774,902	4,573,384	10,721,736	4,362,437
Funds from Acceptance and Issuance of Securities	16	2,036,940	2,727,755	1,738,001	2,440,535
Borrowings	17	1,021,299	425,868	1,021,299	425,868
Onlendings	17	1,394,823	1,473,113	1,394,823	1,473,113
Derivative Financial Instruments	8	136,170	-	136,170	-
Other Financial Liabilities	18	10,053,832	6,735,470	11,355,163	7,581,919
Provisions	19	2,308,528	2,007,316	2,315,530	2,012,954
Tax Liabilities		494,639	494,784	608,811	561,565
Current		94,734	88,122	207,516	154,135
Deferred	11b	399,905	406,662	401,295	407,430
Other Liabilities	20	1,822,941	2,073,035	1,958,268	2,171,792
TOTAL LIABILITIES		**95,089,921**	**83,331,180**	**95,527,181**	**83,476,686**
EQUITY	**21**	**9,046,217**	**8,344,062**	**9,048,583**	**8,346,215**
Capital		5,200,000	5,200,000	5,200,000	5,200,000
Capital Reserves		4,511	4,511	4,511	4,511
Profit Reserves		3,960,169	3,411,250	3,960,169	3,411,250
Income		(118,463)	(271,699)	(118,463)	(271,699)
Non-controlling Interest		-	-	2,366	2,153
TOTAL LIABILITIES AND EQUITY		**104,136,138**	**91,675,242**	**104,575,764**	**91,822,901**

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

INCOME STATEMENT

(IN THOUSANDS OF REAIS, EXCEPT EARNINGS PER SHARE)

		Parent Company			Consolidated		
	Note	2nd Half of 2021	01/01 to 12/31/2021	01/01 to 12/31/2020	2nd Half of 2021	01/01 to 12/31/2021	01/01 to 12/31/2020
Income from Financial Intermediation		**4,971,353**	**8,200,054**	**8,225,442**	**4,980,546**	**8,212,176**	**8,233,170**
Loans, Leases and Other Credits		2,967,206	5,702,888	5,959,295	2,967,658	5,703,434	5,959,465
Securities		1,384,102	1,929,424	828,740	1,392,843	1,941,000	836,298
Derivative Financial Instruments		260,849	62,995	782,776	260,849	62,995	782,776
Foreign Exchange		85,814	104,724	351,787	85,814	104,724	351,787
Compulsory Investments		273,382	400,023	302,844	273,382	400,023	302,844
Expenses from Financial Intermediation		**(2,622,906)**	**(3,408,072)**	**(2,987,195)**	**(2,591,432)**	**(3,366,573)**	**(2,970,417)**
Deposits and Securities Sold Under Repurchase Agreements		(2,424,837)	(3,116,701)	(2,507,909)	(2,393,360)	(3,075,199)	(2,491,130)
Borrowings, Assignments and Onlendings		(198,069)	(291,371)	(479,286)	(198,072)	(291,374)	(479,287)
Net Income from Financial Intermediation		**2,348,447**	**4,791,982**	**5,238,247**	**2,389,114**	**4,845,603**	**5,262,753**
Provisions for Expected Losses Associated with Credit Risk		**(440,282)**	**(786,018)**	**(1,499,934)**	**(440,230)**	**(787,794)**	**(1,501,496)**
Other Operating Income		**1,077,368**	**2,022,474**	**2,075,322**	**1,355,317**	**2,545,652**	**2,469,035**
Income from Services Rendered and Bank Fees	22a	458,874	967,040	1,227,975	1,011,310	1,972,158	1,955,399
Result of Participation in Associates and Subsidiaries	13	283,596	506,119	359,333	23,628	42,830	55,691
Other Income	22b	334,898	549,315	488,014	320,379	530,664	457,945
Other Operating Expenses		**(2,531,881)**	**(4,909,088)**	**(4,873,148)**	**(2,719,251)**	**(5,247,428)**	**(5,134,867)**
Personnel Expenses	23a	(978,487)	(1,881,441)	(2,128,530)	(993,666)	(1,906,581)	(2,146,812)
Other Administrative Expenses	23b	(852,003)	(1,648,542)	(1,528,807)	(913,778)	(1,759,082)	(1,629,096)
Tax Expenses		(157,378)	(329,134)	(370,443)	(231,797)	(464,418)	(467,926)
Other Expenses	23c	(544,013)	(1,049,971)	(845,368)	(580,010)	(1,117,347)	(891,033)
Net Operating Income		**453,652**	**1,119,350**	**940,487**	**584,950**	**1,356,033**	**1,095,425**
Income Before Income Tax and Profit Sharing		**453,652**	**1,119,350**	**940,487**	**584,950**	**1,356,033**	**1,095,425**
Income Tax and Social Contribution	**24**	**11,052**	**(45,312)**	**(97,373)**	**(120,009)**	**(281,612)**	**(251,969)**
Current		72,041	(97,314)	(273,747)	(60,595)	(335,698)	(428,591)
Deferred		(60,989)	52,002	176,374	(59,414)	54,086	176,622
Employee Profit Sharing		**(60,330)**	**(125,503)**	**(115,638)**	**(60,441)**	**(125,616)**	**(115,778)**
Non-controlling Interest			-	-	**(126)**	**(270)**	**(202)**
Net Income in the Period		**404,374**	**948,535**	**727,476**	**404,374**	**948,535**	**727,476**
Net Income Atributable to Shareholderes							
Controlling		404,374	948,535	727,476	404,374	948,535	727,476
Non-Controlling		-	-	-	126	270	202
Earnings per Share	**25**						
Basic and Diluted Earnings per Share (in BRL - R$)							
Common Shares		0.99	2.32	1.78	0.99	2.32	1.78
Preferred Shares A		1.01	2.47	1.88	1.01	2.47	1.88
Preferred Shares B		0.99	2.32	1.78	0.99	2.32	1.78

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

STATEMENT OF COMPREHENSIVE INCOME

(IN THOUSANDS OF REAIS)

	Parent Company			Consolidated		
	2nd Half of 2021	01/01 to 12/31/2021	01/01 to 12/31/2020	2nd Half of 2021	01/01 to 12/31/2021	01/01 to 12/31/2020
Net Income Attributable to Shareholders	**404,374**	**948,535**	**727,476**	**404,374**	**948,535**	**727,476**
Non-controlling Interest	-	-	-	126	270	202
Net Income Attributable to Shareholders in the Period	**404,374**	**948,535**	**727,476**	**404,500**	**948,805**	**727,678**
Items That May Be Reclassified Into the Income Statement	**56,780**	**33,124**	**117,330**	**56,780**	**33,124**	**117,330**
Securities available for sale	(2,371)	(6,097)	184	(2,371)	(6,097)	184
Change in Fair Value	(4,036)	(10,251)	351	(4,036)	(10,251)	351
Tax Effect	1,665	4,154	(167)	1,665	4,154	(167)
Foreign Exchange Variations on Investments Abroad	59,151	39,221	117,146	59,151	39,221	117,146
Items that may not be Reclassified for the Statement of Income	**120,112**	**120,112**	**(104,034)**	**120,112**	**120,112**	**(104,034)**
Remeasurement of Post-Employment Benefit Obligations	120,112	120,112	(104,034)	120,112	120,112	(104,034)
Actuarial Gains/(Losses)	218,245	218,245	(189,025)	218,245	218,245	(189,025)
Tax Effect	(98,133)	(98,133)	84,991	(98,133)	(98,133)	84,991
Total Adjustments Not Included in Period Net Income	**176,892**	**153,236**	**13,296**	**176,892**	**153,236**	**13,296**
Total Comprehensive Income for the Period, Net of Tax Income and Social Contribution	**581,266**	**1,101,771**	**740,772**	**581,392**	**1,102,041**	**740,974**
Comprehensive Income Attributable to Controlling interests	581,266	1,101,771	740,772	581,266	1,101,771	740,772
Comprehensive Income Attributable to Non-controlling interests	-	-	-	126	270	202

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

STATEMENT OF CHANGES IN EQUITY

(In Thousands of Reais)

		Attibutable to Controlling Shareholders										
				Profit Reserves								
	Note	Capital	Capital Reserves	Legal	Statutory	For Expansion	Special Profit Reserve	Other Valuation Adjustments	Retained Earnings	**Total Parent Company**	Non-controlling Interest	**Total Consolidated**
Balance as of January 01, 2020		**5,200,000**	**4,511**	**596,276**	**2,069,074**	**207,501**	**-**	**(284,995)**	**-**	**7,792,367**	**1,995**	**7,794,362**
Other Valuation Adjustments												
Mark-to-Market of Available-for-Sale Securities		-	-	-	-	-	-	184	-	184	-	184
Actuarial Valuation Adjustments		-	-	-	-	-	-	(104,034)	-	(104,034)	-	(104,034)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	-	117,146	-	117,146	-	117,146
Change in Non-controlling Interest		-	-	-	-	-	-	-	-	-	158	158
Reclassification of Results for Future Years		-	-	-	-	-	-	-	5,890	5,890	-	5,890
Net Income in the Perid		-	-	-	-	-	-	-	727,476	727,476	-	727,476
Allocation of Net Income	21c											
Constituition of Reserves		-	-	36,374	181,869	296,957	-	-	(515,200)	-	-	-
Interest on Equity		-	-	-	-	-	-	-	(194,967)	(194,967)	-	(194,967)
Additional Proposed Dividends		-	-	-	-	-	23,199	-	(23,199)	-	-	-
Balance as of December 31, 2020		**5,200,000**	**4,511**	**632,650**	**2,250,943**	**504,458**	**23,199**	**(271,699)**	**-**	**8,344,062**	**2,153**	**8,346,215**
Balance as of January 1st, 2021		**5,200,000**	**4,511**	**632,650**	**2,250,943**	**504,458**	**23,199**	**(271,699)**	**-**	**8,344,062**	**2,153**	**8,346,215**
Other Valuation Adjustments												
Mark-to-Market of Available-for-Sale Securities		-	-	-	-	-	-	(6,097)	-	(6,097)	-	(6,097)
Actuarial Valuation Adjustments		-	-	-	-	-	-	120,112	-	120,112	-	120,112
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	-	39,221	-	39,221	-	39,221
Change in Non-controlling Interest		-	-	-	-	-	-	-	-	-	213	213
Approval of Dividends from Previous Period		-	-	-	-	-	(23,199)	-	-	(23,199)	-	(23,199)
Reclassification of Results for Future Years		-	-	-	-	-	-	-	5,802	5,802	-	5,802
Period Net Income		-	-	-	-	-	-	-	948,535	948,535	-	948,535
Allocation of Net Income	21c											
Constitution of Reserves		-	-	47,426	237,134	287,558	-	-	(572,118)	-	-	-
Interest on Equity		-	-	-	-	-	-	-	(367,244)	(367,244)	-	(367,244)
Additional Dividend		-	-	-	-	-	-	-	(14,975)	(14,975)	-	(14,975)
Balance as of December 31, 2021		**5,200,000**	**4,511**	**680,076**	**2,488,077**	**792,016**	**-**	**(118,463)**	**-**	**9,046,217**	**2,366**	**9,048,583**
Balance as of July 01st, 2021		**5,200,000**	**4,511**	**659,858**	**2,386,983**	**669,875**	**26,279**	**(295,355)**	**-**	**8,652,151**	**2,266**	**8,654,417**
Other Valuation Adjustments												
Mark-to-Market of Available-for-Sale Securities		-	-	-	-	-	-	(2,371)	-	(2,371)	-	(2,371)
Actuarial Valuation Adjustments		-	-	-	-	-	-	120,112	-	120,112	-	120,112
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	-	59,151	-	59,151	-	59,151
Change in Non-controlling Interest		-	-	-	-	-	-	-	-	-	100	100
Reclassification of Results for Future Years		-	-	-	-	-	-	-	2,887	2,887	-	2,887
Period Net Income		-	-	-	-	-	-	-	404,374	404,374	-	404,374
Allocation of Net Income	21c											
Constitution of Reserves		-	-	20,218	101,094	122,141	-	-	(243,453)	-	-	-
Interest on Equity		-	-	-	-	-	-	-	(175,112)	(175,112)	-	(175,112)
Additional Dividend		-	-	-	-	-	(26,279)	-	11,304	(14,975)	-	(14,975)
Balance as of December 31, 2021		**5,200,000**	**4,511**	**680,076**	**2,488,077**	**792,016**	**-**	**(118,463)**	**-**	**9,046,217**	**2,366**	**9,048,583**

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

CASH FLOW STATEMENT

(IN THOUSANDS OF REAIS)

	Parent Company			Consolidated		
	2nd Half of 2021	01/01 to 12/31/2021	01/01 to 12/31/2020	2nd Half of 2021	01/01 to 12/31/2021	01/01 to 12/31/2020
Cash Flow from Operating Activities						
Income Before Taxes Income and Employee Profit Sharing	**453,652**	**1,119,350**	**940,487**	**584,950**	**1,356,033**	**1,095,425**
Adjustments to Income Before Income Tax and Employee Profit Sharing						
Depreciation and Amortization	116,503	228,013	212,031	125,348	244,870	223,021
Share of Profit of Equity Accounted Investees	(283,596)	(506,119)	(359,333)	(23,628)	(42,830)	(55,691)
Deferred Taxes	-	-	(176,374)	-	-	(176,622)
Income from Subordinated Debt	389,114	335,648	885,682	389,114	335,648	885,682
Provisions for Expected Losses Associated with Credit Risk	440,282	786,018	1,499,934	440,230	787,794	1,501,496
Provision for Legal and Administrative Proceedings	233,764	564,465	456,584	235,404	566,606	455,732
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	(17,986)	(12,441)	-	(17,986)	(12,441)	-
Adjusted Income Before Taxes on Income and Employee Profit Sharing	**1,331,733**	**2,514,934**	**3,459,011**	**1,733,432**	**3,235,680**	**3,929,043**
Changes in Assets and Liabilities	**(3,679,670)**	**857,693**	**7,761,727**	**(3,852,048)**	**428,317**	**7,437,174**
(Increase) in Interbank Deposits	(706,180)	(586,672)	(325,065)	(706,180)	(586,672)	(325,065)
(Increase) Decrease in Central Bank Compulsory Deposits	(1,994,259)	(1,988,142)	4,435,482	(1,994,259)	(1,988,142)	4,435,482
(Increase) in Trading Securities	(261,084)	(1,716,415)	(960,876)	(177,153)	(1,696,667)	(738,569)
(Increase) Decrease in Derivative Financial Instruments	(218,300)	138,869	(713,290)	(218,300)	138,869	(713,290)
(Increase) Decrease in Loans	(4,273,508)	(3,927,140)	(3,171,935)	(4,273,508)	(3,927,140)	(3,171,935)
Decrease in Leases	1,301	5,058	11,835	1,301	5,058	11,835
(Increase) Decrease in Other Financial Assets	(546,648)	(518,781)	92,800	(978,880)	(1,025,952)	109,788
(Increase) Decrease in Current and Deferred Tax Assets	251,401	(59,358)	(117,411)	310,844	(60,418)	(117,309)
(Increase) Decrease in Other Assets	154,494	123,346	(86,421)	179,186	131,944	(90,096)
Increase in Deposits	3,340,153	2,221,354	9,147,490	3,089,172	1,826,839	8,806,419
Increase in Repurchase Agreements (Repos)	1,904,508	6,201,518	996,277	2,042,405	6,359,299	970,994
Increase (Decrease) in Funds from Acceptance and Issuance of Securities	3,931	(690,815)	(1,119,868)	(4,544)	(702,534)	(1,119,631)
Increase (Decrease) in Borrowings	(902,183)	517,141	(361,080)	(902,183)	517,141	(361,171)
Increase in Other Financial Liabilities	423,079	1,608,205	381,963	728,153	2,063,087	323,024
(Decrease) in Provisions	(138,168)	(263,253)	(378,547)	(138,862)	(264,030)	(378,818)
Increase (Decrease) in Deferred Tax Liabilities	(246,340)	111,543	291,960	(325,128)	106,026	449,025
(Decrease) in Other Liabilities	(433,252)	(116,520)	(43,877)	(275,228)	(80,048)	(180,954)
Income Tax and Social Contribution Paid	(38,615)	(202,245)	(317,710)	(208,884)	(388,343)	(472,555)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**(2,347937)**	**3,372,627**	**11,220,738**	**(2,118,616)**	**3,663,997**	**11,366,217**
CASH FLOW FROM INVESTING ACTIVITIES						
Dividends Received from Associates and Subsidiaries	25,958	111,343	137,039	13,099	40,499	37,861
(Increase) Decrease in Securities Available for Sale	(28,716)	(33,859)	179	(8,610)	(13,809)	388
(Increase) in Securities Held to Maturity	(1,950,382)	(4,800,722)	(6,106,284)	(1,950,695)	(4,801,194)	(6,106,555)
Disposal of Investments	3,149	7,541	2,434	3,149	9,677	2,434
Disposal of Property and Equipment	2,554	2,891	2,066	2,607	4,789	4,975
Intangible write-off	2,508	2,508	8,773	2,508	2,508	8,799
Acquisition of Investments	(1,811)	(7,552)	(8,246)	(1,291)	(1,997)	(6,306)
Acquisition of Property and Equipment	(33,284)	(70,479)	(109,070)	(37,923)	(87,757)	(160,273)
Acquisition of Intangible Assets	(87,839)	(133,415)	(35,065)	(87,839)	(133,415)	(35,065)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(2,067,863)**	**(4,921,744)**	**(6,108,174)**	**(2,064,995)**	**(4,980,699)**	**(6,253,742)**
CASH FLOW FROM FINANCING ACTIVITIES						
Subordinated Debt	1,661,994	1,661,994	-	1,661,994	1,661,994	-
Payment of Interest on Subordinated Debt	(167,049)	(287,485)	(207,099)	(167,049)	(287,485)	(207,099)
Dividends	-	(23,199)	(73,706)	-	(23,199)	(73,706)
Interest on Equity Paid	(175,112)	(419,243)	(142,967)	(175,112)	(419,243)	(142,967)
Change in Non-controlling Interest	-	-	-	100	213	158
NET CASH (USED IN) FINANCING ACTIVITIES	**1,319,833**	**932,067**	**(423,772)**	**1,319,933**	**932,280**	**(423,614)**
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	-	-	117,146	-	-	117,146
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3,095,967)**	**(617,050)**	**4,805,938**	**(2,863,678)**	**(384,422)**	**4,806,007**
Cash and Cash Equivalents at the Beginning of the Period	9,439,963	6,978,798	2,172,860	9,441,659	6,980,155	2,174,148
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	52,680	34,928	-	52,680	34,928	-
Cash and Cash Equivalents at the End of the Period	6,396,676	6,396,676	6,978,798	6,630,661	6,630,661	6,980,155

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

STATEMENT OF ADDED VALUE

(IN THOUSANDS OF REAIS)

	Parent Company			Consolidated		
	2nd Half of 2021	01/01 to 12/31/2021	01/01 to 12/31/2020	2nd Half of 2021	01/01 to 12/31/2021	01/01 to 12/31/2020
INCOME (a)	**5,324,843**	**8,930,391**	**8,441,497**	**5,872,005**	**9,927,204**	**9,145,018**
Financial Income	4,971,353	8,200,054	8,225,442	4,980,546	8,212,176	8,233,170
Services Rendered and Bank Fees Income	458,874	967,040	1,227,975	1,011,310	1,972,158	1,955,399
Provisions for Expected Losses Associated with Credit Risk	(440,282)	(786,018)	(1,499,934)	(440,230)	(787,794)	(1,501,496)
Other	334,898	549,315	488,014	320,379	530,664	457,945
FINANCIAL INTERMEDIATION EXPENSES (b)	**(2,622,906)**	**(3,408,072)**	**(2,987,195)**	**(2,591,432)**	**(3,366,573)**	**(2,970,417)**
INPUTS ACQUIRED FROM THIRD PARTIES (c)	**(1,213,439)**	**(2,340,957)**	**(2,040,782)**	**(1,302,473)**	**(2,501,850)**	**(2,176,726)**
Supplies, Energy and Other	(861,587)	(1,665,102)	(1,451,903)	(938,506)	(1,800,825)	(1,547,495)
Third-party Services	(351,852)	(675,855)	(588,879)	(363,967)	(701,025)	(629,231)
GROSS ADDED VALUE (d=a-b-c)	**1,488,498**	**3,181,362**	**3,413,520**	**1,978,100**	**4,058,781**	**3,997,875**
DEPRECIATION AND AMORTIZATION (e)	**(116,503)**	**(228,013)**	**(212,031)**	**(125,348)**	**(244,870)**	**(223,021)**
NET ADDED VALUE PRODUCED BY THE COMPANY (f=d-e)	**1,371,995**	**2,953,349**	**3,201,489**	**1,852,752**	**3,813,911**	**3,774,854**
ADDED VALUE RECEIVED IN TRANSFER (g)	**283,596**	**506,119**	**359,333**	**23,628**	**42,830**	**55,691**
Equity in earnings (losses) in investees	283,596	506,119	359,333	23,628	42,830	55,691
ADDED VALUE FOR DISTRIBUTION (h=f+g)	**1,655,591**	**3,459,468**	**3,560,822**	**1,876,380**	**3,856,741**	**3,830,545**
DISTRIBUTION OF ADDED VALUE	**1,655,591**	**3,459,468**	**3,560,822**	**1,876,380**	**3,856,741**	**3,830,545**
Personnel	**900,679**	**1,743,828**	**1,975,776**	**915,008**	**1,767,289**	**1,992,630**
Salaries	685,155	1,324,604	1,536,933	697,235	1,343,901	1,550,225
Benefits	171,672	336,262	356,113	172,906	338,550	358,036
FGTS	43,852	82,962	82,730	44,867	84,838	84,369
Taxes, Fees and Contributions	**284,464**	**637,562**	**736,208**	**490,905**	**1,010,938**	**989,855**
Federal	257,726	582,569	671,704	442,482	915,692	894,065
State	5	15	10	5	53	69
Local	26,733	54,978	64,494	48,418	95,193	95,721
Remuneration on Third Party Capital	**66,074**	**129,543**	**121,362**	**65,967**	**129,709**	**120,382**
Rentals	66,074	129,543	121,362	65,967	129,709	120,382
Equity Remuneration	**404,374**	**948,535**	**727,476**	**404,500**	**948,805**	**727,678**
Interest on Equity	175,112	367,244	194,967	175,112	367,244	194,967
Dividends	14,975	14,975	23,199	(11,304)	14,975	23,199
Retained Earnings	214,287	566,316	509,310	240,566	566,316	509,310
Non-controlling Interests	-	-	-	126	270	202

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

Notes to the Financial Statements

We present below Notes to the financial statements, which are an integral part of the financial statements of Banco do Estado do Rio Grande do Sul S.A. (Banrisul), amounts expressed in thousands of Reais (unless otherwise indicated) and distribuited as follows:

NOTE 01 - OPERATIONS

Banco do Estado do Rio Grande do Sul S. A. ("Banrisul", "Institution"), Banrisul Group leading company, controlled by the State of Rio Grande Sul, is a publicly traded corporation which operates a multiple-service bank, headquartered in Brazil, at Rua Capitão Montanha, 177 – 4th floor, in the city of Porto Alegre, Rio Grande do Sul State and that is engaged in retail banking, lending, financing and investment, mortgage loan, development, lease portfolio, and foreign exchange activities. Through its subsidiaries and associates, Banrisul engages in various other activities, including securities brokerage, management of sales poll groups, payment industry solutions, insurance, and pension plan and saving bonds 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 OF FINANCIAL STATEMENTS

(a) The financial statements have been prepared in accordance with accounting policies adopted in Brazil applicable to the financial institutions authorized to operate by the Central Bank of Brazil observing from the Brazilian corporation law, observing the standards and instructions of the National Monetary Council (CMN), the Central Bank of Brazil (BACEN) and the Brazilian Securities and Exchange Commission (CVM). The financial statements include accounting policies and estimates relating to the recognition of allowances and determination of the value of securities, derivatives financial instruments and deferred tax, actual results may differ from these estimates.

Banrisul's financial statements are being presented with the changes resulting from Central Bank Resolution No. 2/20. The balance sheet accounts are presented in order of liquidity and enforceability; balance sheet balances for the period presented in comparison with that of the end of the immediately previous fiscal year, with the other statements also compared with the same periods of the previous fiscal year for which they were presented.

Management declares that the disclosures made in Banrisul's individual and consolidated financial statements show all relevant financial information used in its management and that the accounting standards have been applied consistently between periods.

(b) Banrisul's individual financial statements include Banrisul's Brazilian operations as well as the operations of its foreign branches (Miami and Grand Cayman). On June 9, 2021, the Board of Directors approved the voluntary closure of the activities of the Miami branch, having the works started on June 30, 2021. The sum of assets and liabilities, income and expenses reported by foreign branches, before eliminations, are summarized as follows:

Assets	**12/31/2021**	**12/31/2020**
Loans	**380,807**	**376,736**
Loans in Brazil	231,662	278,167
Other Lending activities	149,145	98,569
Other Assets	**349,359**	**305,705**
Property and Equipment	**9**	**28**
Total Assets	**730,175**	**682,469**
Liabilities and Equity	**12/31/2021**	**12/31/2020**
Deposits	**74,032**	**124,039**
Deposits in Brazil	29,412	79,040
Other Deposits	44,620	44,999
Other Obligations	**101**	**381**
Other Liabilities	**85,514**	**26,949**
Equity	**570,528**	**531,100**
Total Liabilities and Equity	**730,175**	**682,469**
Income Statement	**01/01 to 12/31/2021**	**01/01 to 12/31/2020**
Financial Intermediation Income	7,643	18,218
Financial Intermediation Expenses	(1,543)	(2,066)
Other Income (Expenses)	(5,893)	(5,659)
Net Income	**207**	**10,493**

The effects of foreign exchange variation on the operations of foreign branches are recognized in the Income Statement according to the nature of the corresponding assets and liabilities, and the exchange variation adjustments arising from the conversion process are recorded as a component of Equity, amounting to R$39,221 (12/31/2020 - R$117,146).

(c) The consolidated financial statements include the accounts of Banrisul, its foreign branches, subsidiaries and investment funds that Banrisul assumes or retains substantially all of the risks and benefits. In preparing the consolidated financial statements, the intercompany balances and the amounts of transactions between consolidated companies were eliminated. Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in Banrisul's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The following table shows subsidiaries and investment funds included in the consolidated financial statements:

		Ownership Interest	
	Activity	**12/31/2021**	**12/31/2020**
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	Consortia Management	99.68%	99.68%
Banrisul Cartões S.A.	Payment Options	99.78%	99.78%
Banrisul Seguridade Participações S.A. (1)	Insurance	100.00%	100.00%
Investment Fund	Investment Funds	86.88 to 98.95%	100.00%

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

(d) Finance Leases are stated in the Balance Sheet at present value. Related income and expenses, which represent the financial result of these leases, are reported as income from Leases in the Income Statement.

(e) The financial statements prepared for the reported period were approved by the Board of Directors on February 09, 2022.

NOTE 03 - SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in preparing the consolidated financial statements are as follows:

(a) Income and Expenses

Income and expenses are recorded on an accrual basis.

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and readily convertible, highly liquid interbank investments, with original maturity not exceeding ninety days and that have an insignificant risk of change in their fair value.

(c) Interbank Investments

These comprise funds invested in the interbank market, stated at present value, calculated on “pro rata die” basis, based on the variation of both the agreed index and the interest rate.

(d) Securities

Pursuant to Circular No. 3068/01, issued by the Central Bank of Brazil, and supplementary regulations, securities are classified and measured in three specific categories, as follows:

- Trading Securities - these include securities acquired for purposes of being actively and frequently traded, measured at fair value, with related gains or losses recognized in the income statement.

- Available-for-Sale Securities - these include securities used as part of the strategy to manage risk of changes in interest rates and may be traded as a result of these changes, changes in payment conditions or other factors. These securities are adjusted to fair value less impairment losses, if applicable, and income earned is recorded in the income statement. Unrealized gains and losses from changes in fair value are recorded directly in shareholders’ equity, net of taxes, under “Other Comprehensive Results” until they are realized through sale.

When realized, the gains and losses are recognized in the income statement on the trading date, with a counter-entry to equity, net of taxes.

- Held-to-Maturity Securities - these are securities for which Management has the positive intent and financial capacity to hold to maturity. These securities are carried at amortized cost, less any impairment losses, plus income earned on a “pro rata” basis. Financial capacity is determined based on cash flow projections, disregarding the possibility of selling such securities.

(e) Derivative Financial Instruments

Derivative financial instruments are classified at the date of acquisition, in accordance with management’s intent to use them as protective (hedge) instruments or not, in accordance with BACEN Circular No. 3082/02.

Derivative financial instruments are recorded at market value, with gains and losses recognized directly in the income statement, provided they are not used for hedging, but acquired at the request of customers or on their own account.

The method for recognizing subsequent changes in the fair value of derivatives depends on whether the derivative is designated or not as a hedging instrument, as well as on the nature of the item being hedged.

The Bank uses hedge accounting and assigns the derivative contracts to hedge its subordinated debts (Note 18) and as a Fair Value hedge of recognized assets or liabilities or a firm commitment (market risk hedge).

Banrisul makes the documented designation, at the beginning of the operation, which describes the relationship between the objects and the hedge instruments, as well as the objectives of risk management and the strategy for carrying out the hedges. In this risk management, Banrisul periodically tests and documents the tests carried out to determine the level of effectiveness of hedge accounting operations in offsetting changes in the fair value of the protected items during the term of this protection.

Market Risk Hedge - derivative financial instruments intended to offset risks from exposure to changes in market value of hedged items are recorded in this category.

Banrisul included in this category the financial instruments derivative contracts used for hedging its US dollar denominated subordinate debt against foreign exchange variation, with a USD 523.185 million due on February 2, 2022, USD 300 million, due on January 28, 2031, with repurchase option in five years, according to conditions previously agreed in the Offering Memorandum of this issue, described in Note 18.

The fair value variations of derivatives designated and qualified as market risk hedges are recorded in the income statement, together with any changes in fair value of the hedged asset or liability attributable to the hedged risk (Note 08). The gains or losses related to this operation are recognized in the income statement as "Income from Financial Intermediation".

(f) Loans, Leases and Other Receivables with Lending Characteristics

All loans and leases are classified based on Management's risk assessment, taking into account the economic scenario, past experience and specific risks related to transactions, debtors and guarantors, pursuant to National Monetary Council (CMN) Resolution No. 2682/99, which requires a periodic analysis of the portfolio and classification into nine risk levels, from AA to H. A summary of this classification is presented in Note 09.

Loans and leases are recorded at present value, calculated on a daily pro-rata basis, based on the agreed index and interest rate, and accrue interest through the 60^{th} day past due. Thereafter, interest income is recognized only when the payments are actually received.

The risk of renegotiated loans is classified in accordance with the criteria established by National Monetary Council (CMN) Resolution No. 2682/99, i.e., the rating assigned before the renegotiation is maintained. Renegotiated loans that had previously been written-off against the allowance for loan losses and controlled in memorandum accounts are rated level H. Any gains on renegotiation are recognized as income only when actually received (Note 09 (h)).

(g) Provisions for Expected Losses Associated with Credit Risk

Allowance for loan losses, lease receivables and losses on other receivables are obtained from internal risk models that classify operations according to the levels of ratings set forth by the Resolution No. 2682/99 of the National Monetary Council (CMN). Historically, allowances remain in levels deemed sufficient to cover probable losses.

The total amount related to the allowance for loan losses, allowance for doubtful lease receivables and losses on other receivables is stated in Note 09 (e).

(h) Other Assets

Comprises mainly: Assets Not in Use, relating to real estate held for sale, both our own real estate that is no longer in use and real estate received in lieu of payment, which are adjusted to fair value through recognition of a provision, according to current regulations; and Prepaid Expenses, corresponding to investments whose benefits will occur in future years.

(i) Investments and Goodwill

In the Parent Company, investments in subsidiaries and associates are accounted for by the equity method, based on their equity value. Goodwill corresponds to the excess amount paid on the acquisition of investments due to expected generation of future economic gains. Goodwill is tested annually for impairment.

(j) Property and Equipment

Property and equipment in use comprise mainly land and buildings. As set forth by CMN Resolution No. 4535/16, the property and equipment in use are stated at historical cost less depreciation, as are all other permanent assets. Historical cost includes expenses directly attributable to the acquisition or construction of assets.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when future economic benefits associated with the item are likely to flow and its cost can be reliably measured. All other repairs and maintenance are recognized in the income statement as operating expenses provided they do not effectively result in increase in lifespan, efficiency or productivity, when incurred.

Land is not depreciated. Depreciation of other assets is calculated using the linear method to reduce their costs to their residual values over the estimated useful life, as presented below:

Permanent Assets	Average Estimated Useful Life in Years
Property	60
Facilities	25
Equipment in Use	19
Other	7

The residual amounts and the lifespan of assets are reviewed and adjusted, if appropriate, at the end of each fiscal year. As required, useful life is reviewed once a year.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the book value may not be recoverable. The book value of an asset is immediately reduced to its estimated recoverable value if it is greater than this recoverable value. The recoverable value is the higher amount between an asset's fair value less costs to sell and the value in use.

Gains and losses on disposals are determined by comparing the payments to be received with the book value and are recorded in Other Operating Income (Expenses), in the income statement.

(k) Intangible

Intangible corresponds to vested rights that have as object intangible assets intended for the maintenance of the company or to use for that purpose. CMN Resolution No. 4534/16 establishes that, from January 1, 2017, intangible assets are stated at their cost, and that assets with defined lifespan be amortized by the linear method throughout their lifespan.

This group is composed of payments made for banking service contracts (payroll services) and the acquisition of software, as follows:

Intangible	Average Estimated Useful Life in Years
Payroll Services	5 and 10
Software	7

Acquisition of Payroll Services

Public Sector - refers to agreements to obtain exclusive rights for the tendering of payroll services to the State of Rio Grande do Sul, to the Judiciary Branch of the State of Rio Grande do Sul, local town halls and other public agencies. Internal analysis and independent studies were conducted and no evidence of impairment related to these assets has been identified (Note 15).

Private Sector - refers to the five-year agreements signed with private entities, amortized throughout the contractual term. No impairment losses were identified on these assets.

Software

Software licenses are capitalized based on acquisition and readiness costs. These costs are amortized throughout the estimated lifespan of the software, of seven years.

The costs associated with maintaining software are recognized as expense, as incurred. Development costs that are directly attributable to the project and to the testing of identifiable and unique software products controlled by Banrisul are recognized as intangible assets.

Directly attributable costs, capitalized as part of the software, include the costs of employees responsible for software development and the apportionment of the applicable indirect costs. Costs also include financing costs incurred during the software development period.

Other costs with software development that do not meet these criteria are recognized as incurred. Software development costs previously recorded into expense accounts are not recorded as assets in subsequent periods.

Software development costs recognized as assets are amortized over their estimated lifespan.

The book value of an intangible asset is immediately written off to its estimated recoverable value if it is greater than that recoverable value, which is reviewed annually.

(l) Impairment of Assets

Banrisul annually reviews intangible assets for impairment losses. When identified, losses are recognized in the income statement of the period.

(m) Foreign Currency Conversion

Banrisul's financial statements are presented in Reais, the functional and reporting currency. The functional currency of the branches abroad was determined as per the National Monetary Council (CMN) Resolution No. 4524/16.

Banrisul has two branches overseas - Miami and Grand Cayman, whose financial statements are translated into USD. Their financial statements (none of which uses currency from hyperinflationary economies) are converted at the reporting date using current rates when their functional currency differs from the reporting currency, according to the following criteria:

• Assets and liabilities are converted using the exchange rate of the balance sheet date; and
• Income and expenses are converted using the monthly average exchange rate.

Foreign exchange variation adjustments arising from the conversion process are recorded as Other Comprehensive Income, a component Equity.

(n) Deposits, Repurchase Agreements, Funds from Acceptances and Issuance of Securities, Borrowings and Onlendings

These are stated at cost plus charges accrued through the reporting date, recognized on a "pro rata die" basis. The amounts and terms are shown in Notes 16 and 17.

(o) Provisions, contingent assets and liabilities and legal obligations

Provisions, contingent assets and liabilities, and legal obligations are recognized, measured and disclosed in accordance with the criteria set forth by Technical Pronouncement CPC 25, approved by the National Monetary Council (CMN) Resolution No. 3823/09.

- Contingent Assets - they are not recognized in the financial statements, except when there is evidence that realization thereof is virtually certain, and that no further appeal can be disputed.

- Provisions and Liabilities - a provision is recognized in the financial statements when, based on the opinion of management, the risk of losing a lawsuit or administrative claim is deemed probable, there will be a probable outflow of funds for the settlement of liabilities and the amounts involved can be reliably measured.

Contingent liabilities assessed as possible losses are not provided for; however, disclosure is made in the Notes to the financial statements. Contingent liabilities assessed as remote losses are neither accrued nor disclosed.

- Legal, Tax and Social Security Liabilities - legal obligations are recorded as liabilities, regardless of the evaluation of loss probability.

(p) Income tax and Social Contribution

Deferred tax assets or income tax and social contribution liabilities for were calculated based on the rates in effect on the date of the financial statements, and in the perspective of estimated realization for these credits in the period of validity of these rates on temporary differences, and recorded under “Deferred tax assets” against the income for the period. Should there be a change in tax legislation that changes criteria and rates to be adopted in future periods, the effects are recorded immediately based on the criteria and rates applicable to the period in which each portion of the assets will be realized or the liability settled. The realization of these Deferred tax assets will occur upon the realization of temporary differences and the respective recorded provisions.

Provision for income tax is recorded at the base rate of 15% of taxable income, plus an additional 10%. As per the Article 32 of Constitutional Amendment No. 103, released in November 2019, the social contribution rate calculated on the net profit of financial companies increased to 20% from 15%, effective as of March 2020. For all other companies, the social contribution is calculated considering the rate of 9%.

Law No. 14,183/21 was enacted, increasing the rate of Social Contribution on Profit (CSLL) of financial institutions. For banks, the rate rises from the current 20% to 25%, from July to December 31, 2021, and as of January 2022, it will return to 20%.

For Banrisul S/A Corretora de Valores e Cambio, the rate increased from 15% to 20%, from July to December 2021, and from January 2022 onwards, the rate will be 15% again.

The composition of the amounts of income tax and social contribution, the statement of their calculations, the origin and estimated realization of deferred tax assets, are presented in Notes 11 and 24.

(q) Post-Employment Long Term Benefit Obligations to Employees

- **Post-Employment 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 provision of retirement benefits and medical care to its employees.

- Retirement Plans - The Bank sponsors pension plans of the “defined benefit” and “variable contribution” types.

A defined benefit plan is different from a defined contribution plan. In general, defined benefit plans provide a value of pension benefit that the employee will receive upon retirement, usually depending on one or more factors such as age, length of service and salary.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. Independent actuaries calculate the defined benefit obligation annually using the Projected Credit Unit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using rates consistent with market yields on high quality corporate bonds denominated in the currency in which the benefits will be paid and that have terms to maturity similar to those of the respective obligations of the pension plan.

The actuarial valuation is established based on assumptions and projections of interest rates, inflation, increases in benefits, life expectancy, the effect of any limitation upon the contribution of the employer in the cost of future benefits and contributions or third-party contributions that reduce the ultimate cost of those benefits to the Bank, 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 resulting from adjustments based on experience and changes in actuarial assumptions are recognized directly in Equity, as Valuation Adjustments.

The cost of benefits under the defined benefit plans is determined separately for each plan. When they occur, costs of past services are immediately recognized in profit or loss as incurred.

The variable contribution plans are benefits with defined contribution characteristics, and cover expected retirement, early retirement and funeral assistance. In this case, Banrisul has no further payment obligations besides contributions already paid. The contributions are recognized as employee benefit expense when due. Contributions made in advance are recognized as an asset to the extent that cash refund or a reduction in future payments is available. In addition, there are further benefits with defined benefit characteristics, which are retirement for disability, proportionate benefit, sickness allowance, annual bonus, minimum benefit and retirement annuity with life insurance coverage.

- Health Plans - plans provided by Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul (Cabergs, the Assistance Fund for the Employees of Banco do Estado do Rio Grande do Sul), which offer health care benefits in general and whose cost is established through an agreement of accession.

Banrisul also offers the benefit of post-retirement health care to its employees. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology used for defined benefit pension plans. Actuarial gains and losses resulting from adjustments based on experience and changes in actuarial assumptions are charged or credited to equity, under Valuation Adjustments. Independent qualified actuaries measure these obligations annually.

Plan assets are not available to creditors of Banrisul and cannot be paid directly to the Bank. The fair value is based on information about market price and, in the case of traded assets, their market value. The value of any recognized defined benefit asset is limited to the sum of any previous service cost not yet recognized and to the present value of any economic benefit available as reductions in future employer contributions to the plan.

- Retirement Award - upon retirement, Banrisul gives its employees a premium for retirement that is proportional to their monthly salary, effective at the time of retirement.

Additionally, the results of the actuarial valuation can generate an asset to be recognized. The Institution records this asset only when:

- it controls a resource, which is the ability to use the surplus to generate future benefits;
- this control is the result of past events (contributions paid by the Bank and service provided by the employee); and
- future economic benefits to the Bank are available in the form of reductions in future contributions or of cash refund, either directly to the Bank, or indirectly to compensate for the deficit of another post-employment benefit plan (in compliance with law).

The commitments to these three types of post-employment benefits are annually assessed and reviewed by independent qualified actuaries.

(r) Earnings per Share

The institution calculates earnings per share by dividing the weighted average number of total common and preferred shares outstanding during the period by the net income for the period. Earnings per share is disclosed in accordance with CVM Rule No. 636/10.

NOTE 04 - CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash	**1,464,621**	**1,263,595**	**1,464,768**	**1,263,648**
In Local Currency	934,541	811,354	934,688	811,407
In Foreign Currency	530,080	452,241	530,080	452,241
Interbank Investments[(1)]	**4,932,055**	**5,715,203**	**4,933,697**	**5,716,507**
Reverse Repurchase Agreements	4,850,003	5,704,808	4,851,645	5,706,112
Investments in Interbank Deposits	82,052	10,395	82,052	10,395
Securities	**-**	**-**	**232,196**	**-**
Investment Funds Quotas	-	-	232,196	-
Total	**6,396,676**	**6,978,798**	**6,630,661**	**6,980,155**

(1) Comprised of the agreements described in note 05, with original maturity of 90 days or less and that present an insignificant risk of a change in their fair values.

NOTE 05 - INTERBANK INVESTMENTS

					Parent Company
	Up to 3 months	3 to 12 months	Over 1 Year	12/31/2021	12/31/2020
Reverse Purchase Agreements	**4,850,003**	**-**	**-**	**4,850,003**	**5,704,808**
Reverse Repurchase Agreements - Own Portfolio					
Financial Treasury Letter – LFT	2,500,002	-	-	2,500,002	4,404,770
National Treasury Letter – LTN	2,350,001	-	-	2,350,001	1,300,038
Interbank Deposits	**82,052**	**766,094**	**145,643**	**993,789**	**335,460**
Interbank Deposits	82,052	766,094	145,643	993,789	335,460
Total as of 12/31/2021	**4,932,055**	**766,094**	**145,643**	**5,843,792**	
Total as of 12/31/2020	**5,715,203**	**325,065**	**-**		**6,040,268**

					Consolidated
	Up to 3 months	3 to 12 months	Over 1 Year	12/312021	12/31/2020
Reverse Purchase Agreements	**4,851,645**	**-**	**-**	**4,851,645**	**5,706,112**
Reverse Repurchase Agreements - Own Portfolio					
Financial Treasury Letter – LFT	2,500,002	-	-	2,500,002	4,404,770
National Treasury Letter – LTN	2,350,001	-	-	2,350,001	1,300,038
Bank Deposit Certificates	1,642	-	-	1,642	1,304
Interbank Deposits	**82,052**	**766,094**	**145,643**	**993,789**	**335,460**
Interbank Deposits	82,052	766,094	145,643	993,789	335,460
Total as of 12/31/2021	**4,933,697**	**766,094**	**145,643**	**5,845,434**	
Total as of 12/31/2020	**5,716,507**	**325,065**	**-**		**6,041,572**

NOTE 06 - COMPULSORY DEPOSITS OF CENTRAL BANK OF BRAZIL

		Parent Company and Consolidated	
Compulsory Deposits - BACEN	**Form of Remuneration**	**12/31/2021**	**12/31/2020**
Demand deposits and other resources	No Remuneration	861,453	743,129
Savings Deposits	Savings rate	2,016,105	1,912,085
Other Deposits	No Remuneration	210,762	55,135
Time Deposits	SELIC	6,650,431	5,040,260
Total		**9,738,751**	**7,750,609**

NOTE 07 - PORTFOLIO OF SECURITIES

Breakdown of the portfolio of securities:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Trading Securities	8,288,943	6,572,528	8,584,162	6,655,299
Available-for-sale Securities	34,035	176	16,268	2,459
Held-to-Maturity Securities	29,778,173	24,977,451	29,788,639	24,987,444
Total	**38,101,151**	**31,550,155**	**38,389,069**	**31,645,202**

The fair values presented in the table below were determined as follows: actively traded Treasury Bills are determined based on prices published by the ANBIMA (Brazilian Association of Financial and Capital Markets); shares of publicly-held companies are based on the closing price of the last trading day prior to the reporting date; investment fund shares are updated daily with the respective share price informed by the fund administrator; and for securities where no prices are available Banrisul uses internal models for calculating the market value, using B3's (Brazil Stock Exchange) future curves.

(a) Trading Securities

Breakdown of Trading Securities by type and maturity, at fair value and amortized cost:

										Parent Company
	Fair Value						12/31/2021		12/31/2020	
	Without Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Financial Treasury Letter – LFT	-	1,909,373	1,117,280	1,956,320	3,293,329	-	8,276,302	8,297,101	6,562,124	6,594,036
Shares of Publicly-Held Companies	12,641	-	-	-	-	-	12,641	17	6,978	2,063
Investment Fund Shares	-	-	-	-	-	-	-	-	3,426	3,426
Total as of 12/31/2021	**12,641**	**1,909,373**	**1,117,280**	**1,956,320**	**3,293,329**	**-**	**8,288,943**	**8,297,118**		
Total as of 12/31/2020	**10,404**	**906,229**	**-**	**961,038**	**3,846,492**	**848,365**			**6,572,528**	**6,599,525**

										Consolidated
	Fair Value						12/31/2021		12/31/2020	
	Without Maturity	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Financial Treasury Letter – LFT	-	1,909,373	1,117,280	1,964,681	3,293,329	-	8,284,663	8,305,481	6,570,116	6,602,063
Shares of Publicly-Held Companies	12,641	-	-	-	-	-	12,641	17	6,978	2,063
Investment Fund Shares	286,858	-	-	-	-	-	286,858	286,858	78,205	78,205
Total as of 12/31/2021	**299,499**	**1,909,373**	**1,117,280**	**1,964,681**	**3,293,329**	**-**	**8,584,162**	**8,592,356**		
Total as of 12/31/2020	**85,183**	**906,229**	**-**	**961,038**	**3,854,484**	**848,365**			**6,655,299**	**6,682,331**

In December 2021, quotes of Investment Funds were reclassified from the trading portfolio to the available-for-sale portfolio, in compliance with CMN Resolution No. 4,926, of June 24, 2021, and BCB Resolution No. 111/2021, of July 06, 2021, with the objective of equating the accounting classification with that used in risk measurement. This reclassification did not reverse the amounts already computed in income resulting from unrealized gains or losses, as determined by Circular No. 3,068, of November 8, 2001, of the Central Bank of Brazil. The total book value of these shares is R$5,882 thousand as of December 31, 2021.

(b) Available-for-Sale Securities

Breakdown of Available-for-Sale Securities by type and maturity, at fair value and amortized cost:

			Parent Company							Consolidated
		12/31/2021		12/31/2020			12/31/2021		12/31/2020	
	Without Maturity	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Without Maturity	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Investment Fund Shares	34,035	30,934	34,035	176	176	16,254	16,254	15,745	2,447	2,074
Privatization Certificates	-	-	-	-	-	14	14	14	12	12
Total as of 12/31/2021	**34,035**	**30,934**	**34,035**			**16,268**	**16,268**	**15,759**		
Total as of 12/31/2020	**176**			**176**	**176**	**2,459**			**2,459**	**2,086**

(c) Held-to-Maturity Securities

Breakdown of Held-to-Maturity Securities by type and maturity, at fair value and amortized cost:

									Parent Company
	Updated Amortized Cost					12/31/2021		12/31/2020	
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Updated Amortized Cost	Fair Value	Updated Amortized Cost	Fair Value
Federal Government Securities									
Financial Treasury Letter – LFT	1,535,850	2,694,199	10,540,723	8,041,320	4,418,574	27,230,666	27,184,037	21,419,481	21,318,989
National Treasury Notes - NTN	-	-	-	-	-	-	-	471,927	471,922
National Treasury Letter – LTN	2,049,554	196,948	-	-	-	2,246,502	2,244,439	2,785,396	2,676,846
Federal Bonds - CVS	-	-	-	-	61,006	61,006	52,298	72,235	72,910
Time Deposits with Special Collaterals - DPGE	-	237,161	-	-	-	237,161	238,025	224,941	228,243
Certificate of Real Estate Receivables - CRI	-	-	-	-	2,838	2,838	2,747	3,471	3,492
Total as of 12/31/2021	**3,585,404**	**3,128,308**	**10,540,723**	**8,041,320**	**4,482,418**	**29,778,173**	**29,721,546**		
Total as of 12/31/2020	**2,049,316**	**2,785,396**	**5,449,214**	**10,748,908**	**3,944,617**			**24,977,451**	**24,772,402**

									Consolidated
	Updated Amortized Cost					12/31/2021		12/31/2020	
	Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years	Updated Amortized Cost	Fair Value	Updated Amortized Cost	Fair Value
Federal Government Securities									
Financial Treasury Letter – LFT	1,535,850	2,694,199	10,540,723	8,046,169	4,424,191	27,241,132	27,194,433	21,429,474	21,328,981
National Treasury Notes - NTN	-	-	-	-	-	-	-	471,927	471,922
National Treasury Letter – LTN	2,049,554	196,948	-	-	-	2,246,502	2,244,439	2,785,396	2,676,846
Federal Bonds - CVS	-	-	-	-	61,006	61,006	52,298	72,235	72,910
Time Deposits with Special Collaterals - DPGE	-	237,161	-	-	-	237,161	238,025	224,941	228,243
Certificate of Real Estate Receivables - CRI	-	-	-	-	2,838	2,838	2,747	3,471	3,492
Total as of 12/31/2021	**3,585,404**	**3,128,308**	**10,540,723**	**8,046,169**	**4,488,035**	**29,788,639**	**29,731,942**		
Total as of 12/31/2020	**2,054,664**	**2,785,396**	**5,449,214**	**10,753,553**	**3,944,617**			**24,987,444**	**24,782,394**

Management declares that Banrisul has the financial capability and the intention to hold these securities to maturity.

NOTE 08 - DERIVATIVE FINANCIAL INSTRUMENTS

Banrisul conducts transactions involving derivatives in the form of swaps. These swaps are designed to meet Banrisul's needs and to manage its global exposure in foreign currency.

The use of derivatives is mainly to mitigate the risks from currency fluctuations arising from the international funding operation carried out by Banrisul, as mentioned in Note 18, in the form of a rate swap to CDI.

With this objective, swap transactions are short and long-term, aligned with the flow and maturity of the emissions (objects hedge) that they protect.

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

The swaps are OTC contracts registered with B3 S. A. - Brasil, Bolsa, Balcão and have as counterparties top-tier financial institutions.

The table below demonstrates the effectiveness of the structure of hedge accounting developed by Banrisul, demonstrating the amortized cost value, fair value and fair value adjustments of objecct (subordinated debt) and the hedging instrument (swaps):

				Parent Company and Consolidated	
				12/31/2021	12/31/2020
Derivatives Used as Fair Value Hedge	**Notional Value**	**Amortized cost**	**Fair value adjustment**	**Fair Value**	**Fair Value**
Hedging Instrument					
Swaps	3,813,908	754,468	(48,738)	705,730	844,599
Foreign Currency (USD)	3,813,908	754,468	(48,738)	705,730	844,599
Hedged Item					
Subordinated Debt	2,546,665	4,719,932	(46,667)	4,673,265	2,968,537
Foreign Currency (USD)	2,546,665	4,719,932	(46,667)	4,673,265	2,968,537

The following table shows the breakdown of the derivatives (asset and liability) by notional value and fair value:

			Parent Company and Consolidated	
Swaps	**Notional Value**	**Receivable (Payable) Amortized Cost (1)**	**Fair Value Adjustments to Results (1)**	**Fair Value (1)**
Assets				
Foreign Currency (USD) + Fixed Rate	3,813,908	907,240	(47,879)	859,361
Liabilities				
% of Interbank Deposit Rate (CDI)	(3,813,908)	(152,772)	(859)	(153,631)
Net Adjustment as of 12/31/2021		**754,468**	**(48,738)**	**705,730**
Net Adjustment as of 12/31/2020		**677,304**	**167,295**	**844,599**

(1) Values presented net of the notional value,

The table below shows the information of derivatives segregated by contractual cash flow:

					Parent Company and Consolidated	
Swaps	**Notional Value**	**Fair Value (1)**	**Up to 3 months**	**3 to 12 months**	**1 to 3 years**	**3 to 5 years**
Assets						
Foreign Currency (USD) + Fixed Rate	3,813,908	859,361	914,763	(1,519)	(5,640)	(48,243)
Liabilities						
% of Interbank Deposit Rate (CDI)	(3,813,908)	(153,631)	(78,684)	(5,055)	(17,913)	(51,979)
Net Adjustment as of 12/31/2021		**705,730**	**836,079**	**(6,574)**	**(23,553)**	**(100,222)**
Net Adjustment as of 12/31/2020		**844,599**	**28,914**	**28,687**	**-**	**786,998**

(1) Values presented net of the notional value,

Banrisul and counterparties are mutually subject to providing a reciprocal basis if the derivatives exceed the fair value limits stipulated by contract.

The margin deposited by Banrisul as guarantee in operations involving derivatives consists of Interbank deposits in the amount of R$31,035 and the margin received consists of Interbank Deposits in the amount of R$284,584 and by National Treasury Notes series F, in the amount of R$588,466.

Banrisul uses hedge accounting practices established by the Central Bank of Brazil and the effectiveness expected from the designation of hedging instruments and in the course of the operation is in accordance with the provisions of the Central Bank of Brazil.

NOTE 09 - LOANS, LEASES AND OTHER CONTRACTS WITH LENDING CHARACTERISTICS

(a) Breakdown by Type and Risk Level

										Parent Company and Consolidated	
	AA	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**12/31/2021**	**12/31/2020**
Loans and Discounted Receivables	835,154	21,293,994	1,693,688	793,171	564,043	194,010	143,836	377,974	1,657,421	27,553,291	26,427,501
Financing	167,720	500,111	272,654	111,174	16,375	8,582	7,871	3,589	13,641	1,101,717	814,254
Rural and Agro-Industrial Financing	453,668	3,498,766	500,947	252,782	35,455	12,453	34,640	7,585	40,340	4,836,636	3,392,123
Real Estate Loans	3,236,380	664,711	247,518	51,243	6,280	2,377	752	26,918	74,054	4,310,233	4,112,283
Loans Assigned with Recourse (1)	5,314	3,991	106	135	-	-	-	-	-	9,546	13,280
Infrastructure and Development Financing	4,282	40,961	52,995	645	-	-	-	-	-	98,883	101,500
Subtotal Loans	**4,702,518**	**26,002,534**	**2,767,908**	**1,209,150**	**622,153**	**217,422**	**187,099**	**416,066**	**1,785,456**	**37,910,306**	**34,860,941**
Lease Operations	2,814	1,528	1,476	1,160	814	449	-	6,252	59	14,552	19,605
Advances on Foreign Exchange Contracts (2)	36,370	280,479	216,117	98,392	56,415	5,773	29,958	55,991	24,939	804,434	503,739
Other Receivables (3)	97,438	1,796,790	219,659	93,335	28,332	6,020	2,130	1,604	19,637	2,264,945	2,083,453
Acquired Portfolio with Recourse (Note 10)	47,738	-	-	-	-	-	-	-	-	47,738	138,066
Total Credit Portfolio	**4,886,878**	**28,081,331**	**3,205,160**	**1,402,037**	**707,714**	**229,664**	**219,187**	**479,913**	**1,830,091**	**41,041,975**	**37,605,804**
Recourse and Guarantees Granted (4)	155,700	70,346	102	22,913	-	25,319	-	-	9,340	283,720	195,892
Total	**5,042,578**	**28,151,677**	**3,205,262**	**1,424,950**	**707,714**	**254,983**	**219,187**	**479,913**	**1,839,431**	**41,325,695**	**37,801,696**
Total Credit Portfolio as of 12/31/2020	**5,141,278**	**18,948,465**	**7,903,932**	**1,795,573**	**870,913**	**334,987**	**237,528**	**480,090**	**1,893,038**		**37,605,804**

(1) Refers to assignment of receivables with recourse where Banrisul has assigned to Cibrasec mortgage loans operations.
(2) Composed of Advances on Foreign Exchange Contracts including accrued interest, presented net with related liabilities in Other Liabilities.
(3) Refers to debit and credit cards, securitization credit, credit for guarantees honored and receivable income on foreign exchange and receivables from export contracts.
(4) Recorded in off-balance sheet accounts, For sureties and guarantees, the provision was recorded as shown in Note 18.

(b) Customer Breakdown per Maturity and Risk Levels

										Parent Company and Consolidated	
	Credit Portfolio in Ordinary Course [1]										
	AA	A	B	C	D	E	F	G	H	12/31/2021	12/31/2020
Falling Due	**4,886,142**	**28,069,899**	**3,036,624**	**1,281,529**	**599,321**	**138,733**	**139,490**	**346,247**	**1,148,410**	**39,646,395**	**36,166,058**
01 to 30 days	112,809	1,577,730	315,387	139,727	57,596	11,971	15,796	32,025	27,254	2,290,295	2,306,022
31 to 60 days	84,833	1,191,911	237,034	75,737	33,413	11,016	11,709	19,682	20,967	1,686,302	1,772,031
61 to 90 days	71,087	947,530	170,056	69,214	39,258	5,434	8,540	18,913	18,830	1,348,862	1,291,451
91 to 180 days	212,734	2,858,868	433,353	193,421	71,543	17,781	19,310	33,032	56,176	3,896,218	3,473,013
181 to 360 days	389,973	3,993,618	579,282	316,496	67,509	19,721	45,449	82,436	189,766	5,684,250	4,984,440
Over 360 days	4,014,706	17,500,242	1,301,512	486,934	330,002	72,810	38,686	160,159	835,417	24,740,468	22,339,101
Past Due	**736**	**11,432**	**5,035**	**3,798**	**2,738**	**1,087**	**503**	**549**	**1,755**	**27,633**	**48,626**
Up to 14 days	736	11,432	5,035	3,798	2,738	1,087	503	549	1,755	27,633	48,626
Subtotal	**4,886,878**	**28,081,331**	**3,041,659**	**1,285,327**	**602,059**	**139,820**	**139,993**	**346,796**	**1,150,165**	**39,674,028**	**36,214,684**
	Non-Performing Contracts [1]										
Falling Due	**-**	**-**	**149,197**	**93,063**	**76,983**	**62,490**	**57,071**	**74,449**	**419,284**	**932,537**	**1,001,600**
01 to 30 days	-	-	3,325	3,339	3,375	2,407	1,524	2,125	13,365	29,460	34,402
31 to 60 days	-	-	2,944	2,618	2,453	1,770	1,478	2,158	13,121	26,542	31,978
61 to 90 days	-	-	2,818	2,326	2,148	1,570	1,415	2,046	12,378	24,701	29,380
91 to 180 days	-	-	7,530	6,637	6,096	4,497	3,903	5,835	36,535	71,033	83,461
181 to 360 days	-	-	13,694	12,012	10,969	7,854	7,063	10,742	66,384	128,718	156,210
Over 360 days	-	-	118,886	66,131	51,942	44,392	41,688	51,543	277,501	652,083	666,169
Past Due	**-**	**-**	**14,304**	**23,647**	**28,672**	**27,354**	**22,123**	**58,668**	**260,642**	**435,410**	**389,520**
01 to 14 days	-	-	502	309	222	251	260	488	3,032	5,064	5,685
15 to 30 days	-	-	12,129	6,554	4,996	2,813	2,812	9,377	16,168	54,849	50,011
31 to 60 days	-	-	1,673	15,585	6,786	4,895	3,186	4,818	15,916	52,859	46,296
61 to 90 days	-	-	-	975	15,914	4,947	3,615	8,046	15,452	48,949	41,812
91 to 180 days	-	-	-	224	754	13,861	10,974	34,053	80,018	139,884	145,887
181 to 360 days	-	-	-	-	-	587	1,276	1,886	113,965	117,714	87,230
Over 360 days	-	-	-	-	-	-	-	-	16,091	16,091	12,599
Subtotal	**-**	**-**	**163,501**	**116,710**	**105,655**	**89,844**	**79,194**	**133,117**	**679,926**	**1,367,947**	**1,391,120**
Total as of 12/31/2021	**4,886,878**	**28,081,331**	**3,205,160**	**1,402,037**	**707,714**	**229,664**	**219,187**	**479,913**	**1,830,091**	**41,041,975**	
Total as of 12/31/2020	**5,141,278**	**18,948,465**	**7,903,932**	**1,795,573**	**870,913**	**334,987**	**237,528**	**480,090**	**1,893,038**		**37,605,804**

(1) Nonperforming Contracts consists of loans with overdue installments of more than 14 days. All other contracts are considered Ordinary Course.

(c) Credit Portfolio Breakdown by Business Sector

	Parent Company and Consolidated	
	12/31/2021	12/31/2020
Public Sector	**102,207**	**103,555**
Government - Direct and Indirect Administration	102,207	103,555
Private Sector	**40,939,768**	**37,502,249**
Companies	9,778,898	8,952,228
Rural	157,230	272,623
Food, Beverages and Tobacco	1,428,878	1,146,432
Automotive	394,772	383,325
Cellulose, Wood and Furniture	201,453	184,977
Food Wholesale Trade	723,876	535,013
Wholesale Trade (except food)	656,660	559,942
Retail Trade - Other	1,003,249	784,292
Construction and Real Estate	719,696	837,525
Education, Health and other Social Services	1,025,433	1,233,619
Electrical and Electronics	350,109	313,780
Financial and Insurance	376,065	338,687
Machines and equipment	265,830	239,159
Metallurgy	304,044	230,281
Infrastructure Works	42,215	31,411
Oil and Natural Gas	398,718	355,341
Chemical and Petrochemical	521,689	434,053
Private Services	334,628	219,573
Textile, Clothing and Leather	265,386	234,007
Transportation	299,826	314,693
Others	309,141	303,495
Individuals	31,160,870	28,550,021
Total Loans	**41,041,975**	**37,605,804**

(d) Loan Concentration

	Parent Company and Consolidated			
	12/31/2021		12/31/2020	
	Value	% of Portfolio	Value	% of Portfolio
Largest Debtor	147,703	0.36	163,451	0.43
Next 10 Largest Debtors	913,843	2.23	995,815	2.65
Next 20 Largest Debtors	1,283,971	3.13	1,185,353	3.15
Next 50 Largest Debtors	1,612,343	3.93	1,472,171	3.91
Next 100 Largest Debtors	1,352,289	3.29	1,304,015	3.47

(e) Changes in Allowances

The Allowance for Expected Losses in the amount of R$2,678,378 (12/31/2020 - R$2,811,892), consolidated R$2,681,589 (12/31/2020 – R$2,813,138) is shown below:

i) Allowance for Loan Losses, Doubtful Lease Receivables and Other Receivables with Lending Characteristics:

	Parent Company and Consolidated	
	01/01 to 12/31/2021	01/01 to 12/31/2020
Opening Balance	**2,763,101**	**2,764,335**
Allowance Recorded in the Period	786,164	1,498,861
Write-Offs	(919,452)	(1,500,095)
Ending Balance	**2,629,813**	**2,763,101**
Allowance for Loan Losses	2,491,660	2,590,995
Allowance for Doubtful Lease Receivables	4,709	6,587
Allowance for Losses on Other Receivables with Lending Characteristics (1)	133,444	165,519

(1) Refers to the constitution of a provision for operations involving Credits for Honored Sureties and Guarantees, Debit and Credit Cards, Foreign Exchange Portfolio and Credits Linked to Operations Acquired in Assignment.

ii) Allowance for Other Contracts with Credit Risk:

	Parent Company		Consolidated	
	01/01 to 12/31/2021	01/01 to 12/31/2020	01/01 to 12/31/2021	01/01 to 12/31/2020
Opening Balance	**48,791**	**47,719**	**50,037**	**50,515**
Allowance/(Reversal) Recorded in the Period	(146)	1,072	1,825	2,634
Write-Offs	(80)	-	(86)	(3,112)
Final Balance	**48,565**	**48,791**	**51,776**	**50,037**

(f) Breakdown of Allowances for Loan Losses, Doubtful Lease Receivables and Other Receivables with Lending Characteristics per Risk Level

			Parent Company and Consolidated
Risk Level	Credit Portfolio	Minimum Allowance Required by CMN Resolution No. 2682/99	Recorded Allowance
AA	4,886,878	0.00%	-
A	28,081,331	0.50%	140,406
B	3,205,160	1.00%	32,052
C	1,402,037	3.00%	42,061
D	707,714	10,00%	70,771
E	229,664	30.00%	68,899
F	219,187	50.00%	109,594
G	479,913	70.00%	335,939
H	1,830,091	100.00%	1,830,091
Total as of 12/31/2021	**41,041,975**		**2,629,813**
Total as of 12/31/2020	**37,605,804**		**2,763,101**

(g) Emergency Employment Support Program (Pese)

The operations related to the Emergency Employment Support Program (Pese), classified by risk level and accompanied by the amount of the provision made for each risk level, are shown below, as determined by CMN Resolution No. 4,846/20.

				Parent Company and Consolidated
		12/31/2021		12/31/2020
Rating	Asset	Provision	Asset	Provision
AA	634	-	59	-
A	35,666	27	61,544	46
B	1,039	2	52	-
C	305	1	6	-
D	201	3	-	-
E	294	13	-	-
F	278	21	43	3
G	409	43	-	-
H	1,386	208	-	-
Total	**40,212**	**318**	**61,704**	**49**

For ratings B and C, the provisioning for 12/31/2020 was R$77.80 and R$26.40 BRL, respectively.

(h) Recovery and Renegotiation of Credits

Recoveries of loans previously written off as losses were recognized as income from lending operations and amounted to R$458,049 (12/31/2020- R$462,709), net of losses generated in these recoveries.

The balance of renegotiated loans during the period amounted to R$732,364 (12/31/2020 - R$698,386). Pursuant to CMN Resolution No. 2682/99, these transactions remain classified in the same rating they were before the renegotiation; written off credit operations are classified in risk level H following renegotiation.

NOTE 10 - OTHER FINANCIAL INSTRUMENTS

						Parent Company
	Up to 12 Months	Over 12 Months	Total as of 12/31/2021	Up to 12 Months	Over 12 Months	Total as of 12/31/2020
Interbank Accounts	7,889	1,195,996	1,203,885	10,881	1,134,635	1,145,516
Credits with the National Housing System (1)	-	1,195,996	1,195,996	-	1,134,635	1,134,635
Outstanding Payments and Receipts	1,714	-	1,714	2,594	-	2,594
Others	6,175	-	6,175	8,287	-	8,287
Interbranch Accounts	65,764	-	65,764	73,101	-	73,101
Foreign Exchange Portfolio	888,210	-	888,210	551,923	20,680	572,603
Income Receivable	72,201	-	72,201	99,839	-	99,839
Guarantee Deposit	-	677,718	677,718	-	629,179	629,179
Payments to Reimburse	57,572	-	57,572	61,667	-	61,667
Securities and Receivables (2)	2,314,527	244,623	2,559,150	2,117,962	235,155	2,353,117
Credits Linked to Acquired Operations with Recorurse (Note 09 (a))	41,247	6,491	47,738	85,424	52,642	138,066
Others	23,271	-	23,271	24,630	-	24,630
Total	**3,470,681**	**2,124,828**	**5,595,509**	**3,025,427**	**2,072,291**	**5,097,718**

						Consolidated
	Up to 12 Months	Over 12 Months	Total on 12/31/2021	Up to 12 Months	Over 12 Months	Total on 12/31/2020
Interbank Accounts	2,167,238	1,195,996	3,363,234	1,672,441	1,134,635	2,807,076
Credits with the National Housing System (1)	-	1,195,996	1,195,996	-	1,134,635	1,134,635
Outstanding Payments and Receipts	2,161,063	-	2,161,063	1,664,154	-	1,664,154
Others	6,175	-	6,175	8,287	-	8,287
Interbranch Accounts	65,764	-	65,764	73,101	-	73,101
Foreign Exchange Portfolio	888,210	-	888,210	551,923	20,680	572,603
Income Receivable	102,863	-	102,863	108,086	-	108,086
Trading and Intermediation of Values	19,401	-	19,401	3,693	-	3,693
Guarantee Deposit	-	684,292	684,292	-	639,497	639,497
Reimbursable Payments	57,925	-	57,925	62,542	-	62,542
Securities and Receivables (2)	2,355,853	244,623	2,600,476	2,182,660	236,081	2,418,741
Credits Linked to Acquired Operations with Recourse (Note 09 (a))	41,247	6,491	47,738	85,424	52,642	138,066
Others	24,152	-	24,152	25,499	-	25,499
Total	**5,722,653**	**2,131,402**	**7,854,055**	**4,765,369**	**2,083,535**	**6,848,904**

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

(a) R$143,876 (12/31/2020 - R$166,982), 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$1,049,256 (12/31/2020 - R$964,884), refers to principal and interest installments over acquired credit 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$2,864 (12/31/2020 - R$2,769), 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. As of December 31, 2021, the receivables were stated at the acquisition cost including interest accrued at the rate used to determine the purchase price, amounting to R$1,193,132 (12/31/2020 - R$1,131,866). The face value is R$1,221,358 (12/31/2020 - R$1,170,841). 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 Recivables mainly comprise:

(a) Securities issued to cover court-ordered debts ("precatórios") involving the National Treasury, In the first quarter of 2005, as part of its receivables recovery policy, Banrisul received as payment in kind securities issued by the Federal Government to pay court-ordered debts from companies that belonged to the same Economic Group. The final transference of such securities depends on the outcome of a lawsuit between the Economic Group and the Federal Government and the release of escrow deposits that have been made by the Federal Government according to settle the original flow of the "precatórios" rescission. Management understands that there is no need to set up a provision. As of December 31, 2021, these judicial deposits, referring to court orders assigned to Banrisul, whose release depends on the final decision of the rescission lawsuit, amount to R$190,457 (12/31/2020 - R$179,456) and are indexed to TR and interest.

(b) Non-credit-like receivables, acquired by the Bank from the State Government of Rio Grande do Sul, in the amount of R$56,268 (12/31/2020 - R$58,140) related to receivables arising from transactions of the State Government of Rio Grande do Sul or its controlled entities, with the municipality of cities in the State of Rio Grande do Sul. These receivables have yields from 0.50% to 12.01% p.a., plus TR or IGP-M variation with maturity through 2029. For these credits, there is a provision constituted in the amount of R$47,350 (12/31/2020 – R$47,575);

(c) Debit and Credit Cards: receivables from cardholders when using Banricompras and cards from Visa and MasterCard issued by Banrisul. As of December 30, 2021, totaled R$2,254,780 (12/31/20120 - R$2,065,609) in the Parent Company and in the Consolidated; and

(d) Credits Receivable related to BanriCard business and benefit agreements and the acquiring network Vero in the amount of R$38,280 (12/31/2020 - R$39,223) in the Consolidated.

NOTE 11 – DEFERRED TAXES

Banrisul has deferred tax assets and deferred income tax and social contribution tax liabilities on temporary differences, for the period shown below:

(a) Deferred Tax Assets - the balances of deferred tax assets, segregated according to their origins and disbursements, are represented by:

				Parent Company
	Balance as of 12/31/2020	Constitution	Realization	Balance as of 12/31/2021
Allowance for Loan Losses	1,521,577	361,159	(396,790)	1,485,946
Provision for Labor Risks	466,933	188,182	(82,674)	572,441
Provision for Tax Risks	157,658	45,256	(4,833)	198,081
Provision for Civil Risks	107,055	42,087	(52,923)	96,219
Fair Value Adjustments	87,286	87,391	(139,676)	35,001
Other Temporary Provisions	725,445	51,490	(155,660)	621,275
Total Deferred Tax Assets on Temporary Differences	**3,065,954**	**775,565**	**(832,556)**	**3,008,963**
Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3,065,928**	**775,565**	**(832,556)**	**3,008,937**
Deferred Tax Liabilities	(406,662)	(88,606)	95,363	(399,905)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2,659,266**	**686,959**	**(737,193)**	**2,609,032**

				Consolidated
	Balance as of 12/31/2020	Constitution	Realization	Balance as of 12/31/2021
Allowance for Loan Losses	1,522,072	362,008	(396,790)	1,487,290
Provision for Labor Risks	468,651	188,568	(83,695)	573,524
Provision for Tax Risks	157,857	45,271	(4,988)	198,140
Provision for Civil Risks	107,720	42,809	(53,008)	97,521
Fair Value Adjustments	87,286	87,391	(139,676)	35,001
Other Temporary Provisions	727,011	53,340	(155,801)	624,550
Total Deferred Tax Assets on Temporary Differences	**3,070,597**	**779,387**	**(833,958)**	**3,016,026**
Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3,070,571**	**779,387**	**(833,958)**	**3,016,000**
Deferred Tax Liabilities	(407,430)	(89,236)	95,371	(401,295)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2,663,141**	**690,151**	**(738,587)**	**2,614,705**

The expectation of realizing these assets is as follows:

				Parent Company	Consolidated
		Temporary Differences			
Year	Income tax	Social contribution	Total	Registered Totals	Registered Totals
2022	251,809	201,447	453,256	453,256	455,861
2023	275,442	220,353	495,795	495,795	496,304
2024	307,366	245,892	553,258	553,258	553,766
2025	281,390	225,113	506,503	506,503	507,011
2026	237,508	190,007	427,515	427,515	428,271
2027 to 2029	251,335	201,068	452,403	452,403	453,735
2030 to 2031	66,782	53,425	120,207	120,207	121,052
As of 2032	14	12	26	-	-
Total as of 12/31/2021	**1,671,646**	**1,337,317**	**3,008,963**	**3,008,937**	**3,016,000**
Total as of 12/31/2020	**1,703,307**	**1,362,647**	**3,065,954**	**3,065,928**	**3,070,571**

The total present value of deferred tax assets is R$2,264,504 and in Consolidated R$2,269,844 calculated according to the expected realization of temporary differences at the average funding rate, projected for the corresponding periods.

(b) Deferred Tax Liabilities - the balances of the provision for deferred income tax and social contributions are represented by:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Excess Depreciation	7,797	8,661	7,797	8,661
Adjustment of MTM Subordinated Debt – Hedge Accouting	30,341	75,283	31,540	75,869
Renegotiated Operations Law No, 12,715/12	269,415	217,334	269,415	217,334
Actuarial Surplus	92,352	105,384	92,543	105,566
Total	**399,905**	**406,662**	**401,295**	**407,430**

NOTE 12 - OTHER ASSETS

	Parent Company		Consolidated	
	Total as of 12/31/2021	Total as of 12/31/2020	Total as of 12/31/2021	Total as of 12/31/2020
Advances to Employees	15,598	10,823	15,861	11,146
Post-employment Benefit (Note 27)	198,580	228,387	199,143	228,917
Other Receivables - Domestic	138,828	166,848	129,404	166,473
Assets for Sale	144,695	228,712	144,802	230,131
Prepaid Expenses	190,353	178,983	191,622	179,897
Other	131,078	74,392	19,638	1,430
Total	**819,132**	**888,145**	**700,470**	**817,994**

NOTE 13 - INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES AND GOODWILL

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Investments in Domestic Subsidiaries and associates	**2,247,949**	**1,907,935**	**146,031**	**166,240**
ıvestments in Subsidiaries	2,101,918	1,744,734	-	-
ıvestments in Associates	146,031	163,201	146,031	166,240
Goodwill from Investment Acquisitions (1)	**624**	**4,367**	**624**	**4,367**
Total	**2,248,573**	**1,912,302**	**146,655**	**170,607**

(1) Goodwill represents the future economic benefit arising from the acquisition of Bem Promotora de Vendas e Serviços S.A., whose value is being amortized over 10 years.

					Parent Company
	Equity 12/31/2021	Participation in Capital (%) 12/31/2021	Investment Value 12/31/2021	Net Income 12/31/2021	Equity Results 12/31/2021
Subsidiaries	**2,107,535**		**2,101,918**	**462,657**	**462,386**
Banrisul Armazéns Gerais S.A.	63,437	99.50	63,118	5,689	6,277
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	94,595	98.98	93,634	7,532	7,447
Banrisul S.A. Administradora de Consórcios	342,806	99.68	341,720	53,782	53,611
Banrisul Cartões S.A.	1,509,496	99.78	1,506,245	280,053	279,450
Banrisul Seguridade Participações S.A.	97,201	100.00	97,201	115,601	115,601
Associates	**292,205**		**146,031**	**87,785**	**43,733**
Bem Promotora de Vendas e Serviços S.A.	46,280	49.90	23,093	30,092	15,016
Banrisul Icatu Participações S.A.	245,925	49.99	122,938	57,693	28,840
VG8JV Tecnologia S.A. (1)	-	-	-	-	(123)

(1) The Company ended its activities on April 22, 2021.

					Consolidated
	Equity 12/31/2021	Participation in Capital (%) 12/31/2021	Investment 12/31/2021	Net Income 12/31/2021	Equity Results 12/31/2021
Associates	**292,205**		**146,031**	**87,785**	**42,830**
Bem Promotora de Vendas e Serviços S.A.	46,280	49.90	23,093	30,092	15,016
Banrisul Icatu Participações S.A.	245,925	49.99	122,938	57,693	28,840
VG8JV Tecnologia S.A.(1)	-	-	-	-	(1,026)

(1) The Company ended its activities on April 22, 2021.

					Parent Company
	Equity 12/31/2020	Participation in Capital (%) 12/31/2020	Investment Value 12/31/2020	Net Income 12/31/2020	Equity Results 12/31/2020
Subsidiaries	**1,749,677**		**1,744,734**	**298,517**	**299,351**
Banrisul Armazéns Gerais S.A.	58,626	99.50	58,332	7,659	9,182
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	88,850	98.98	87,948	2,108	2,085
Banrisul S.A. Administradora de Consórcios	301,708	99.68	300,751	43,971	43,832
Banrisul Cartões S.A.	1,295,493	99.78	1,292,703	244,779	244,252
Banrisul Seguridade Participações S.A.	5,000	100.00	5,000	-	-
Associates	**332,829**		**163,201**	**110,910**	**59,982**
Bem Promotora de Vendas e Serviços S.A.	54,526	49.90	27,209	32,677	16,306
Banrisul Icatu Participações S.A.	271,211	49.99	135,578	88,540	44,261
VG8JV Tecnologia S.A. (1)	7,092	5.84	414	(10,307)	(585)

(1) The Company ended its activities on April 22, 2021.

					Consolidated
	Equity 12/31/2020	Participation in Capital (%) 12/31/2020	Investment Value 12/31/2020	Net Income 12/31/2020	Equity Results 12/31/2020
Associates	**332,829**		**166,240**	**110,910**	**55,691**
Bem Promotora de Vendas e Serviços S.A.	54,526	49.90	27,209	32,677	16,306
Banrisul Icatu Participações S.A.	271,211	49.99	135,578	88,540	44,261
VG8JV Tecnologia S.A [1]	7,092	48.69	3,453	(10,307)	(4,876)

(1) The Company ended its activities on April 22, 2021.

NOTE 14 - PROPERTY AND EQUIPMENT

							Parent Company
	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Data Processing System	Others	Total
As of December 31, 2020							
Original Cost	174,990	1,307	239,251	142,149	342,542	23,791	924,030
Accumulated Depreciation	(96,562)	-	(133,591)	(84,452)	(257,883)	(18,527)	(591,015)
Net Balance as of December 31, 2020	**78,428**	**1,307**	**105,660**	**57,697**	**84,659**	**5,264**	**333,015**
Acquisitions	17,709	4,021	4,415	8,930	35,256	148	70,479
Disposals - Cost	(4,203)	(1)	(4,951)	(7,077)	(6,158)	(35)	(22,425)
Disposals - Accumulated Depreciation	2,678	-	4,042	6,668	6,115	31	19,534
Depreciation	(1,137)	-	(5,428)	(5,922)	(16,035)	(667)	(29,189)
Net Transfers - Cost	(5,695)	(1,651)	(683)	10,035	(1,827)	99	278
Net Transfers - Accumulated Depreciation	264	-	129	(3,614)	2,960	201	(60)
Net Change	**9,616**	**2,369**	**(2,476)**	**9,020**	**20,311**	**(223)**	**38,617**
As of December 31, 2021							
Original Cost	182,801	3,676	238,032	154,037	369,813	24,003	972,362
Accumulated Depreciation	(94,757)	-	(134,848)	(87,320)	(264,843)	(18,962)	(600,730)
Net Balance as of December 31, 2021	**88,044**	**3,676**	**103,184**	**66,717**	**104,970**	**5,041**	**371,632**

							Consolidated
	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Data Processing System	Others	Total
As of December 31, 2020							
Original Cost	191,733	38,746	248,843	148,636	413,761	26,421	1,068,140
Accumulated Depreciation	(101,653)	-	(139,134)	(88,991)	(278,006)	(20,663)	(628,447)
Net Balance as of December 31, 2020	**90,080**	**38,746**	**109,709**	**59,645**	**135,755**	**5,758**	**439,693**
Acquisitions	17,870	20,838	4,584	9,026	35,287	152	87,757
Disposals - Cost	(4,290)	(1,821)	(4,998)	(7,239)	(6,308)	(54)	(24,710)
Disposals - Accumulated Depreciation	2,749	-	4,092	6,813	6,217	50	19,921
Depreciation	(1,325)	-	(5,969)	(6,291)	(31,616)	(811)	(46,012)
Net Transfers - Cost	(5,692)	(23,275)	(1,648)	10,177	19,790	17	(631)
Net Transfers - Accumulated Depreciation	674	-	1,094	(4,176)	2,961	296	849
Net Change	**9,986**	**(4,258)**	**(2,845)**	**8,310**	**26,331**	**(350)**	**37,174**
As of December 31, 2021							
Original Cost	199,621	34,488	246,781	160,600	462,530	26,536	1,130,556
Accumulated Depreciation	(99,555)	-	(139,917)	(92,645)	(300,444)	(21,128)	(653,689)
Net Balance as of December 31, 2021	**100,066**	**34,488**	**106,864**	**67,955**	**162,086**	**5,408**	**476,867**

NOTE 15 - INTANGIBLE ASSETS

	Software Use Rights	Right from Acquisition of Payroll operations (1)	Others	Total
				Parent Company
As of December 31, 2020				
Original Cost	158,523	1,479,077	1,718	1,639,318
Accumulated Depreciation	(99,104)	(733,940)	(668)	(833,712)
Net Balance as of December 31, 2020	**59,419**	**745,137**	**1,050**	**805,606**
Acquisitions	48,340	85,075	-	133,415
Disposals – Write Offs	-	(12,818)	(10)	(12,828)
Disposals – Amortization Write Offs	-	10,310	10	10,320
Amortization	(20,973)	(174,108)	-	(195,081)
Cost Net Transfers	(278)	-	-	(278)
Amortization Net Transfers	60	-	-	60
Net Change	**27,149**	**(91,541)**	**-**	**(64,392)**
As of December 31, 2021				
Original Cost	206,585	1,551,334	1,708	1,759,627
Accumulated Depreciation	(120,017)	(897,738)	(658)	(1,018,413)
Net Balance as of December 31, 2021	**86,568**	**653,596**	**1,050**	**741,214**

	Software Use Rights	Right from Acquisition of Payroll operations (1)	Others	Total
				Consolidated
As of December 31, 2020				
Original Cost	160,725	1,479,077	1,954	1,641,756
Accumulated Depreciation	(101,202)	(733,940)	(885)	(836,027)
Net Balance as of December 31, 2020	**59,523**	**745,137**	**1,069**	**805,729**
Acquisitions	48,340	85,075	-	133,415
Disposals – Write Offs	(12)	(12,818)	(10)	(12,840)
Disposals – Amortization Write Offs	12	10,310	10	10,332
Amortization	(21,007)	(174,108)	-	(195,115)
Cost Net Transfers	(278)	-	-	(278)
Amortization Net Transfers	60	-	-	60
Net Change	**27,115**	**(91,541)**	**-**	**(64,426)**
As of December 31, 2021				
Original Cost	208,775	1,551,334	1,944	1,762,053
Accumulated Depreciation	(122,137)	(897,738)	(875)	(1,020,750)
Net Balance as of December 31, 2021	**86,638**	**653,596**	**1,069**	**741,303**

(1) The net balance of R$653,596 (12/31/2020 - R$745,137) is comprised of:

a) R$595,455 (12/31/2020- R$677,429) refers 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 the year, 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;

b) The agreement signed with the Judiciary Power of the State of Rio Grande do Sul to provide payroll services to the Court of Justice's servants for a period of 5 years ended in the third quarter of 2021. (12/31/2020 – R$9,600).

c) R$44,538 (12/31/2020 - R$52,547) refers to contracts signed with town halls and other public sector bureaus, for the provision of banking services related to the payroll of their civil servants, and

d) R$13,603 (12/31/2020 - R$5,561) 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 16 - DEPOSITS, SECURITIES SOLD UNDER REPURCHASE AGREEMENTS AND FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES

	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	12/31/2021	12/31/2020
						Parent Company
Deposits						
Demand Deposits (1)	4,687,506	-	-	-	4,687,506	4,300,573
Savings Deposits (1)	11,565,559	-	-	-	11,565,559	11,065,557
Interbank Deposits	-	893,504	499,158	-	1,392,662	1,478,828
Time Deposits (2)	-	4,185,474	6,688,238	36,512,250	47,385,962	45,957,109
Other Deposits	14,158	-	-	-	14,158	18,388
Total	**16,267,223**	**5,078,978**	**7,187,396**	**36,512,250**	**65,045,847**	**62,820,455**
Repurchase Agreements (Repos)						
Own Portfolio (3)	-	10,774,902	-	-	10,774,902	4,573,384
Total	**-**	**10,774,902**	**-**	**-**	**10,774,902**	**4,573,384**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	215,435	1,005,146	816,359	2,036,940	2,727,755
Total	**-**	**215,435**	**1,005,146**	**816,359**	**2,036,940**	**2,727,755**

					Consolidated	
	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	12/31/2021	12/31/2020
Deposits						
Demand Deposits (1)	4,675,682	-	-	-	4,675,682	4,289,107
Savings Deposits (1)	11,565,559	-	-	-	11,565,559	11,065,557
Interbank Deposits	-	893,504	499,158	-	1,392,662	1,478,828
Time Deposits (2)	-	4,185,474	5,928,429	36,512,250	46,626,153	45,599,623
Other Deposits	17,324	-	-	-	17,324	13,388
Total	**16,258,565**	**5,078,978**	**6,427,587**	**36,512,250**	**64,277,380**	**62,446,503**
Repurchase Agreements (Repos)						
Own Portfolio (3)	-	10,721,736	-	-	10,721,736	4,362,437
Total	**-**	**10,721,736**	**-**	**-**	**10,721,736**	**4,362,437**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	215,436	706,206	816,359	1,738,001	2,440,535
Total	**-**	**215,436**	**706,206**	**816,359**	**1,738,001**	**2,440,535**

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

(2) Consider the contractual maturities of each contract.

Time deposits are made up of individuals and companies, with floating or fixed rates equivalent to 98.91% and 1.09% of the total portfolio, respectively. The average funding rate for floating-rate deposits corresponds to 81.39% (12/31/2020 – 80.29%) of CDI, and for fixed-rate deposits, to 3.69% (12/31/2020 – 1.96%) p.a. Of total time deposits, 63.62% (12/31/2020 – 64.16%) have some kind of early redemption option, 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.

NOTE 17 – BORROWINGS AND ONLENDINGS

				Banrisul e Banrisul Consolidado	
	Up to 3 Months	3 to 12 Months	Over 12 Months	12/31/2021	12/31/2020
Borrowings(1)					
Foreign Borrowings	274,182	747,117	-	1,021,299	425,868
Total	**274,182**	**747,117**	**-**	**1,021,299**	**425,868**
Onlendings(2)					
Domestic Onlendings – Official Institutions	614,988	201,269	578,566	1,394,823	1,473,113
Total	**614,988**	**201,269**	**578,566**	**1,394,823**	**1,473,113**

(1) Represented by funds obtained from foreign banks to be used in foreign exchange transactions subject to the variation of the corresponding currencies plus annual interest at rates ranging from 1.10% and 2.63% (12/31/2020 – 0.95% and 4.87%) p.a.

(2) 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 onlendings mature on a monthly basis through May 2030, and are subject to from interest from 0.90% to 8.00% (12/31/2020 – 0.90% to 8,00%) p.a., plus variation of the indexes (TJLP - "Long-term interest rate", URTJ-01, US Dollar, currency basket, UPRD, TLP and SELIC) for floating-rate liabilities and up to 15.02% (12/31/2020 – 18.92%) p.a., for fixed-rate liabilities. Funds are transferred to customers on the same terms and with the same funding rates, plus commission for financial intermediation. These funds are collateralized by the same guarantees received for the related loans.

NOTE 18 - OTHER FINANCIAL LIABILITIES

						Parent Company
	Up 12 Months	Over 12 Months	Total 12/31/2021	Up 12 Months	Over 12 Months	Total 12/31/2020
Interfinancial Relations	46,592	-	46,592	63,073	-	63,073
Interdependence Relations	291,845	-	291,845	339,731	-	339,731
Foreign Exchange Portfolio	47,964	-	47,964	50,786	-	50,786
Financial and Development Funds	2,601,475	-	2,601,475	1,174,014	-	1,174,014
Subordinated Debts (1)	3,130,149	1,559,639	4,689,788	211,437	2,768,194	2,979,631
Creditors for Resources to be Released	194,784	-	194,784	108,257	-	108,257
Payable Card Transactions	1,391,157	-	1,391,157	1,237,745	-	1,237,745
Acquisition Payable Obligations	730,199	-	730,199	719,438	-	719,438
Provision for guarantees provided and Guarantees (Note 26 (b))	18,738	-	18,738	19,832	-	19,832
Others	34,742	6,548	41,290	33,694	9,269	42,963
Total	**8,487,645**	**1,566,187**	**10,053,832**	**3,958,007**	**2,777,463**	**6,735,470**

						Consolidated
	Up 12 Months	Over 12 Months	Total 12/31/2021	Up 12 Months	Over 12 Months	Total 12/31/2020
Interfinancial Relations	46,592	-	46,592	63,073	-	63,073
Interdependence Relations	290,408	-	290,408	338,919	-	338,919
Foreign Exchange Portfolio	47,964	-	47,964	50,786	-	50,786
Trading and Intermediation of Values	19,245	-	19,245	7,246	-	7,246
Financial and Development Funds	2,601,475	-	2,601,475	1,174,014	-	1,174,014
Subordinated Debts (1)	3,130,149	1,559,639	4,689,788	211,437	2,768,194	2,979,631
Creditors for Resources to be Released	196,228	-	196,228	108,615	-	108,615
Payable Card Transactions	1,263,580	-	1,263,580	1,118,976	-	1,118,976
Acquisition Payable Obligations	2,118,722	-	2,118,722	1,654,911	-	1,654,911
Provision for guarantees provided and Guarantees (Note 26 (b))	18,738	-	18,738	19,832	-	19,832
Others	55,875	6,548	62,423	56,647	9,269	65,916
Total	**9,788,976**	**1,566,187**	**11,355,163**	**4,804,456**	**2,777,463**	**7,581,919**

(1) In 2012 Banrisul concluded the issuance of subordinated bonds abroad in two tranches, at the total amounts of USD500 million (500 million U.S. Dollars), and USD275 million (275 million U.S. Dollars), for a 10-year term, on February 02, 2022. In 2015, Banrisul partially repurchased its subordinated debt for USD251.81 million (251.81 million U.S. Dollars). After the repurchase, the notional USD denominated balance remains at 523.185 million.
(2) On January 28, 2021 Banrisul issued a new subordinated debt (Tier II), in the amount of US$300 million, with interest of 5.375% p.a. The Notes have a 10-year term, with a 5-year repurchase option, according to condition previously accorded in the Offering Memorandum of this issuance.

NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

(a) Contingent Assets

No contingent assets were recorded and there are no ongoing lawsuits with probable gains.

(b) Contingent Reserves and Liabilities

In the normal course of their activities, Banrisul and its subsidiaries are parties to tax, labor and civil lawsuits at the judicial and administrative levels.

The provisions were calculated taking into account the opinion of Banrisul's legal counselors, using measurement models and benchmarks available, despite the inherent uncertainty as to the period and outcome of the lawsuits. Banrisul records a provision in the amounts involved in lawsuits that have been assessed as probable losses.

Management believes that the provisions are sufficient to cover probable losses arising from lawsuits.

The changes in reserves are as follows:

					Parent Company
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2020	**575,226**	**1,037,629**	**237,899**	**156,562**	**2,007,316**
Recognition and Inflation Adjustment	99,825	418,183	93,528	1,744	613,280
Provision Reversal	(622)	-	(48,193)	-	(48,815)
Payment	(10,120)	(183,720)	(69,413)	-	(263,253)
Ending Balance at 12/31/2021	**664,309**	**1,272,092**	**213,821**	**158,306**	**2,308,528**
Guaranteed Deposits at 12/31/2021	89,935	521,888	65,895	-	677,718

					Parent Company
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2019	**565,406**	**1,038,834**	**169,843**	**155,196**	**1,929,279**
Recognition and Inflation Adjustment	19,306	331,911	110,933	1,366	463,516
Provision Reversal	(6,932)	-	-	-	(6,932)
Payment	(2,554)	(333,116)	(42,877)	-	(378,547)
Ending Balance at 12/31/2020	**575,226**	**1,037,629**	**237,899**	**156,562**	**2,007,316**
Guaranteed Deposits at 12/31/2020	57,570	457,642	113,967	-	629,179

					Consolidated
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2020	**575,355**	**1,040,779**	**240,258**	**156,562**	**2,012,954**
Recognition and Inflation Adjustment	99,870	419,318	95,062	1,744	615,994
Provision Reversal	(622)	(380)	(48,386)	-	(49,388)
Payment	(10,120)	(184,439)	(69,471)	-	(264,030)
Ending Balance at 12/31/2021	**664,483**	**1,275,278**	**217,463**	**158,306**	**2,315,530**
Guaranteed Deposits at 12/31/2021	90,072	527,101	67,119	-	684,292

	Tax	Labor	Civil	Other	Consolidated Total
Opening Balance at 12/31/2019	**565,500**	**1,043,608**	**171,736**	**155,196**	**1,936,040**
Recognition and Inflation Adjustment	19,351	332,024	111,585	1,366	464,326
Provision Reversal	(6,932)	(1,610)	(52)	-	(8,594)
Payment	(2,564)	(333,243)	(43,011)	-	(378,818)
Ending Balance at 12/31/2020	**575,355**	**1,040,779**	**240,258**	**156,562**	**2,012,954**
Guaranteed Deposits at 12/31/2020	59,896	464,345	115,256	-	639,497

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 the amount of R$641,449 (12/31/2020 - R$553,979), in which Banrisul, through its legal counsel, has been discussing the matter in court and recorded a provision for contingencies in the amount of the estimated loss and respective loss of suit registered in this period in the amount of R$80,673; and **(ii)** other contingencies related to federal and municipal taxes classified by our legal counsel as probable loss in the amount of R$6,290 (12/31/2020 - R$12,114).

There are also some tax contingencies whose likelihood of loss, based on their nature, is considered as possible, in the amount of R$45,274 (12/31/2020 - R$ 41,051), and in the Consolidated - R$46,463 (12/31/2020 - R$53,325). 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$305,949 (12/31/2020 - R$203,230), 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$289,379 (12/31/2020 - R$ 194,097), and as of probable loss, the amount of R$16,570 (12/31/2020 - R$9,133), 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.

From January to December of 2021, a provision of R$252,839 was made for collective labor lawsuits, covering lawsuits pending final assessment in settlement processes and lawsuits with unfavorable decisions being judged by the Supreme Labor Court, whose risk classification has been changed due to changes in the jurisprudential scenario. Management considers the set up provision to be sufficient and will continue to monitor the evolution of judicial decisions, evaluating their 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$420,424 (12/31/2020 - R$365,978) - consolidated R$423,648 (12/31/2020 - R$372,537) - have been deposited in an escrow account. Additionally, R$101,464 (12/31/2020 - R$91,664) - consolidated R$103,453 (12/31/2020 - R$91,808) - 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$778,565 (12/31/2020 - R$1,148,575) - consolidated R$781,555 (12/31/2020- R$1,159,172) - , relating principally to overtime, reintegration to active positions and wage parity. A provision for contingencies was not recognized for the amounts of possible loss on labor claims, in accordance with applicable accounting practices.

Civil Contingencies

Lawsuits for damages refer to compensation for property damage and/or pain and suffering, referring to consumer relations, in particular, matters relating to credit cards, consumer credit, checking accounts, savings accounts, banking collection and loans,

To the civil lawsuits classified as probable loss being defined by the average historic cost of the court decisions and the respective legal costs. The Management will continue to monitor the evolution of judicial decisions over time.

From the previously mentioned allowance, the amount of R$65,895 (12/31/2020 - R$113,967) - consolidated R$67,119 (12/31/2020 - R$115,256) - has been deposited in court.

There is also the amount of R$1,048,401 (12/31/2020 - R$920,594) - consolidated R$1,049,886 (12/31/2020 - R$923,427) - 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 an assessment notice from the Central Bank of Brazil in connection with administrative proceedings filed by that authority related to supposed irregularities in foreign exchange transactions between 1987 and 1989. In an appeal decision at the administrative level, Banrisul was required to pay a fine equivalent to 100% of the amount of the supposedly irregular transactions. This decision is being challenged in court by Management, which, and in compliance with the Central Bank of Brazil requirements, recorded a provision in the amount of R$158,306 (12/31/2020 - R$156,562) for this contingency.

NOTE 20 - OTHER LIABILITIES

	Parent Company		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Collection of taxes and mandatory contributions	26,770	20,775	26,770	20,775
Social and Statutory	71,458	112,607	71,686	112,791
Provision of Personnel	205,262	179,799	188,870	167,136
Obligations for Official Covenants and Payment Services	123,278	121,326	127,331	121,672
Various Creditors in the Country	94,653	103,930	202,887	181,779
Actuarial Liabilities - Post-Employment Benefit (1)	908,146	1,134,026	913,091	1,139,443
Provisions for Outgoing Payments	236,491	232,101	270,027	258,986
Anticipated Income	152,451	165,056	152,404	165,056
Others	4,432	3,415	5,202	4,154
Total	**1,822,941**	**2,073,035**	**1,958,268**	**2,171,792**

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 27 (e)).

NOTE 21 - EQUITY

(a) Capital

Fully subscribed paid-up capital as of December 31, 2021 is 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								
Shareholding as of 12/31/2020	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Shares Conversion and Transfers	-		-		-		-	
Shareholding as of 12/31/2021	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Executive Officers, Board of Directors and Committee Members								
Shareholding as of 12/31/2020	56	-	26	-	5,705	-	5,787	-
Shares Conversion and Transfers	2		4		(2,300)		(2,294)	
Shareholding as of 12/31/2021	58	-	30	-	3,405	-	3,493	-
Free Float								
Shareholding as of 12/31/2020	3,839,426	1.87	621,586	45.27	202,530,840	100.00	206,991,852	50.61
Shares Conversion and Transfers	(2)		(4)		2,300		2,294	
Shareholding as of 12/31/2021	3,839,424	1.87	621,582	45.27	202,533,140	100.00	206,994,146	50.61
Outstanding Shares as of 12/31/2020	**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 as of 12/31/2021	**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) Reserve

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.

(c) 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$367,244 relating to interest on equity in 2021 (2020 - R$194,967), 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$174,015 (2020 - R$84,383).

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. However, in compliance with CMN Resolution No. 4820/20, on June 4, 2020, a Material Fact was published informing the temporary suspension of quarterly payments of interest on equity. Additionally, the remuneration on equity for 2020 was limited to the amount equivalent to the minimum mandatory dividend provided for in the Bylaws (25% in the case of Banrisul). On December 23, CMN published Resolution No. 4885/20, amending Resolution No. 4820/20, prohibiting remunerating equity, including in the form of prepayment, above the higher of the following values: (i) the amount equivalent to 30 % of adjusted net income; (ii) the amount equivalent to the minimum profit distribution established in the Bylaws. In the period from January to December 2020 the amount of R$207,331 were paid and/or provisioned in interest on equity and dividends, net of income tax.

On April 27, 2021, at the Annual Shareholders' Meeting, the proposal for the distribution of additional dividends for fiscal year 2021 in the percentage equivalent to 15% of the Net Income deducted from the Legal Reserve was approved, totaling 40%.

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

	01/01 to 12/31/2021	01/01 to 12/31/2020
Net Income for the Year	**948,535**	**727,476**
Adjustmenet		
Legal Reserve	(47,426)	(36,374)
Dividend Calculation Basis	**901,109**	**691,102**
Mandatory Minimum Dividend 25%	225,277	172,776
Aditional Dividend 5%	135,166	34,555
Total Dividend	**360,443**	**207,331**
A) Paid Interest onCapital	**345,468**	**184,132**
ON Shares (R$897.91718 per thousand shares)	184,131	97,759
PNA Shares (R$911.42052 per thousand shares)	1,252	655
PNB Shares (R$897.91718 per thousand shares)	181,861	96,553
Withholding Income Tax on Interest on Equity	(21,776)	(10,835)
B) Provisioned Dividend	**14,975**	**23,199**
ON Shares (R$36.60382 per thousand shares)	7,506	11,474
PNA Shares (R$40.26421 per thousand shares)	55	393
PNB Shares (R$36.60382 per thousand shares)	7,414	11,332
Total Provisioned Dividend and Paid Interest on Capital (A+B)	**360,443**	**207,331**

NOTE 22 - OTHER OPERATING INCOME

(a) Income from Services Rendered and Bank Fees

	Parent Company		Consolidated	
	01/01 to 12/31/2021	01/01 to 12/31/2020	01/01 to 12/31/2021	01/01 to 12/31/2020
Funds Management	45,659	62,533	70,617	69,444
Income from Collection and Custody Services	65,448	62,143	65,434	62,122
Income from Guarantees Provided	1,212	2,308	1,212	2,308
Income from Consortium Administration Fees	-	-	111,837	96,693
Income from Operations Brokerage	-	-	8,539	11,305
Banrisul Cards Service Revenues	-	-	621,848	584,537
Check Returns	10,731	13,702	10,731	13,702
Account Debits	56,302	78,049	56,302	78,049
Collection Services	47,510	51,874	47,510	51,874
Security Commissions	48,463	241,614	264,330	241,614
Check Transactions	11,149	11,405	11,149	11,405
Bank Fees for Current Accounts	577,161	594,743	577,161	594,743
Credit Card	62,533	70,104	62,533	70,104
Withdrawal Fees	5,198	5,800	5,198	5,800
Bank Guarantee Rates	2,655	2,724	2,655	2,724
Other Income	33,019	30,976	55,102	58,975
Total	**967,040**	**1,227,975**	**1,972,158**	**1,955,399**

(b) Other Income

	Parent Company		Consolidated	
	01/01 to 12/31/2021	01/01 to 12/31/2020	01/01 to 12/31/2021	01/01 to 12/31/2020
Recovery of Charges and Expenses	153,890	153,363	28,763	49,244
Reversal of Operating Provisions for:				
Labor	-	-	380	1,610
Civil	48,193	-	48,386	52
Tax	622	6,932	622	6,932
Other	31,017	1,607	31,017	1,607
Interbank Rates	26,408	28,307	26,408	28,307
Credit Receivables Securities	12,588	11,796	12,588	11,796
Commission and Fee on Insurance and Capitalization	-	7,295	-	7,295
Miscellaneous Card Recipes	127,352	110,907	127,352	110,907
Reversal of Provisions for Outgoing Payments	15,654	7,207	16,315	9,664
Receivables Advance Acquisition Revenue	-	-	21,357	19,401
Portability Income from Credit Operations	54,543	62,917	54,543	62,917
Acquiring Equipment Lease Fees	-	-	56,084	28,186
Collateral Deposit Updates	24,252	50,214	24,397	50,214
Other	54,796	47,469	82,452	69,813
Total	**549,315**	**488,014**	**530,664**	**457,945**

NOTE 23 - OTHER OPERATING EXPENSES

(a) Personnel expenses

On September 30, 2020, Banrisul's Management approved the Voluntary Termination Program - PDV for employees retired by the INSS, or who had, or would have, in 24 months, contribution time and other conditions to retire under the rules of the INSS, with a period for joining and leaving in the last quarter of 2020, except for employees assigned to the IT Directorate Units, who may have their departures staggered until 2022. The POS was signed through a Collective Bargaining Agreement carried out with the union entities representing the banking category, containing a specific clause for full discharge of the employment contract. The costs recorded in personnel expenses in 4Q2020, referring to 901 employees who opted for the Voluntary Termination Program, totaled R$176,952, and at the end of December 2021, 884 employees had already left the Bank under the PDS. Personnel expenses related to this event were treated as non-recurring income (Note 30 (b)).

	Parent Company			Consolidated
	01/01 to 12/31/2021	01/01 to 12/31/2020	01/01 to 12/31/2021	01/01 to 12/31/2020
Salary	1,090,091	1,291,095	1,109,274	1,304,247
Benefits	332,461	351,503	334,733	353,413
Social charges	455,089	481,322	458,757	484,529
Trainings	3,800	4,610	3,817	4,623
Total	**1,881,441**	**2,128,530**	**1,906,581**	**2,146,812**

(b) Other Administrative Expenses

	Parent Company			Consolidated
	01/01 to 12/31/2021	01/01 to 12/31/2020	01/01 to 12/31/2021	01/01 to 12/31/2020
Communications	52,177	62,598	53,244	63,328
Data processing	117,334	107,405	141,166	126,843
Surveillance, Security and Transportation of Values	125,161	131,948	125,161	131,948
Amortization and Depreciation	228,013	212,031	244,870	223,021
Rentals and Condominiums	139,312	131,080	139,530	130,155
Materials	11,067	12,403	16,617	17,774
Third Party Services (1)	540,959	501,009	563,506	538,498
Specialized Technical Services	134,896	87,870	137,519	90,733
Promotions and Advertising (2)	93,800	94,717	118,683	112,788
Maintenance and Conservation	67,461	62,581	68,634	63,284
Water, Energy and Gas	35,387	31,561	36,153	32,217
Financial System Services	32,427	33,646	36,981	36,050
Others	70,548	59,958	77,018	62,457
Total	**1,648,542**	**1,528,807**	**1,759,082**	**1,629,096**

(1) Of the amount of R$540,959 (12/31/2020 - R$501,009), R$255,980 (2020 – RS233,842) come from expenses with services originating from payroll deductible loans through the Bem Promotora de Vendas e Serviços S.A.

(2) Consists mainly of R$39,051 (12/31/2020 - R$42,878), and in the Consolidated R$48,844 (12/31/2020 - R$49,201), of institutional advertising expenses, and of R$51,551 (12/31/2020 - R$45,234) as sponsorship of sport events and teams.

(c) Other Expenses

	Parent Company			Consolidated
	01/01 to 12/31/2021	01/01 to 12/31/2020	01/01 to 12/31/2021	01/01 to 12/31/2020
Discounts Granted on Renegotiations	43,469	30,119	43,469	30,119
Expenses with Labor Provisions (Note 19)	418,183	331,911	419,318	332,024
Expenses with Provisions for Civil Actions (Note 19)	93,528	110,933	95,062	111,585
Federal Tax Collection Expenses	2,897	2,613	2,897	2,613
Expenses with Provisions for Tax Risks (CS / IR) (Note 19)	99,825	19,306	99,870	19,351
Monetary Update Fines Exchange Rates - BACEN (Note 19)	1,744	1,366	1,744	1,366
Card Expenses	10,073	13,989	10,073	13,989
Expenses with Provisions for Guarantees Provided by Banrisul	780	11,831	780	11,831
Credit Operations Portability Expenses	91,920	101,556	91,920	101,556
INSS Agreement Rates	142,130	99,254	142,130	99,254
Banrisul Advantage Membership Program Bonus	12,425	25,165	12,425	25,165
Expenses with Banrisul Branded Cards	-	-	37,322	30,820
Costs with Payroll Loan Agreements	6,911	5,625	6,911	5,625
Monetary Correction on Funding Release	4,105	3,073	4,105	3,073
Others	121,981	88,627	149,321	102,662
Total	**1,049,971**	**845,368**	**1,117,347**	**891,033**

NOTE 24 - INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of Income Tax and Social Contribution Expenses/Revenue

	Parent Company		Consolidated	
	01/01 to 12/31/2021	01/01 to 12/31/2020	01/01 to 12/31/2021	01/01 to 12/31/2020
Income for the Period before Taxes and Profit Sharing	**1,119,350**	**940,487**	**1,356,033**	**1,095,425**
Income Tax (IRPJ) - Rate 25%	(279,837)	(235,122)	(339,008)	(273,856)
Social Contribution Tax (CSLL) - Rate of 9%	-	-	(56,357)	(40,439)
Social Contribution Tax (CSLL) - Rate(1)	-	-	(2,321)	(551)
Social Contribution Tax (CSLL) – Rate(2)	(246,553)	(176,841)	(145,973)	(138,477)
Total Income and Social Contribution Taxes calculated at Current Rate	**(526,390)**	**(411,963)**	**(543,659)**	**(453,323)**
Net Effect of the rate differential, in deferred CSLL	-	15,065	-	15,065
Profit Sharing	59,399	50,891	59,399	50,891
Interest on Equity	174,015	84,383	174,015	84,383
Equity Result	240,230	158,259	20,858	26,090
Other Exclusions, Net of Additions	7,434	5,992	7,775	24,925
Total Income and Social Contribution Taxes	**(45,312)**	**(97,373)**	**(281,612)**	**(251,969)**
Current	(97,314)	(273,747)	(335,698)	(428,591)
Deferred	52,002	176,374	54,086	176,622

(1) Social Contribution Tax (CSLL) – Rate of 15% from January 2021 until June, 2021 and rate of 20% from July, 2021 and December, 2021.

(2)) Social Contribution Tax (CSLL) – Rate of 20% from January 2021 until June, 2021 and rate of 25% from July, 2021 and December, 2021.

NOTE 25 – EARNINGS PER SHARING

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 12/31/2021	01/01 to 12/31/2020
Net Income Attributable to Controlling Shareholders – R$ Thousand	**948,535**	**727,476**
Common Shares	475,500	364,696
Preferred A Shares	3,398	2,582
Preferred B Shares	469,637	360,198
Weighted Average of Outstanding Shares	**408,974,477**	**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	1,373,855
Weighted Average Number of Outstanding Preferred B Shares	202,536,545	202,535,781
Basic and Diluted earnings per Share – R$		
Commom Shares	2.32	1.78
Preferred A Shares	2.47	1.88
Preferred B Shares	2.32	1.78

NOTE 26 – COMMITMENTS, GUARANTEES AND OTHER

(a) State Law No. 12069, enacted on April 22, 2004, as amended by Law No. 14738/15, instructs that Banrisul must transfer to Rio Grande do Sul State up to 95% (ninety five percent) of the escrow deposits made to the Reserve Fund for the Return of Legal Deposit Guarantee, in which the disputing parties are neither the State nor municipalities. The remaining amount of collected escrow deposits not transferred will constitute the Reserve Fund to ensure the refund of said deposits. As of December 31, 2021, the balance of said collected resources, indexed by the same rules as savings accounts, according to Law No 12,703/12 and article 12 of Law No 8177/91 as of the reporting date totaled R$12,035,888 (12/31/2020 - R$10,890,862), of which R$10,112,837 (12/31/2020 - R$10,112,837) was transferred to the State upon its request. The remaining balance, which makes up the aforementioned fund, is recorded in Other Liabilities - Financial and Development Fund.

(b) Sureties and guarantees granted to customers amount to R$185,625 (12/31/2020 - R$142,580), generate fee income and have recourse to the beneficiaries in case they have to be honored, Provisions for possible losses amounting to R$18,738 (12/31/2020 - R$19,832) have been made.

(c) Banrisul has confirmed import and export credits for R$93,787 (12/31/2020 - R$46,839) and recourse exposure from credit assignments for R$4,308 (12/31/2020 - R$6,473).

(d) Banrisul manages various funds and portfolios, which have the following net assets:

	Parent Company and Consolidated	
	12/31/2021	**12/31/2020**
Investment Funds [1]	13,283,419	11,703,808
Investment Funds in Investment Fund Shares	100,606	47,983
Equity Funds	335,830	383,665
Individual Retirement Programmed Funds	10,731	11,860
Fund to Guarantee the Liquidity of Rio Grande do Sul State Debt Securities	6,034,960	721,288
Managed Portfolios	464,244	443,727
Total	**20,229,790**	**13,312,331**

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

(e) Subsidiary Banrisul S.A. Administradora de Consórcios is responsible for the management of 169 buyers' pools (154 in 12/31/2020), including real estate, motorcycles and vehicles, comprising active 75,312 pool members (70,272 in 12/31/2020).

(f) Banrisul leases properties, mainly used for branches, based on standard contracts which may be cancelled at its own discretion and include renewal options and adjustment clauses. Total future minimum payments under non-cancelable lease agreements as of December 31, 2021 were R$328,375, of which R$104,233 mature in up to one year, R$209,889 from one to five-year term and R$14,253 beyond five-year term. In the period, lease payments recognized as expenses amounted to R$129,543.

NOTE 27 - POST-EMPLOYMENT LONG-TERM BENEFIT OBLIGATIONS TO EMPLOYEES

Banrisul is the sponsor of Banrisul Foundation ("Fundação Banrisul") and Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul ("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 4661/18. As per article 08 of the CMN Resolution No. 4661/18, 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 Previc Instruction No, 33/2020, 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), pursuant to CNPC Resolution No. 30/2018, Previc Instruction No. 33/2020 and Previc Ordinance No. 228/2021.

(a) Key Assumptions

The key assumptions below were elaborated upon information available at December 31, 2021 and 2020, subject to annual review.

	PBI Plan	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan (% p.a) [1]			Retirement Award
Economic Assumptions - 12/31/2021	**(% p.a)**	**(% p.a)**	**(% p.a)**	**(% p.a)**	**(% p.a)**	**PAM**	**POD**	**PROMED**	**(% p.a)**
Real Actuarial Discount Rate	5.28	5.44	5.36	5.47	5.32	According to Plan [2]	5.44	5.47	5.24
Expected Real Return on Assets	5.28	5.44	5.36	5.47	5.32	According to Plan [2]	5.44	5.47	5.24
Real Salary Growth Rate for Active Employees	0.66	-	4.35	2.06	0.41	According to Plan [2]	n/a	n/a	4.35
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	5.03	5.03	5.03	5.03	5.03	5.03	5.03	5.03	5.03
Nominal Discount Rate	10.58	10.74	10.66	10.78	10.62	According to Plan [2]	10.75	10.77	10.53
Expected Nominal Return on Assets	10.58	10.74	10.66	10.78	10.62	According to Plan [2]	10.75	10.77	10.53
Nominal Salary Growth Rate for Active Employees	5.72	5.03	9.60	7.19	5.46	According to Plan [2]	n/a	n/a	9.60
Nominal Growth in Plan Benefits During Receipt	5.35	5.03	5.03	5.03	5.03	5.03	5.03	6.08	5.03

(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.

	PBI Plan	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan (% p.a) [1]			Retirement Award
Economic Assumptions - 12/31/2020	**(% p.a)**	**(% p.a)**	**(% p.a)**	**(% p.a)**	**(% p.a)**	**PAM**	**POD**	**(% p.a)**	**(% p.a)**
Real Actuarial Discount Rate	3.21%	3.52	3.46	3.35	3.24	According to Plan [2]	3.65	3.80	3.09
Expected Real Return on Assets	3.21	3.52	3.46	3.35	3.24	According to Plan [2]	3.65	3.80	3.09
Real Salary Growth Rate for Active Employees	2.56	-	5.04	3.24	2.60	According to Plan [2]	n/a	n/a	5.04
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	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32	3.32
Nominal Discount Rate	6.63	6.95	6.89	6.78	6.67	According to Plan [2]	7.09	7.24	6.51
Expected Nominal Return on Assets	6.63	6.95	6.89	6.78	6.67	According to Plan [2]	7.09	7.24	6.51
Nominal Salary Growth Rate for Active Employees	5.96	3.32	8.53	6.67	6.01	According to Plan [2]	n/a	n/a	8.53
Nominal Growth in Plan Benefits During Receipt	3.63	3.32	3.32	3.32	3.32	3.32	3.32	4.35	3.32

(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 as of 12/31/2021	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 Experience III 2015-2020	Not Applicable	100% when reaching full benefit	To be Granted: Average Family (74% married, woman 4 years younger), Granted: Real Family
Settled Plan	AT-2000 (-40%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	Settled Experience 2015-2020	Not Applicable	Likely retirement date informed in registrer	To be Granted: Average Family (74% married, woman 4 years younger), Granted: Real Family
FBPREV Plan	AT-2000 (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	FBPREV Experience 2015-2020	-	-	Real Family, as registered
FBPREV II Plan	AT-2000 (-40%) gender specific	Winklevoss	Álvaro Vindas (-70%)	FBPREV III Experience 2015-2020	-	-	Real Family, as registered
FBPREV III Plan	AT-2000 smoothed by 10%, gender specific	RRB – 83 (-50%)	Álvaro Vindas	PBI and FBPREV III Experience 2015-2020	-	-	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 (-40%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I Experience 2015-2020	-	100% in normal retirement according to plan eligibility,	Real Family
PROMED	AT-2000 Basic (-40%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I 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 Experience 2015-2020	-	60 years old and 10 years in Company	Not Applicable

Demographic Assumptions as of 12/31/2020	Mortality Table	Mortality Table (Disabled)	Disability Entry Table	Annual Turnover Rate	Option for BPD	Retirement Entry	Family Composition
PBI Plan	AT-2000 (-25%) gender specific	RRB – 83 (-55%)	Álvaro Vindas (-70%)	Exp, Towers modified (+0,03)	BPD: 31%	Probable retirement date informed in the registration postponed: Group 1 in 10 years; Group 2 in 5 years; Group 3 in 1 year and Group 4 in 2 years (3)	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%)	Exp, Towers modified (+0,015)	BPD: 52%	Probable retirement date informed in the registration postponed by 4 years	To be Granted: Average Family (74% married, woman 4 years younger), Granted: Real Family
FBPREV Plan	AT-2000 (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	Exp, Towers modified (-0,004)	-	-	Real Family, as registered
FBPREV II Plan	AT-2000 (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	Exp, Towers modified (+0,035)	-	-	Real Family, as registered
FBPREV III Plan	AT-2000 smoothed by 10%, gender specific	RRB – 83 (-50%)	Álvaro Vindas	3,25%	-	-	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 (-25%) gender specific	RRB – 83 (-55%)	Álvaro Vindas (-70%)	Willis Towers Watson Experience Modified (+0,03)	-	100% in normal retirement according to plan eligibility,	Real Family
PROMED	AT-2000 Basic (-25%) gender specific	RRB – 83 (-55%)	Álvaro Vindas (-70%)	Willis Towers Watson Experience Modified (+0,03)	-	100% in normal retirement according to plan eligibility,	Real Family
Retirement Award	AT-2000 (-30%) gender specific	n/a	Álvaro Vindas (-70%)	Exp, Towers modified (-0,004)	-	60 years old and 10 years of Company	Not used

(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.

(3) Group 1: registration until January 23, 1978; Group 2: registration between January 24, 1978 and June 30, 1983; Group 3: registration between July 01, 1983 and December 31, 1990; and Group4: registration from January 01, 1991.

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 CVM Rule No. 695/12 and CMN Resolution No. 4424/15, 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, as of December 29, 2021.

Pursuant to CNPC Resolution No. 30/2018, combined with Previc Instruction No. 33/2020 and Previc Ordinance No. 228/2021, 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 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% (interval of 1%) 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 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% (interval of 1%) 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 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.

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	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Cash	0.04	0.02	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.09
Fixed Income	80.92	71.51	72.09	75.92	73.80	78.45	70.55	77.67	81.27	71.43	98.06	97.64
Equity	10.09	9.82	8.02	8.08	4.64	4.07	6.33	5.72	9.30	9.44	1.92	2.27
Real Estate	4.43	4.28	3.05	3.12	-	0.27	1.41	1.57	3.85	3.92	-	-
Other	4.52	14.37	16.83	12.86	21.55	17.20	21.70	15.03	5.57	15.20	-	-
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$7,825 (12/31/2020 - R$21,692) and rented real state with a fair value of R$136,289 (12/31/2020 - R$123,806).

(e) Actuarial Reviews

The net actuarial liability/(asset) breakdown summary for the fiscal years ended December 31, 2021 and 2020, prepared based on the actuarial report as of December 31, 2020 and 2019, respectively, and in accordance with CPC 33 (R1), is shown below:

Liabilities/(Assets) Recorded in the Balance Sheet with Benefits of:	12/31/2021	12/31/2020
Pension Plans		
Benefit Plan I (PBI)	455,009	556,285
Settled Plan (PBS)	258,236	306,765
FBPREV Plan (FBPREV)	-	452
FBPREV II Plan (FBPREV II)	(71)	(9)
FBPREV III Plan (FBPREV III)	53,159	81,458
Health Plan (PAM, POD and PROMED)	(199,072)	(228,908)
Retirement Award	146,687	194,483
Total	**713,948**	**910,526**

The breakdown of the net actuarial liabilities/(assets) prepared based on the actuarial reports as of December 31, 2021 and 2020, and according to CPC 33 (R1), is as follows:

Balance of net Liabilities/(Assets) as of 12/31/2021	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Actuarial Liabilities Assessed in the Actuarial Report	1,486,513	1,464,479	15,920	182,808	381,458	199,072	146,687
Fair Value of Plan Assets	(1,031,504)	(1,206,243)	(20,121)	(215,382)	(328,299)	(530,942)	-
Deficit/(Surplus)	**455,009**	**258,236**	**(4,201)**	**(32,574)**	**53,159**	**(331,870)**	**146,687**
Effect of Asset Limit	-	-	4,201	32,503	-	132,798	-
Net Actuarial Liabilities (Assets)	**455,009**	**258,236**	**-**	**(71)**	**53,159**	**(199,072)**	**146,687**

Balance of net Liabilities/(Assets) as of 12/31/2020	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Actuarial Liabilities Assessed in the Actuarial Report	1,754,779	1,561,554	19,062	178,207	427,271	228,908	194,483
Fair Value of Plan Assets	(1,198,494)	(1,254,789)	(18,618)	(186,180)	(345,834)	(512,738)	-
Deficit/(Surplus)	**556,285**	**306,765**	**444**	**(7,973)**	**81,437**	**(283,830)**	**194,483**
Effect of Asset Limit	-	-	8	7,964	21	54,922	-
Net Actuarial Liabilities/Assets	**556,285**	**306,765**	**452**	**(9)**	**81,458**	**(228,908)**	**194,483**

Changes in Present Value of Actuarial Liabilities as of 12/31/2021	**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	**1,754,779**	**1,561,554**	**19,062**	**178,207**	**427,271**	**228,908**	**194,483**
Net Cost of Current Service	154	-	994	(245)	3	(615)	9,475
Contributions from Plan Participants in the Period	35,783	3,234	588	556	8	-	-
Interest on Actuarial Liabilities	111,621	105,484	1,269	11,688	27,409	15,919	11,567
Benefits Paid in the Period	(197,800)	(98,750)	(917)	(14,513)	(36,982)	(10,476)	(6,120)
(Gain)/Loss on Actuarial Liabilities	(218,024)	(107,043)	(5,076)	7,115	(36,251)	(34,664)	(62,718)
Present Value of Actuarial Liabilities at End of Period	**1,486,513**	**1,464,479**	**15,920**	**182,808**	**381,458**	**199,072**	**146,687**

Changes in Present Value of Actuarial Liabilities as of 12/31/2020	**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	**1,805,025**	**1,529,458**	**17,269**	**156,833**	**411,108**	**212,585**	**214,055**
Net Cost of Current Service	(25)	-	1,206	346	3	362	10,353
Contributions from Plan Participants in the Period	36,694	3,217	581	651	-	-	-
Interest on Actuarial Liabilities	120,453	103,874	1,199	10,694	27,706	14,599	13,562
Benefits Paid in the Period	(171,226)	(89,991)	(764)	(11,556)	(33,398)	(9,430)	(33,148)
(Gain)/Loss on Actuarial Liabilities	(36,142)	14,996	(429)	21,239	21,852	10,792	(10,339)
Present Value of Actuarial Liabilities at end of Period (Restated)	**1,754,779**	**1,561,554**	**19,062**	**178,207**	**427,271**	**228,908**	**194,483**

Changes in the Fair Value of Plan Assets as of 12/31/2021	**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	**(1,198,494)**	**(1,254,789)**	**(18,618)**	**(186,180)**	**(345,834)**	**(512,738)**	**-**
Benefits Paid from Plan Assets in the Period	197,800	98,750	917	14,513	36,982	-	
Contributions from Plan Participants in the Period	(35,783)	(3,234)	(588)	(556)	(8)	-	-
Contributions from the Sponsor in the Period	(24,836)	(3,224)	(499)	(543)	(8)	-	-
Expected Return on Assets	(75,658)	(84,261)	(1,268)	(12,270)	(21,975)	(36,352)	-
(Gain)/Loss on Fair Value of the Plan Assets	105,467	40,515	(65)	(30,346)	2,544	18,148	-
Fair Value of the Plan Assets at end of Period	**(1,031,504)**	**(1,206,243)**	**(20,121)**	**(215,382)**	**(328,299)**	**(530,942)**	**-**

Changes in the Fair Value of Plan Assets as of 12/31/2020	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	**(1,334,081)**	**(1,276,649)**	**(19,566)**	**(168,710)**	**(342,081)**	**(461,283)**	-
Benefits Paid from Plan Assets in the Period	171,226	89,991	764	11,556	33,398	-	-
Contributions from Plan Participants in the Period	(36,694)	(3,217)	(581)	(651)	-	-	-
Contributions from the Sponsor in the Period	(57,315)	(20,725)	(477)	(641)	(13,821)	-	-
Expected Return on Assets	(90,260)	(86,476)	(1,377)	(11,586)	(22,945)	(32,329)	-
(Gain)/Loss on Fair Value of the Plan Assets	148,630	42,287	2,619	(16,148)	(385)	(19,126)	-
Fair Value of the Plan Assets at end of Period	**(1,198,494)**	**(1,254,789)**	**(18,618)**	**(186,180)**	**(345,834)**	**(512,738)**	-

Net Actuarial Liabilities (Assets) of the Plan as of 12/31/2021	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	**556,285**	**306,765**	**452**	**(9)**	**81,458**	**(228,908)**	**194,483**
Expense/(Revenue) Recognized in Income for the Year	36,117	21,223	996	(287)	5,438	(17,154)	21,042
(Gains)/Losses Recognized in Comprehensive Income	(112,557)	(66,528)	(949)	768	(33,729)	57,466	(62,718)
Contributions from the Sponsor	(24,836)	(3,224)	(499)	(543)	(8)	(10,476)	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	(6,120)
Net Actuarial Liabilities (Assets) at the of Current Year	**455,009**	**258,236**	**-**	**(71)**	**53,159**	**(199,072)**	**146,687**

Net Actuarial Liabilities (Assets) of the Plan as of 12/31/2020	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	**470,944**	**252,809**	**(9)**	**(63)**	**69,027**	**(212,585)**	**214,055**
Expense/(Revenue) Recognized in Income for the Year	30,168	17,398	1,188	282	4,764	(14,837)	23,915
(Gains)/Losses Recognized in Comprehensive Income	112,488	57,283	(250)	413	21,488	7,944	(10,339)
Contributions from the Sponsor	(57,315)	(20,725)	(477)	(641)	(13,821)	(9,430)	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	(33,148)
Net Actuarial Liabilities (Assets) at the of Current Year	**556,285**	**306,765**	**452**	**(9)**	**81,458**	**(228,908)**	**194,483**

Result for the Year of 2021	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Cost of Current Services	154	-	994	(245)	3	(615)	9,475
Cost of Interest on Actuarial Liabilities	111,621	105,484	1,269	11,688	27,409	15,919	11,567
Expected Return on Plan Assets	(75,658)	(84,261)	(1,268)	(12,270)	(21,975)	(36,352)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	1	540	1	3,894	-
Total Expense (Income) Recognized in Result for the Year	**36,117**	**21,223**	**996**	**(287)**	**5,438**	**(17,154)**	**21,042**

Result for the Year of 2020	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Cost of Current Services	(25)	-	1,206	346	3	362	10,353
Cost of Interest on Actuarial Liabilities	120,453	103,874	1,199	10,694	27,706	14,599	13,562
Expected Return on Plan Assets	(90,260)	(86,476)	(1,377)	(11,586)	(22,945)	(32,329)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	160	828	-	2,531	-
Total Expense (Income) Recognized in Result for the Year	**30,168**	**17,398**	**1,188**	**282**	**4,764**	**(14,837)**	**23,915**

Other Comprehensive Income in 2021	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
(Gains)/Loss on Plan Assets	105,467	40,515	(65)	(30,346)	2,544	18,148	-
(Gains)/Loss on Actuarial Liabilities	(218,024)	(107,043)	(5,076)	7,115	(36,251)	(34,664)	(62,718)
(Gains)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	4,192	23,999	(22)	73,982	-
(Gains)/Loss Recognized in Other Comprehensive Income	**(112,557)**	**(66,528)**	**(949)**	**768**	**(33,729)**	**57,466**	**(62,718)**

Other Comprehensive Income in 2020	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
(Gains)/Loss on Plan Assets	148,630	42,287	2,619	(16,148)	(385)	(19,126)	-
(Gains)/Loss on Actuarial Liabilities	(36,142)	14,996	(429)	21,239	21,852	10,792	(10,339)
(Gains)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	(2,440)	(4,678)	21	16,278	-
(Gains)/Loss Recognized in Other Comprehensive Income	**112,488**	**57,283**	**(250)**	**413**	**21,488**	**7,944**	**(10,339)**

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	63	-	523	(211)	(9)	(617)	5,806
Cost of Interest on Actuarial Liabilities	149,731	151,534	1,615	18,926	38,588	20,883	13,566
Expected Return on Plan Assets	(102,981)	(123,963)	(2,120)	(22,497)	(32,945)	(57,035)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	448	3,502	-	14,265	-
Estimated Actuarial Expense (Income)	**46,813**	**27,571**	**466**	**(280)**	**5,634**	**(22,504)**	**19,372**

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	26,441	3,307	547	588	11	9,786	-
Contributions Paid by Plan Participants	55,439	3,307	547	588	11	-	-
Benefits Paid on Plan Assets	200,337	114,173	1,573	14,699	36,964	9,786	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	36,723

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
2022	200,337	114,173	1,573	14,699	36,964	9,786	36,723
2023	188,713	113,770	1,110	13,832	34,744	11,736	12,031
2024	184,246	113,282	1,091	13,555	33,897	12,151	12,212
2025	179,643	112,557	1,099	13,321	33,008	12,587	15,444
2026	174,625	111,589	1,082	13,072	32,073	13,039	13,714
2027 to 2031	791,138	537,188	5,427	62,300	145,023	84,515	47,440

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**
12/31/2021	9.67	12.35	11.08	12.85	10.42	According to Pension Plan (1)	12.45	17.27	8.51
12/31/2020	10.39	12.33	11.97	11.28	10.63	According to Pension Plan (1)	13.34	16.23	9.51

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

Other information concerning the plans:

Number of Participants						Health Plan			
as of 12/31/2021	**Benefit Plan I**	**Settled Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**PAM**	**POD**	**PROMED**	**Retirement Award**
Active	44	456	5,223	3,033	142	2,047	409	8,151	9,064
Assisted	3,788	2,848	85	1,269	1,787	6,091	-	-	-
Inactives	-	-	-	-	-	-	3,158	6,330	-
Total	**3,832**	**3,304**	**5,308**	**4,302**	**1,929**	**8,138**	**3,567**	**14,481**	**9,064**

Number of Participants as of 12/31/2020	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan			Retirement Award
						PAM	POD	PROMED	
Active	53	729	5,338	3,785	188	2,455	535	9,004	9,732
Assisted	3,792	2,600	66	1,249	1,748	5,368	3,007	5,902	-
Inactives	-	-	-	-	-	-	3,007	5,902	-
Total	**3,845**	**3,329**	**5,404**	**5,034**	**1,936**	**7,823**	**3,542**	**14,906**	**9,732**

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(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) - 12/31/2021		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(58,126)
Discount Rate	Decrease of 0.5 p.p.	62,632
Mortality Table	Increase of 10%	(42,291)
Mortality Table	Decrease of 10%	47,016

Settled Plan (PBS) - 12/31/2021		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(71,130)
Discount Rate	Decrease of 0.5 p.p.	77,940
Mortality Table	Increase of 10%	(42,003)
Mortality Table	Decrease of 10%	48,083

FBPREV Plan (FBPREV) - 12/31/2021		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(685)
Discount Rate	Decrease of 0.5 p.p.	746
Mortality Table	Increase of 10%	(871)
Mortality Table	Decrease of 10%	878

FBPREV II Plan (FBPREV II) - 12/31/2021		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(9,186)
Discount Rate	Decrease of 0.5 p.p.	9,967
Mortality Table	Increase of 10%	(2,960)
Mortality Table	Decrease of 10%	3,464

FBPREV III Plan (FBPREV III) - 12/31/2021		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(15,644)
Discount Rate	Decrease of 0.5 p.p.	16,938
Mortality Table	Increase of 10%	(9,418)
Mortality Table	Decrease of 10%	10,352

Health Plan - 12/31/2021		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(9,914)
Discount Rate	Decrease of 0.5 p.p.	11,116
Mortality Table	Increase of 10%	(3,978)
Mortality Table	Decrease of 10%	4,376

Retirement Award - 12/31/2021		Impact in R$ Thousand
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(4,719)
Discount Rate	Decrease of 0.5 p.p.	5,124
Mortality Table	Increase of 10%	(342)
Mortality Table	Decrease of 10%	344

NOTE 28 - CORPORATE RISKS AND CAPITAL MANAGEMENT

The joint management of Capital and credit, market, Interest Risk Rate in The Banking Book (IRRBB, the variation of interest rates for instruments classified in the banking portfolio), liquidity, operational and socio-environmental risks is an essential and strategic tool for a financial institution. The constant improvement on processes of **i)** monitoring, control, evaluation, goal planning and capital requirements; and **ii)** identification, measurement, evaluation, monitoring, control and mitigation of risks contribute to good governance practices aligned to the strategic objectives of the Institution.

Controlling corporate risk and capital management rely on all layers involved on Banrisul's administration and others companies of its Prudential Conglomerate, The integrated risk management structure for managing risks related to Banrisul Group is led by the Corporate Risk Management Department, responsible for capital management and credit, market, IRRBB, liquidity, operational and socio-environmental risks, with the support of the Control and Risk Executive Board, The information produced by that Department subsidizes the Risk Committee (as well as others Management Committees), the Board of Directors and the Executive Board in the decision-making process, The Control and Risk Executive Board is responsible for the Corporate Risk Management Department and the Board of Directors is responsible for information disclosed in regards to risk management.

Banrisul seeks to align its management activities to the recommendations from the Basel Committee, adopting the best market practices to maximize profitability and to ensure the best possible combination of asset applications and required capital use.

Credit Risk

This corresponds to the possibility of incurring losses related to the nonperformance of a loan or obligation by the counterparty under the agreed terms, the devaluation, the reduction of remuneration and earnings expected for a financial instrument arising from the deterioration of the credit quality of the counterparty, the intervening party or the mitigating instrument; restructuring of financial instruments; or recovery costs of troublesome assets.

The credit risk assessment structure is based on the statistical methodologies of Application and Behavior Score and/or the principle of joint technical decision. Banrisul defines different credit limits corresponding to the decision levels, from the widespread branch network (with different categories) to the credit and risk committees at the Head Office and the Board of Directors. This process aims at expediting the concession of credit limits based on technically predefined customers, which establish Banrisul's risk exposure for each customer, in conformity with the risk/return ratio.

Risk assessments are increased through the continuous and growing use of statistical models to assess customers' risks, the improvements in customers' segmentation, the standardization of credit and the business policies along with the optimization of the controls strengthen Banrisul's credit risk management, allowing the continuity of loan credit expansion in a sustainable way, with agility and safety. The use and improvement of Application and Behavior Score systems have permitted that pre-approved credit limits to individuals be established in accordance with their risk ratings.

(a) Credit Risk Assessment

Lending Operations - Banrisul assesses the probability of default of each counterparty individually by using credit rating tools designed for different categories of counterparties. Such proprietary tools, which combine statistical analyses and the opinion of the staff of the credit area, are validated, when appropriate, by comparing external available data. The rating tools are reviewed and updated when necessary. Periodically, Management validates the rating performance and its capacity to forecast default events.

Default exposure is based on the total amounts that may be owed to Banrisul at the time of default; in the case of a loan, for example, it corresponds to the nominal value.

(b) Credit Risk Control

Credit risk control basically includes the following procedures:

(i) Credit risk exposure is managed through regular analysis of borrowers, both actual and potential, regarding principal and interest payments and changes in the cadastral situation and its limits, when appropriate;

(ii) In the case of a counterparty, the exposure to any borrower, including financial agents, is additionally restricted by sublimit that covers adventitious exposures, whether recorded or not, in the financial statements; and
(iii) The levels of risk 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 periodically monitored and subject to review, When necessary, limits on the level of credit risk are approved by the Executive Board and the Board of Directors.

Market Risk

The Bank is exposed to market risks arising from the possibility of loss due to the fluctuation in the market values of instruments held by the institution, This definition includes the risk of changes in interest rates and stock prices for instruments classified in the trading portfolio and the risk of exchange variation and commodity prices for instruments classified in the trading or banking portfolio.

The Bank is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar, Foreign exchange risk arises from the operation of foreign funding described in Note 18. To manage its foreign exchange risk, Banrisul uses derivative contracts as an instrument of protection (hedge market risk), as described in Note 03 (e).

The management of market risk in Banrisul is held by the Corporate Risk Management Unit, responsible for executing and annually updating risk policies, managing strategies of Banrisul's market risk, establishing operational limits to identify, monitor, assess and manage exposure to risks of trading and non-trading portfolios.

The management of market risk in Banrisul is segregated among operations classified in the trading portfolio; in others words, operations in financial instruments, including derivatives held for trading or intended for the hedging of other elements in the trading portfolio, and which are not subject to the limitation of their negotiability, and operations classified under non-tradeable portfolio or banking portfolio, that includes all operations of the institution not classified in the trading portfolio, as the loan portfolio, portfolio of securities held to maturity, time deposits, savings deposits and other transactions held up to maturity.

In measuring the market risk of the Trading Portfolio, the Value at Risk (VaR) methodology is used to determine the exposure of operations with a risk factor of pre-fixed interest rates. VaR is a measure of the maximum expected loss in monetary values under normal market conditions, in a given time horizon of ten days, with a probability level of 99%, used to measure exposures subject to market risk. To calculate exposures in the other indexes, the Maturity Ladder methodology is used.

The calculation of the risk of Banking Portfolio operations is carried out using a standardized model of the Central Bank of Brazil through the Economic Value Approach methodologies, which consists of evaluating the impacts of changes in interest rates on the present value of cash flows from instruments classified in the Bank's banking book - Economic Value of Equity (EVE), by the Financial Intermediation Result Approach, which consists of evaluating the impacts of changes in interest rates on the financial intermediation result in its banking book - Net Interest Income (NII) and also for Embedded Gains and Losses, which is the difference between the economic value of asset and liability positions and exposures not recorded in the balance sheet (off-balance sheet) subject to IRRBB and the respective book value.

The Institution also conducts quarterly sensitivity analysis for the trading portfolio based on specific scenarios for each risk factor, The goal is to measure the impact of market fluctuations on the portfolio of the institution and its ability to recover from a potential worsening of crisis.

Sensitivity Analysis of Trading Portfolio - to enhance risk management and comply with Corporate Governance practices, Banrisul conducted a sensitivity analysis of its trading portfolios, without considering derivatives, Stress tests are carried out for upward or downward variations on the following scenarios: 1% (Scenario 1), 25% (Scenario 2) and 50% (Scenario 3),

Trading Portfolio - 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 at December 31, 2021.
Scenario 2: Possible situation, Assumptions: a deterioration of 25% in market risk variables, taking into account prevailing conditions at December 31, 2021.
Scenario 3: Remote situation, Assumptions: a deterioration of 50% in market risk variables, taking into account prevailing conditions at December 31, 2021.

The following table shows the highest expected loss considering scenarios 1, 2 and 3.

For Foreign Exchange Risk, the rate of R$5.5805/USD1.00 as of December 31, 2021. (PTAX - Central Bank of Brazil) was used.

Sensitivity analyses identified below 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.

Sensitivity Test: Trading Portfolio

Scenarios		Risk Factors			Total
		Interest Rate	Exchange Rate	Equity	
1	1%	57	3,487	126	**3,670**
2	25%	1,397	87,171	3,160	**91,728**
3	50%	2,764	174,342	6,321	**183,427**

Definitions:

Interest Rate - exposures subject to variations in 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 “Foreign Currency” Risk Factor identifies the largest expected loss, which represents approximately 95% of all expected loss for the three scenarios. We observed that the expected loss in Scenario 2 was 25 times greater than in Scenario 1. From Scenario 2 to Scenario 3, the variation is 100%. The greatest expected loss in these Sensitivity Test Scenarios occurs in Scenario 3 (65.8%), in the total amount of R$183,427.

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 USD823.185 million (823.185 million U.S. Dollars) recorded in the Banking Portfolio (Note 18), upon which stress tests were conducted for upward and downward variations in Scenarios I, II and III.

Stress tests were carried out on the value of foreign currency U.S. Dollar considering the rate of R$5.5755 on December 31, 2021 (1:00 pm, SPOT price - Central Bank of Brazil).

Scenario I is the most probable one and considers the changes expected by the Bank in relation to the market reference curves (B3 S.A. - Brasil, Bolsa, Balcão), used to mark to market such financial instruments, Scenarios II and III are defined to contemplate variations of +25% and +50% and scenarios of decreases of -25% and -50%.

As they reflect projections, Scenario I is defined by the increase of 1% in the U.S. Dollar coupon, the Scenario II is defined by the increase of 25% in the U.S. Dollar coupon, and the scenario III is defined by the increase of 50% in the U.S. Dollar coupon, according to the Bank's position, considering the conditions prevailing on December 31, 2021.

The sensitivity analyses shown below were established using premises and assumptions regarding future events, The estimated scenarios show the impacts on the outcome for each scenario in a static position of the portfolio as of December 31, 2021.

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 September 30, 2021 independently, since the Bank does not practice hedge accounting.

Trading and Banking Portfolio

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Increase in U.S. Dollar Coupon	(3,348)	(79,598)	(151,498)
		Line Item Being Hedged			
Debt 1	Banking	Increase in U.S. Dollar Coupon	3,348	79,599	151,499
		Net Effect	**-**	**1**	**1**

U.S. Dollar coupon: all the products with price variations tied to changes in the U.S. Dollar and interest rates in U.S. Dollars.

Additionally, the results do not necessarily translate into accounting results, because the analysis has the sole objective of disclosing the risk exposure and the respective protective actions considering the fair value of financial instruments, decoupled from any accounting practices adopted by the institution.

Banrisul considers that the risk of having a debt in CDI by way of swaps would be the rise in the CDI rate and this would be offset by the increase in revenues from its investments linked to the CDI rate.

Liquidity Risk

The definition of Liquidity Risk is the possibility of incurring losses due to the lack of sufficient liquid funds to meet payment obligations in a defined timeframe, and also of being unable to negotiate at market prices certain positions due to their high amounts in relation to the volume usually transacted or by reason of any interruption of the market itself.

Banrisul establishes operating limits for liquidity risk consistent with the Banrisul’s business strategies for financial instruments and other exposures whose achievement of grandness parameters are regularly reviewed by committees and submitted to the Board in order to ensure its effectively operability by managers.

The Corporate Risks Management Unit is in charge of Banrisul’s Consolidated Liquidity Risk Management, being responsible for executing and updating annually the policy and strategies for managing liquidity risk of Banrisul.

Liquidity management is centralized at the Treasury Department and is responsible 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, taking the necessary corrective action, when necessary.

Throughout the control process, mismatches arising from the use of short-term liabilities to ballast long-term assets are monitored, in order to avoid liquidity shortfalls and ensure that the Bank's reserves are sufficient to meet daily cyclical and non-cyclical cash needs, as well as the long-term needs. The Bank seeks to maintain a proper level of highly funding market assets, along with access to other liquidity sources, and seeks to ensure an appropriate mix of funding operations.

Pursuant to its Liquidity Contingency, Banrisul aims to identify beforehand and minimize potential crises and their effects on business continuity, the parameters used for the identification of crisis events consist of a range of responsibilities and procedures to be followed to ensure the stability of the required level of liquidity.

Periodically, reports are sent to Committees, Commissions, Executive Board and Board of Directors, containing information for management of liquidity risk, once a year or more frequently when needed, the Liquidity Risk Management Policy is presented to the Board of Directors, containing the guidelines for risk management, which includes budget, financial planning, appetite for risks and optimization of available resources.

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. Through key risk indicators and the Internal Operational Risk Data Base, it is possible to monitor the evolution of losses and exposure to risk and propose improvement actions.

The results of the analysis and the records of the Internal Database of Operational Risk are reported to the deliberative committees, according to the governance structure defined in corporate risk policies, including the Board of Executive Officers, to the Risk Committee and the Board of Directors.

Social, Environmental and Climate 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 components, as:

I - climate transition risk: possibility of losses for the institution caused by events associated with the transition process to a low carbon economy, in which the emission of greenhouse gases is reduced or offset and the natural mechanisms for capturing 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.

The management of social, environmental and climate risk encompasses the Bank's own products, services, activities and processes and activities performed by its counterparties, controlled entities and relevant third-party suppliers and service providers.

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

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 and environmental 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 as of December 31, 2021 was 6.88%.

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

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 Resolution No. 4,193/13 of the CMN, (replaced since 01/03/2022 by CMN Resolution No 4,958/2021) 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.

Basel Ratio

As set forth by the CMN Resolution No. 4280/13, 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 Cartões 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 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	**12/31/2021**	**12/31/2020**
Reference Equity	**9,021,832**	**6,821,228**
Tier I	**7,366,852**	**6,465,913**
Core Capital	**7,366,852**	**6,465,913**
Equity	5,205,891	5,205,891
Capital and Earnings Reserve	3,965,326	3,416,218
Deduction from Core Capital - Except for prudential adjustments	(122,955)	(276,190)
Prudential Adjustments (Resolution No,4192/13)	(1,681,410)	(1,880,006)
Tier II	**1,654,980**	**355,315**
Tier II Eligible Instruments (Resolution No,4192/13)	1,654,980	355,315
RWA - Risk Weighted Assets	**48,966,064**	**43,134,571**
RWA_{CPAD} (Credit Risk)	35,920,003	32,410,415
RWA_{MPAD} (Market Risk)	3,325,767	697,701
RWA_{JUR1} (Interest Rate Risk)	9,156	4,207
RWA_{JUR3} (Interest Rate Risk)	679	962
RWA_{ACS} (Equity Risk)	25,282	13,956
RWA_{CAM} (Exchange Risk)	3,290,650	678,576
RWA_{OPAD} (Operational Risk)	9,720,294	10,026,455
Banking Portfolio (RBAN)	292,777	332,106
Reference Equity Margin – considering Banking Portfolio afther Aditional of Core Capital	3,832,448	2,499,174
Capital Ratio		
Basel Ratio	18.42%	15.81%
Tier I Ratio	15.04%	14.99%
Core Capital Ratio	15.04%	14.99%
Permanent Assets Ratio	8.59%	9.73%
Leverage Ratio	6.88%	6.88%

On March 16, 2020, BACEN published CMN Resolution No, 4783/20, altering Regulatory Capital requirements, The Resolution reduces the percentages that RWA is subject for the purposes of calculating the required amount of Principal Capital Additional - $ACP_{Conservation}$ for the next 2 years, commencing on April 1, 2020. Banrisul is subject to this surcharge, only. Thus, the percentages applied in the next periods can be seen in the table below:

Requirement	Up to 12/31/2021	Up to 03/31/2022	From 04/01/2022
Main Capital	4.500%	4.500%	4.500%
Level I	6.000%	6.000%	6.000%
PR	8.000%	8.000%	8.000%
$ACP_{Conservation}$ (1)	**1.625%**	**2.000%**	**2.500%**
$ACP_{Contracyclic}$ (2) (up to)	2.500%	2.500%	2.500%
$ACPS_{Systemic}$ (up to)	2.000%	2.000%	2.000%
Total ACT (up to)	**6.125%**	**6.500%**	**7.000%**
Factor F	8.000%	8.000%	8.000%

(1) Percentage changed in accordance with CMN Resolution No. 4783/20.

(2) According to CMN Resolution No, 4,193 / 13, these additions are limited to these maximum percentages (%) in relation to RWATOTAL, 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 2021, 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 2.00%, totaling 10.00% for Basel Ratio, 8.00% for Tier I and 6.5% for Core Capital.

The Reference Equity reached R$9,021,832 in December 2021, increasing R$2,200,604 from December 2020.

BACEN Resolution No. 3876/18 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 exposed has changed, no longer being calculated by Value at Risk (VaR) but 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$292,777 as of December 2021, decreasing R$39,329 in relation to the capital allocation of R$332,106 as of December 2020.

To calculate the Reference Equity using R_{BAN}/IRRBB, the following is considered: total of Reference Equity, RWA, Factor F (8.00% from January 2019), interest rate risk of the bank, and the additional core capital (minimum of 2.0% from October 2021).

On December 31, 2021, the Basel Ratio of the Prudential Conglomerate was 17.74%, higher than the minimum required by BACEN. Tier 1 ratio and Core Capital were 14.49% 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 29 - TRANSACTIONS WITH RELATED PARTIES

(a) Transactions among related parties are disclosed in compliance with CVM Resolution No. 642/10 and CMN Resolution No. 4636/18.

Account balances referring to transactions among consolidated Banrisul companies are eliminated in 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. Banrisul has opted for the partial exemption instructed by Resolution No. 4636/18 of CMN. In this case, only the most significant transactions are disclosed.

With related parties, Banrisul operates banking transactions such as current account deposits (not remunerated), remunerated deposits, open market funding, loans and the provision of services. 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 establishes that Banrisul will not be entitled to receiving any payment from the State, such as banking fees, for example, in relation to banking services and similar provided;
The contract provides for a price adjustment at the end of the 61st (sixty-first) month of validity, as a result of the variation in the SELIC rate and inflation projections. As a result, a price adjustment was calculated by Banrisul's technical area and validated by an independent external advisor. The value of the calculated price adjustment, 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 the completion of the formalization of the amendment to the Agreement;
(ii) Companhia Estadual de Energia Elétrica (CEEE), Companhia Riograndense de Saneamento (CORSAN), Centrais de Abastecimento do Rio Grande do Sul S.A. (CEASA), Companhia Rio-grandense de Mineração (CRM), Companhia de Processamentos de Dados do Estado do Rio Grande do sul (PROCERGS) and BADESUL Desenvolvimento S,A, - Agência de Fomento/RS - companies controlled by the Government of the State of Rio Grande do Sul;
(iii) Affiliated (i) Bem Promotora de Vendas e Serviços S.A., engaged in payroll loan origination, (ii) 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; and (iii) VG8JV Tecnologia S.A. - VG8JV, company that ended its activity on 04/22/2021, offering integrated payment solutions to shopping centers located in its operating area throughout the national territory;
(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-profit assistance association, regulated by private law; and
(vi) Investment Funds and Managed Portfolios, managed by Banrisul.

Main related party transactions are as follows:

				Parent Company
	Assets (Liabilities)			Income (Expense)
	12/31/2021	12/31/2020	01/01 to 12/31/2021	01/01 to 12/31/2020
State of Rio Grande do Sul Government	**(6,896,827)**	**(1,499,936)**	**(210,539)**	**(16,895)**
Other Credits	31	4,098	-	-
Demand Deposits	(1,021,381)	(770,967)	-	-
Repurchase Agreements (Repos) (1)	(5,863,743)	(721,288)	(208,097)	(14,491)
Other Payables	(11,734)	(11,779)	(2,442)	(2,404)
Subsidiaries and Investment Fund	**(1,831,910)**	**(1,633,985)**	**73,050**	**76,292**
Other Credits	168,647	88,930	125,941	105,047
Demand Deposits	(11,745)	(11,464)	-	-
Time Deposits	(759,598)	(357,486)	(25,573)	(7,433)
Repurchase Agreements (Repos)	(53,166)	(210,947)	(2,122)	(1,086)
Funds from Acceptance and Issuance of Securities	(298,939)	(287,220)	(13,808)	(8,260)
Other Payables (2)	(877,109)	(855,798)	(11,388)	(11,976)
Banrisul Foundation	**(1,245)**	**(1,224)**	**(15,965)**	**(13,767)**
Other Payables	(1,245)	(1,224)	(15,965)	(13,767)
Total	**(8,729,982)**	**(3,135,145)**	**(153,454)**	**45,630**

(1) These funds bear interest at 100% of the Selic rate.
(2) These mainly refer to receivables related to Banricompras and Visa and Mastercard cards issued by Banrisul.

				Consolidated
	Assets (Liabilities)			Income (Expense)
	12/31/2021	12/31/2020	01/01 to 12/31/2021	01/01 to 12/31/2020
State of Rio Grande do Sul Government	**(6,896,667)**	**(1,499,667)**	**(210,486)**	**(16,860)**
Other Credits	191	4,367	53	35
Demand Deposits	(1,021,381)	(770,967)	-	-
Repurchase Agreements (Repos) (1)	(5,863,743)	(721,288)	(208,097)	(14,491)
Other Payables	(11,734)	(11,779)	(2,442)	(2,404)
Banrisul Foundation	**(1,245)**	**(1,224)**	**(15,965)**	**(13,767)**
Other Payables	(1,245)	(1,224)	(15,965)	(13,767)
Total	**(6,897,912)**	**(1,500,891)**	**(226,451)**	**(30,627)**

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

(b) Management Compensation

Annually, the General Shareholders' Meeting determines the total annual compensation of the members of Management, comprising the Executive Board, the Board of Directors, the Supervisory Board, Audit Committee, Compensation Committee and Risk Committee, as stated in the Bank's bylaws.

	01/01 to 12/31/2021	01/01 to 12/31/2020
Short Term Benefits	**20,827**	**19,207**
Salaries	15,944	14,861
Social Security	4,883	4,346
Post-Employment Benefits	**544**	**570**
Supplementary Pension Plans (1)	544	570
Total	**21,371**	**19,777**

(1) Banrisul pays for complementary pension plans to managers who belong to the staff.

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

(c) Shareholding

As of December 31, 2021, members of the Executive Board, the Board of Directors, the Supervisory Board, the Audit Committee, the Compensation Committee and the Risk Committee jointly hold 3,493 Banrisul's shares, as presented in Note 21(a).

NOTE 30 - OTHER INFORMATION

a) Fair Value of Financial Assets and Liabilities

(i) Financial Instruments Measured at Fair Value - when determining and disclosing the fair value of financial instruments, Banrisul uses the following hierarchy:

Level 1 - prices quoted in active markets for the same instrument without modification;
Level 2 - prices quoted in active markets for similar instruments or valuation techniques, for which all significant inputs are based on observable market data; and
Level 3 - valuation techniques, for which any significant input is not based on observable market data.

Measurement at fair value for the period ended December 31, 2021:

	Parent Company			Consolidated		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Trading Securities	**8,288,943**	**-**	**8,288,943**	**8,572,292**	**11,870**	**8,584,162**
Financial Treasury Letter – LFT	8,276,302	-	8,276,302	8,284,663	-	8,284,663
Shares of Publicly-Held Companies	12,641	-	12,641	12,641	-	12,641
Investment Fund Shares	-	-	-	274,988	11,870	286,858
Available-for-Sale Securities	**-**	**34,035**	**34,035**	**2,307**	**13,961**	**16,268**
Investment Fund Shares	-	34,035	34,035	2,307	13,947	16,254
Privatization Certificates	-	-	-	-	14	14
Derivatives	**-**	**841,900**	**841,900**	**-**	**841,900**	**841,900**
Swaps	-	841,900	841,900	-	841,900	841,900
Total Assets at Fair Value	**8,288,943**	**875,935**	**9,164,879**	**8,574,599**	**867,731**	**9,442,330**
Financial Liabilities						
Derivative Financial Instruments	**-**	**136,170**	**136,170**	**-**	**136,170**	**136,170**
Swaps	-	136,170	136,170	-	136,170	136,170
Subordinated Debt	-	4,689,788	4,689,788	-	4,689,788	4,689,788
Total Liabilities at Fair Value	**-**	**4,825,958**	**4,825,958**	**-**	**4,825,958**	**4,825,958**

Measurement at fair value for the period ended December 31, 2020:

	Parent Company			Consolidated		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Trading Securities	**6,569,102**	**3,426**	**6,572,528**	**6,640,534**	**14,765**	**6,655,299**
Financial Treasury Letter – LFT	6,562,124	-	6,562,124	6,570,116	-	6,570,116
Shares of Publicly-Held Companies	6,978	-	6,978	6,978	-	6,978
Investment Fund Shares	-	3,426	3,426	63,440	14,765	78,205
Available-for-Sale Securities	**-**	**176**	**176**	**2,271**	**188**	**2,459**
Investment Fund Shares	-	176	176	2,271	176	2,447

Privatization Certificates	-	-	-	-	12	12
Derivatives	**-**	**844,599**	**844,599**	**-**	**844,599**	**844,599**
Swaps	-	844,599	844,599	-	844,599	844,599
Total Assets at Fair Value	**6,569,102**	**848,201**	**7,417,303**	**6,642,805**	**859,552**	**7,502,357**
Financial Liabilities						
Subordinated Debt	-	2,979,631	2,979,631	-	2,979,631	2,979,631
Total Liabilities at Fair Value	**-**	**2,979,631**	**2,979,631**	**-**	**2,979,631**	**2,979,631**

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

(ii) Financial Instruments not Measured at Fair Value – the table below summarizes the book values and fair values of financial assets and liabilities that were presented at amortized cost:

	Parent Company		**Consolidated**	
	12/31/2021		**12/31/2021**	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Financial Assets				
Interbank Lending Market Investments	5,843,792	5,861,799	5,845,434	5,863,441
Compulsory Deposits of Central Bank of Brazil	9,738,751	9,738,751	9,738,751	9,738,751
Securities [1]	29,778,173	29,721,546	29,788,639	29,731,942
Loans, Leases and Other Credit-like Receivables [2]	41,041,975	38,962,045	41,041,975	38,962,045
Other Financial Assets	3,269,721	3,269,721	5,528,267	5,528,267
Total	**89,672,412**	**87,553,862**	**91,943,066**	**89,824,446**
Financial Liabilities [3]				
Deposits [a]	65,045,847	65,016,219	64,277,380	64,247,752
Repurchase Agreements [b]	10,774,902	10,774,902	10,721,736	10,721,736
Funds from Acceptance and Issuance of Securities [c]	2,036,940	2,036,903	1,738,001	1,737,964
Borrowings [d]	1,021,299	1,021,299	1,021,299	1,021,299
Onlendings [d]	1,394,823	1,394,823	1,394,823	1,394,823
Other Financial Liabilities	10,845,167	10,845,167	12,146,498	12,146,498
Total	**91,118,978**	**91,089,313**	**91,299,737**	**91,270,072**

	Parent Company		**Consolidated**	
	12/31/2020		**12/31/2020**	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Financial Assets				
Interbank Lending Market Investments	6,040,268	6,040,268	6,041,572	6,041,572
Compulsory Deposits of Central Bank of Brazil	7,750,609	7,750,609	7,750,609	7,750,609
Securities [1]	24,977,451	24,772,402	24,987,444	24,782,394
Loans, Leases and Other Credit-like Receivables [2]	37,605,804	38,378,831	37,605,804	38,378,831
Other Financial Assets	2,860,027	2,860,027	4,611,213	4,611,213

Total	**79,234,159**	**79,802,137**	**80,996,642**	**81,564,619**
Financial Liabilities [3]				
Deposits [a]	62,820,455	62,805,151	62,446,503	62,431,199
Repurchase Agreements [b]	4,573,384	4,573,384	4,362,437	4,362,437
Funds from Acceptance and Issuance of Securities [c]	2,727,755	2,728,236	2,440,535	2,441,016
Borrowings [d]	425,868	425,868	425,868	425,868
Onlendings [d]	1,473,113	1,473,113	1,473,113	1,473,113
Other Financial Liabilities	4,254,501	4,254,501	5,100,950	5,100,950
Total	**76,275,076**	**76,260,253**	**76,249,406**	**76,234,583**

(1) Securities - the fair value securities is based on market prices or quotes from brokers or operators. When this information is not available, the fair value is estimated using prices quoted in the market for securities with similar credit, maturity and interest characteristics.
(2) Loans, Leases and Other Credit-like Receivables - the estimated fair value of loans, leases and other credit-like receivables represents the discounted value of future cash flows expected to be received. The expected cash flows are discounted at current market rates plus the counterparty risk rate to determine their fair value.
(3) Financial Liabilities - the estimated fair value of deposits with no specific maturity, which includes deposits without interest, is the payable amount upon demand. The estimated fair value of deposits with fixed and floating rates and other unlisted loans in the active market is based on undiscounted cash flows using interest rates for new debt with similar terms plus the risk rate for the bank.
(a) Time and Interbank Deposits: the fair value was calculated by discounting the difference between future cash flows, using discount rates equivalent to the rates practiced in contracting similar operations on the last business day.
(b) Repurchase Agreements: for operations with fixed rates, the fair value was calculated by the discount on estimated cash flows, adopting discount rates equivalent to the rates practiced in contracting similar operations on the last business day.
(c) Funds from Acceptance and Issuance of Securities: the fair value of flating rate Financial Bills is calculated by discounting future cash flows using a discount rate equivalent to the weighted average rate practiced in the most recent issue of securities with similar characteristics by Banrisul.
(d) Borrowings and Onlendings: such operations are exclusive to the Bank, with no similar ones in the market, Due to its specific characteristics, exclusive rates for each amount and the absence of an active market and similar instrument, the fair value of these operations was considered equivalent to the book value.

b) Non-recurring Result

Banrisul considers a non-recurring result one which is not related or is incidentally related to the institution's typical activities and is not expected to occur frequently in future years.

We present below the events considered non-recurring for the indicated period.

	12/31/2021	12/31/2020
Adjusted Net Income	990,355	824,800
Adjustments	(41,820)	(97,324)
Voluntary Termination Plan - PDV	-	(176,952)
Provision for Tax Contingencies [1]	(76,036)	-
Tax Effect [2]	34,216	79,628
Net Income	**948,535**	**727,476**

(1) Provision arising from the review of parameters and progress of the process related to income tax and social contribution on the deduction of expenses arising from the settlement of the actuarial deficit at the Banrisul Social Security Foundation, questioned by the Federal Revenue Service for the period 1998 to 2005 (Note 19b).
(2) It refers to the tax effect on Provisions for Tax Contingencies and in 2020 refers to the Voluntary Termination Plan – PDV.

c) Impact of the application of international accounting standards

During the IFRS convergence process, some standards and their interpretations were issued by the Brazilian FASB (CPC), which are applicable to financial institutions only when approved by the National Monetary Committee (CMN). Currently, financial institutions and other institutions regulated by the Central Bank have been required to adopt the following pronouncements in prior periods:

Basic Concept Statement (R1);
Impairment of Assets (CPC 01 (R1));
Statement of Cash Flows (CPC 03 (R2));
Related Party Disclosures (CPC 05 (R1));
Share-Based Payment (CPC 10 (R1));
Accounting Policies, Changes in Accounting Estimate and Errors (CPC 23);
Subsequent Events (CPC 24);
Provisions, Contingent Liabilities and Contingent Assets (CPC 25)
Employee Benefits (CPC 33 (R1));

Effects of Changes in Exchange Rates and Translation of financial statements (CPC 02 (R2));
Intangible Assets (CPC 04 (R1));
Permanent Assets (CPC 27);
Earnings per Share (CPC 41); and
Measurement of Fair Value (CPC 46).

Banrisul's Consolidated financial statements were prepared considering the requirements and guidelines of the National Monetary Council (CMN) that, as of December 31, 2010, requires the preparation of annual Consolidated financial statements in accordance with the international financial reporting standards (IFRS), as approved by the International Accounting Standards Board (IASB).

The financial statements for the year ended December 31, 2020, prepared in accordance with International Financial Reporting Standards (IFRS), were disclosed by Banrisul on March 15, 2021 on its website http://www.banrisul.com.br/ir, as well as on the website of the Brazilian Securities Exchange Commission (*Comissão de Valores Mobiliários* - CVM – www.cvm.gov.br).

d) Effects of the Covid-19 Pandemic on financial statements

The crisis scenario linked to the Covid-19 pandemic has maintained an environment of uncertainty, turbulence and challenges in the global financial market. The restrictions imposed by governments, social distancing measures above all, although effective to decrease the spread of the virus, have been harming all productive chains, affecting the economy and financial capacities of gubernatorial authorities, companies and individuals. In this environment of uncertainty, it is also important to include the unpredictability of events, considering the variants of the coronavirus and the speed with which each of them has been spreading across the planet.

Although vaccines are already being used, and immunization is advancing by leaps and bounds, the state of alert continues in several regions of the world including Brazil due to new variants coronavirus' high contagion rates. Besides health consequences, since the beginning of 2020 the world has been critical to the most of economic sectors, with governments and regulators working on measures that could mitigate the outcome of the pandemic. Following the footprints of international entities, the National Monetary Committee and the Central Bank of Brazil have released measures encompassing liquidity, monetary, credit, foreign exchange and fiscal goals. These measures sought to minimize the coronavirus effects while addressing financial and, hence, economic stability.

In this context, Banrisul resumed in the third quartes of 2021, the attendance in person, keeping the constant improvement of its several remote service channels available.

The development and offering of numerous credit solutions to its customers due to the new economic needs, the measures taken by Bacen to minimize effects of Covid-19 on the national financial system and society, and also Government policies and measures to contain the consequences of the pandemic in Brazil, have been some of actions taken aiming at mitigating the consequences of Covid-19. Thus, it is expected that Banrisul financial statements reflects the consequences of the pandemic, especially in the following items:

- ✓ Credit Operations: it is been observed an increase in the demand for credit and a slow reduction in their credit quality. To companies, it has been observed a increase in demand, due to the recovery of economic activity in main sectors. As to individuals, increases in unemployment rates are expected to occur at levels lower than the current's, improving purchasing power for families;

- ✓ Allowance for Loan Losses: Banrisul monthly monitors the performance of the credit portfolio, default ratio and coverage of customers belonging to the segments most affected by the pandemic and facing the current scenario understand as suitable the rating classification and level of provisions.

- ✓ Deferred tax assets: these assets depend on future results for their realization, which may be affected due to the effects of the pandemic on the economy, with greater impact if it lasts for a long period of time;

- ✓ Intangible Assets: their recoverable value may be impacted in their core realization premises due to the repercussions of Covid-19 pandemic;

- ✓ Funding: it is believed that the search for security positively influences the Company's liquidity, generating an increase in fundraising from clients, In line with the other financial agents, Banrisul continues to present comfortable levels of liquidity and pulverization of its funding structure, and

- ✓ Provisions: as to civil lawsuits, an increase may be seen for the revisiting of credit operations contracts and also in claims that involve difficulties in customer service. It is also expected the occurrence of labor lawsuits alleging non-compliance with labor legislation in a remote work regime.

In this pandemic period, observing the health precautions recommended by the World Health Organization and the social distancing measures proposed by governments, Banrisul has been ensuring the maintenance of operating and taken measures to help minimize the exposure of customers and employees to contagion, adapting all that was necessary, from credit policies to operating routines. The Company keeps shareholders and the market duly informed about all measures dealing with the present scenario.

In relation to credit policies, Banrisul, an economic and financial policy instrument within the State of Rio Grande do Sul, is committed to contributing to the continuity of regional economic activity and takes into consideration the risks arising from this role. In this sense, it has immediately made available products and services to mitigate the pandemic impacts, which include: extension of the maturities of outstanding loans to mitigate provisions and loss expectation; increase of the offer of pre-approved credit lines; an additional 10% increase to Banricompras and overdraft accounts limits; solutions to extend the maturity of credit lines and the use of insurance coverage in products offered to farmers; the increase of credit limits used for transactions and withdrawals in digital channels, as well as making available, exempted from charges and monthly fee payment, additional Vero POS equipment; development of a Quick Guide for the commercial approach to companies that did not operate with the Company or that operated in less relevant manner, assisting in the processing of credit requests and risk analysis; availability of credit lines to finance payroll for companies that pay employees via Banrisul; and adjusted leverage parameters for customers within the retail segment, to improve risk model.

All exposures to interest rate risk in trading and non-trading portfolios remain monitored, with the aim of monitoring and anticipating any impact of fluctuations in interests rates and their possible impacts over different time horizons,

In relation to operational routines, among the main measures taken by Banrisul in the pandemic period, the following stand out:

- ✓ Gradual return to face-to-face work in the third quarter of 2021, observing protocols for preventing contamination by covid-19 and with communication measures and immediate removal in cases of suspicion or confirmation of infection;
- ✓ Wide dissemination of self-service channels: via accessing services tutorials, encouraging the use of these channels and providing service through social networks;
- ✓ Adoption of extra hygiene measures and availability of PPE to employees;
- ✓ Use of health advisory from the medical staff of Moinhos de Vento Hospital to assist in the definitions of protocols for prevention of Covid-19 and to provide telemedicine service to assist employees with corresponding symptoms, as well as for those employees who have tested positive for the virus; and
- ✓ Establishment of strict cleaning protocols for the environments where employees with suspected and/or confirmed cases of contamination were; and

- ✓ Use of information material on office ergonomics and on system maintenance and information security to help employees on remote work during this period.

One of the most important purposes of Banrisul's capital and risk management is comply with operational limits set forth by regulatory authorities and by the Management of the Bank, In this scope, besides the Institution's activities is being monitored in both national and international economic scenarios, as well as in connection to the constant evolution of the pandemic caused by Covid-19, Therefore, it is comprehensible that pandemic impacts will continue to affect the economy, with the reflexes of the crisis and the effectiveness of the mitigation measures being thoroughly assessed in a future moment, Therefore, it is essential to permanently monitor regulatory and market changes and the evolution of the crisis caused by the coronavirus, so that Banrisul can position itself and continue taking the necessary measures to face the crisis.

REPORTS

AUDIT COMMITTEE REPORT SUMMARY - 2ND HALF OF 2021

Statutory advisory body to the Board of Directors, the Audit Committee is currently composed of three independent members, appointed by the Board of Directors, whose duties are defined by Law No. 13303/2016 (Public Companies Law), CMN Resolution No. 4,910/2021, and other legislation in force, in addition to the attributions defined by the Banco do Estado do Rio Grande do Sul's and the Audit Committee's Bylaws.

Its activities are related to Banco do Estado do Rio Grande do Sul S.A. ("Banrisul"), identified as Banrisul and Banrisul Consolidated, and its competencies includes to review, previously to the publication, the half-yearly financial statements; to evaluate the effectiveness of the independent and internal audits; to define and release proceedings for receiving and treating information regarding to the non-compliance of legal and regulatory normative applicable to the Institution, and periodically meet with the Board of Directors, the Fiscal Council, the Board of Executive Officers and with Statutory Committees.

Banrisul Management is responsible for maintaining internal controls that allow the preparation of the financial statements free from material misstatement.

The Internal Audit aims at safeguarding assets, ensuring compliance with applicable policies, plans, procedures and legislation, responding to the Audit Committee and the Independent Auditors.

It is of responsibility of Deloitte Touche Tohmatsu Independent Auditors to ensure that the accounting statements of Banrisul and of assets under management adequately represent the financial position. Their work planning was discussed with the Committee and, during the six-month period reports produced and the analysis of the internal controls structure were made available.

Activities

The planning of the works was carried out, considering the main attributions, being periodically reviewed as the activities evolved. The Committee monitored the activities carried out by the areas responsible for carrying out internal control, risk management and monitoring contingencies from July 1st to December 31, 2021. During this period, it held 13 meetings, comprising 51 sessions, duly formalized in minutes, and, in addition, the members dedicated 304 hours for prior analysis of the material.

During the 2nd half of 2021, he Committee acted in the process of transforming Banrisul's lines of defense, especially in the restructuring of the Internal Audit and carried out monitoring of matters related to provisions for labor contingencies. Meetings were held with Directors of the Board of Directors, Fiscal Council, Banrisul's Executive Officers and Subsidiaries, coordinator of the Risk Committee, and executives of the Bank and Subsidiaries.

Noteworthy are the meetings with the Central Bank of Brazil Inspectors, the Independent Auditors, the executives from the Accounting, Controls and Compliance Units, the Financial Controller, Internal Audit and the other areas of the Institution.

To ensure their constant qualification, the members of the Audit Committee attended a seminar related to their area of expertise, totaling 75 training hours.

It should be noted that, prior to the disclose of quarterly and mid-year financial reports, the members of the Audit Committee have meet with Independent Auditors to evaluate the control aspects used in generating the figures to be disclosed, and the independence of the auditors as well.

Conclusion

The analysis of notes from the Central Bank of Brazil, as well as the reports produced by the Internal Audit, the Control and Compliance Unit and the Independent Auditors, considering the natural limitations of the scope of their activities, did not produce elements that compromise the effectiveness of the internal controls system.

In view of the Independent Auditors' Report on the Internal Controls System and Non-Compliance with Legal and Regulatory Provisions for the half year period ended December 31, 2021, no elements were identified that could compromise the effectiveness of the Bank's internal controls.

During this period, the reports issued monthly by the Internal Audit were analyzed, and it met frequently to clarify and take corrective measures in relation to the notes, analyzing and approving the Annual Internal Audit Planning and Annual Report of the Activities developed.

In accordance with the accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil, in compliance with the Brazilian Corporation Law, the rules and instructions of the National Monetary Council (CMN) and the Central Bank of Brazil and the Brazilian Securities and Exchange Commission (CVM) and the Accounting Plan for Institutions pertaining to the National Financial Industry (COSIF), the Committee regularly examines the financial statements and maintains close relation to the Accounting and Internal Audit areas, and with the Independent Auditors, allowing their members to evaluate the quality of the aforementioned statements and notify that they have not been subjected to any material misstatement.

Based on the activities developed, the Audit Committee concluded that the half-year financial statements ended December 31, 2021 of Banco do Estado do Rio Grande do Sul S. A. were prepared in accordance with current laws and regulations and were deemed adequate, hence recommending their approval by the Board of Directors.

Porto Alegre, February 09, 2022.

Carlos Biedermann

João Verner Juenemann
Coordinator

Eraldo Soares Peçanha

OPINION OF THE FISCAL COUNCIL

We, the members of the Fiscal Council of Banco do Estado do Rio Grande do Sul S.A., pursuant to the provisions of Law 6,404/76, items II and VII of Article 163 and the Company´s Bylaws, reviewed the Management Report and the Financial Statements of Banco do Estado do Rio Grande do Sul S.A. (Banrisul), documents related to the period ended on December 31, 2021. Based on these examinations, on clarifications made by the Management of the Company during the current year, the Audit Comittee Report and on the Opinion of the Independent Auditors, without caveats, and basing on the Summarys of the Fiscal Council, it is our opinion that the mentioned statements are fairly to be presented in the Shareholders' Annual Meeting.

Porto Alegre, February 11, 2022.

Bruno Pinto de Freitas
Chairman

Gustav Penna Gorski
Marco Aurélio Santos Cardoso
Reginaldo Ferreira Alexandre
Rogério Costa Rokembach
Members

INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

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

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 individual and consolidated financial statements of Banco do Estado do Rio Grande do Sul S.A. and its subsidiaries ("Bank"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2021 and the related individual and consolidated statements of income , of comprehensive income, of changes in equity and of cash flows for the semester and year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Banco do Estado do Rio Grande do Sul S.A. as at December 31, 2021, and its individual and consolidated financial performance and its individual and consolidated cash flows for the semester and year then ended, in accordance with accounting practices adopted in Brazil applicable to the financial institutions authorized to operate by the Central Bank of Brazil - BACEN.

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 individual and consolidated financial statements" section of our report. We are independent of the Bank in accordance with the relevant ethical requirements 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 obtained is sufficient and appropriate to provide a basis for our 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 semester and year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Allowance for loan losses

The recognition constitution of an allowance for loan losses involves judgment and the use of estimates by the Bank's Management. As disclosed in notes 3.g) and 9 to the individual and consolidated financial statements, loan transactions and other receivables with loan characteristics are classified by their risk levels, according to the Management's judgment, taking into consideration the economic scenario, past experience and the risks specific to the transactions and to the debtors, considering the parameters established by CMN (National Monetary Council) Resolution 2682/99, and the impacts arising from CMN Resolution 4803, issued in April 2020, and CMN Resolution 4855, issued in September 2020, which provide for certain effects of COVID-19. To this end, the Bank uses internal models to define the internal rating of credit risk classification for debtors and their respective operations, involving Management's assumptions and judgments, to represent its best estimate of the credit risk of its portfolio.

The allowance for loan losses was considered a key audit matter due to the relevance in the context of individual and consolidated financial statements, use of internal provision models for allowance for loan losses developed to comply the CMN Resolution 2682/99, the use of estimates and the fact that there is judgment by Management in determining the allowances that are recognized.

How was the matter addressed in our audit?

Our audit procedures included, among others: (a) understanding, with our experts, the provisioning criterion adopted by the Bank for credit operations and other credits with credit granting characteristics and the models developed by the Bank; (b) understanding and testing the design, implementation, and effectiveness of the relevant internal controls over the rating process of debtors and their related transactions; (c) involving senior members of our team to analyze the criteria for provisioning these operations and challenging the assumptions used by Management and compliance with the parameters established by CMN Resolution No. 2682/99, in a sample of operations and debtors; (d) analyzing the level of total portfolio provision; and (e) assessing the disclosures made in the individual and consolidated financial statements.

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

2. Provision for tax, civil and labor claims

As disclosed in notes 3.o) and 19 to the individual and consolidated financial statements, the Bank recognizes a provision for tax, civil and labor claims, arising from past events, based on Management's assessment, supported by its legal counsel, measuring the amounts to be provisioned using mass methods or individual analysis of each case, which is periodically assessed by the legal counsel regarding the likelihood of loss and the amounts to be provisioned. The "Massified" method is used for similar and usual lawsuits of civil and labor nature, having been developed internally by Management.

Due to the relevance in the context of the individual and consolidated financial statements, the use of estimation and judgment of the methods used by Management, we considered this a key audit matter.

How was the matter addressed in our audit?

Our audit procedures included, among others: (a) understanding the design and implementation of the relevant internal controls involving the control of tax, civil and labor claims and the measurement of the amounts provisioned; (b) involving our specialists for understanding the parameters used in the Massified method; (c) confirming the claims with the in-house and outside legal counsel; (d) analyzing on a sampling basis the reasonableness of the assumptions used in the measurement of the selected lawsuits; and (e) analyzing the appropriateness of the disclosures made in the individual and consolidated financial statements in accordance with the applicable accounting pronouncements.

We consider that the criteria and assumptions adopted by Management to estimate the provision for tax, civil and labor claims are acceptable in the context of the individual and consolidated financial statements taken as a whole.

3. 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 IT-related processes, associated with its controls, may pose risks in the processing and generation of critical information, including that used in the preparation of the financial statements, justifying our consideration as a key audit matter due to the relevance in the context of the individual and consolidated financial statements.

How was the matter addressed in our audit?

Upon the involvement of our IT specialists, we identified the significant systems that support the Bank's key business activities, and assessed the design of the general IT controls and tested the operating effectiveness of these controls, including, when necessary, the tests of compensating controls, related to information security, the development and maintenance of significant systems and the operation of information technology environment related to the infrastructure that supports the Bank's business.

Considering the information technology environment's processes and controls, associated with the tests previously mentioned, we believe it was appropriate to consider the information obtained from certain systems to plan the nature, timing and extent of our substantive procedures in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added ("DVA") for the semester and year ended December 31, 2021, prepared under the responsibility of the Bank's Management, whose presentation is not required by accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the BACEN, were subject to audit procedures performed together with the audit of the Bank's individual and consolidated financial statements. In forming our opinion, we evaluated whether these individual and consolidated statements of value added are reconciled with the 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 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 individual and consolidated financial statements taken as a whole.

Corresponding figures for the year ended December 31, 2020

The corresponding figures for the year ended December 31, 2020 were previously audited by other independent auditors, who issued unmodified reports thereon dated February 9, 2021.

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

The Bank's Management is responsible for the other information. The other information comprises the Management Report.

Our opinion on the individual and 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 individual and 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 individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to the financial institutions authorized to operate by the BACEN, 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 individual and 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.

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

Our objectives are to obtain reasonable assurance about whether the individual and 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 individual and 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 individual and 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 individual and 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 other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual and 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 individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

Porto Alegre, February 10, 2022

DELOITTE TOUCHE TOHMATSU	**João Paulo Stellfeld Passos**
Auditores Independentes Ltda.	**Engagement Partner**

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

Executive Board

CLÁUDIO COUTINHO MENDES
Chief Executive Officer

IRANY DE OLIVEIRA SANT'ANNA JUNIOR
Deputy CEO

CLAÍSE MÜLLER RAUBER
FERNANDO POSTAL
JORGE FERNANDO KRUG SANTOS
MARCUS VINÍCIUS FEIJÓ STAFFEN
MARIVANIA GHISLENI FONTANA
OSVALDO LOBO PIRES
RAQUEL SANTOS CARNEIRO
Officers

Board of Directors

JORGE LUIS TONETTO
Chairman

CLÁUDIO COUTINHO MENDES
Vice-Chairman

ADRIANO CIVES SEABRA
EDUARDO CUNHA DA COSTA
EDUARDO RODRIGUES MACLUF
IRANY DE OLIVEIRA SANT'ANNA JUNIOR
JOÃO VERNER JUENEMANN
MÁRCIO GOMES PINTO GARCIA
MÁRCIO KAISER
RAFAEL ANDREAS WEBER
RAMIRO SILVEIRA SEVERO
Board Members

WERNER KÖHLER
Accountant CRCRS 38,534

Banrisul