banrisul

# Financial Statements

June 2022

The Press Release and Performance Analysis Reports were prepared using the information contained in the Individual Financial Statements presented in accordance with accounting practices adopted in Brazil, applied to institutions authorized to operate by the Central Bank of Brazil - Bacen, and in the Consolidated Financial Statements presented in accordance with Art. 77 of CMN Resolution No. 4,966/21. The Consolidated Financial Statements in IFRS, prepared based on the international accounting standard issued by the International Accounting Standards Board - IASB, are being presented in a separate document, in compliance with Art. 9 and Art. 11 of Bacen Resolution No. 4,818/20.

# INDEX

# PRESS RELEASE

We summarize below Banrisul's performance in the first half and second quarter of 2022.

## Business Scenario

The first half of 2022 began strongly influenced by the reduction in risks associated with the pandemic. However, new Covid-19 outbreaks, especially in Asia, and the conflict in Eastern Europe resulted in supply shock waves in the global economy, which has been significantly increasing the difficulty in bringing down inflation around the world. This creates a very adverse scenario for the global economy, with widespread and persistent price increases that will likely require more severe and longer-lasting monetary policies. In Brazil, due to persisting inflationary pressures and unanchored market expectations, the monetary authority extended the adjustment cycle of the Selic Rate, the base interest rate of the Brazilian economy, which reached 13.25% p.p. in June 2022.

On May 23, 2022, Banrisul launched its re-branding project, with a new positioning, a new brand, and a new concept: *Nossa Conexão Transforma* (Our connection transforms). The new brand aligns with these deliveries and strengthens our connection with customers and partners. Preparing for the future, Banrisul has been reinforcing strategic areas for its business, namely: innovation, people, sustainability and agribusiness.

Aiming to boost Rio Grande do Sul's innovation ecosystem, in the first half of 2022, we initiated the 2nd acceleration cycle for 30 startups with different maturity levels, promoted by BanriTech. To monitor the activities, business development and connections of these startups with Banrisul, we selected volunteer professionals within the Bank to act as facilitators and supporters. This interaction also promotes an innovation culture among our business units, in which preference is given to the implementation of new work methodologies and to the improvement of Banrisul's processes, products and services.

In terms of customer service, enhancements were made at Banrisul, with highlight to the implementation of a signature service for loans, a management service for credit limits, a layout update of the *Office* App, and a first access qualification experience for users of the Banrisul Digital app, considering the different user profiles and access needs. In 1H2022, 81.2% of transactions, including PIX, were carried out through digital channels, including all available channels (digital, ATM, correspondents, tellers and Banrifone), growing by 3.7 p.p. over 1H2021.

The Bank's product portfolio was expanded to promote sustainable development from credit lines, aimed at sustainability and the mitigation of environmental and climate impacts, fostering the transition to a low-carbon economy. The Bank published the update of Banrisul's Social, Environmental and Climate Responsibility Policy – PRSAC and established the Social, Environmental and Climate Responsibility Committee linked to the Board of Directors. In the agribusiness segment, which is the pillar for economic development in the State of Rio Grande do Sul, the Bank has been investing to enhance its systems for contracting rural loans, in addition to maintaining its focus on expanding funding for the entire agribusiness production chain, offering credit lines that cover the sector's investments, costs, marketing and industrialization needs. For the 2022/2023 Crop Plan, which begins in July 2022, Banrisul will offer a record credit amount of R$7.0 billion.

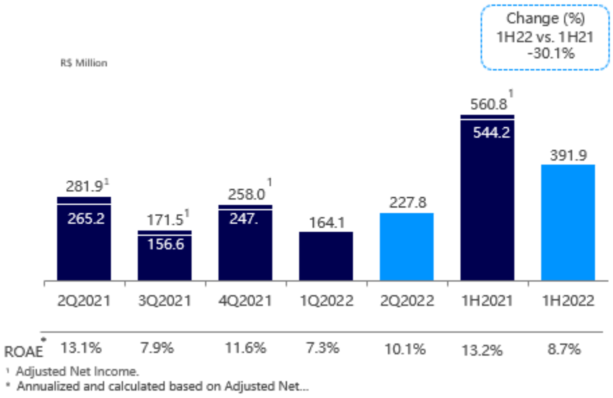
## Economic and Financial Indicators

| Main Income Statement Accounts - R$ million | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/ 2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| Financial Margin | 2,236.9 | 2,456.5 | 1,115.1 | 1,121.8 | 1,249.1 | -8.9% | -10.7% | -0.6% |
| Expenses for Provisions for Expected Credit Losses | 448.7 | 347.6 | 202.3 | 246.5 | 217.8 | 29.1% | -7.1% | -17.9% |
| Income from Services Rendered and Bank Fees | 1,010.9 | 960.8 | 518.6 | 492.3 | 482.3 | 5.2% | 7.5% | 5.3% |
| Adjusted Administrative Expenses (1) | 1,880.0 | 1,758.2 | 972.9 | 907.1 | 888.5 | 6.9% | 9.5% | 7.3% |
| Adjusted Other Income and Expenses | (400.9) | (251.0) | (227.4) | (173.5) | (98.5) | 59.7% | 130.8% | 31.1% |
| Adjusted Net Income | 391.9 | 560.8 | 227.8 | 164.1 | 281.9 | -30.1% | -19.2% | 38.8% |
| Net Income | 391.9 | 544.2 | 227.8 | 164.1 | 265.2 | -28.0% | -14.1% | 38.8% |
| **Main Balance Sheet Accounts – R$ million** | **Jun 2022** | **Jun 2021** | **Jun 2022** | **Mar 2022** | **Dec 2021** | **Jun 2022/ Jun 2021** | **Jun 2022/ Dec 2021** | **Jun 2022/ Mar 2022** |
| Total Assets | 109,657.1 | 98,063.0 | 109,657.1 | 104,089.1 | 104,575.8 | 11.8% | 4.9% | 5.3% |
| Securities (2) | 31,438.4 | 37,646.2 | 31,438.4 | 31,033.2 | 35,819.4 | -16.5% | -12.2% | 1.3% |
| Total Loan Portfolio | 44,585.5 | 36,640.1 | 44,585.5 | 42,378.5 | 41,042.0 | 21.7% | 8.6% | 5.2% |
| Provision for Credit Losses | 2,542.9 | 2,673.3 | 2,542.9 | 2,612.0 | 2,629.8 | -4.9% | -3.3% | -2.6% |
| Past Due Loans > 90 Days | 795.3 | 815.5 | 795.3 | 828.5 | 849.2 | -2.5% | -6.4% | -4.0% |
| Funds Raised and Under Management | 83,850.2 | 79,121.1 | 83,850.2 | 80,856.9 | 84,900.0 | 6.0% | -1.2% | 3.7% |
| Equity | 8,970.4 | 8,654.4 | 8,970.4 | 8,996.9 | 9,048.6 | 3.7% | -0.9% | -0.3% |
| Prudential Conglomerate Reference Equity | 8,401.2 | 6,697.1 | 8,401.2 | 8,603.8 | 9,021.8 | 25.4% | -6.9% | -2.4% |
| Average Interest-Earning Assets | 93,483.8 | 84,447.1 | 95,105.8 | 91,619.4 | 92,318.0 | 10.7% | 3.0% | 3.8% |
| **Stock Market Information - R$ Million** | **1H2022** | **1H2021** | **2Q2022** | **1Q2022** | **2Q2021** | **1H2022/ 1H2021** | **2Q2022/ 2Q2021** | **2Q2022/ 1Q2022** |
| Interest on Equity / Dividends (3) | 290.5 | 218.4 | 154.0 | 136.6 | 125.4 | 33.0% | 22.8% | 12.8% |
| Market Capitalization | 3,664.4 | 5,423.0 | 3,664.4 | 4,449.6 | 5,423.0 | -32.4% | -32.4% | -32.4% |
| Book Value per Share | 21.93 | 21.16 | 21.93 | 22.00 | 21.16 | 3.7% | 3.7% | -0.3% |
| Average Price per Share (R$) | 9.77 | 12.97 | 9.89 | 10.08 | 13.01 | -24.7% | -24.0% | -1.9% |
| Earnings per Share (R$) | 0.96 | 1.33 | 0.56 | 0.40 | 0.65 | -28.0% | -14.1% | 38.8% |
| **Financial Indexes** | **1H2022** | **1H2021** | **2Q2022** | **1Q2022** | **2Q2021** | | | |
| Adjusted ROAA (p.a.) (4) | 0.7% | 1.2% | 0.9% | 0.6% | 1.2% | | | |
| Adjusted ROAE (p.a.) (5) | 8.7% | 13.2% | 10.1% | 7.3% | 13.1% | | | |
| Adjusted Efficiency Ratio (6) | 63.3% | 54.0% | 63.3% | 59.6% | 54.0% | | | |
| Net Interest Margin on Interest-Earning Assets | 4.79% | 5.82% | 4.69% | 4.90% | 5.80% | | | |
| Default Rate > 90 Days (7) | 1.78% | 2.23% | 1.78% | 1.95% | 2.23% | | | |
| Coverage Ratio 90 days (8) | 319.7% | 327.8% | 319.7% | 315.3% | 327.8% | | | |
| Provisioning Index (9) | 5.7% | 7.3% | 5.7% | 6.2% | 7.3% | | | |
| Basel Ratio (Prudential Conglomerate) | 16.8% | 14.8% | 16.8% | 17.6% | 14.8% | | | |
| **Structural Indicators** | **Jun 2022** | **Jun 2021** | **Jun 2022** | **Mar 2022** | **Jun 2021** | | | |
| Branches | 496 | 500 | 496 | 497 | 500 | | | |
| Service Stations | 138 | 156 | 138 | 138 | 156 | | | |
| Electronic Service Stations | 410 | 418 | 410 | 429 | 418 | | | |
| Employees | 8,789 | 9,156 | 8,789 | 8,886 | 9,156 | | | |
| **Economic Indicators** | **1H2022** | **1H2021** | **2Q2022** | **1Q2022** | **2Q2021** | | | |
| Effective Selic Rate | 5.42% | 1.27% | 2.91% | 2.43% | 0.79% | | | |
| Exchange Rate Variation (%) | -6.14% | -3.74% | 10.56% | -15.10% | -12.20% | | | |
| IGP-M (General Market Price Index) | 8.17% | 15.09% | 2.54% | 5.49% | 6.31% | | | |
| IPCA (Extended Consumer Price Index) | 5.49% | 3.77% | 2.22% | 3.20% | 1.68% | | | |

(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 over Average Total Assets. (5) Net Income over Average Shareholders' Equity. (6) Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Income – Other Expenses). Considers LTM income and expenses. (7) Past Due Loans > 90 days / Total Loan portfolio. (8) Provisions for Expected Losses Associated with Credit Risk / Past Due Loans > 90 days. (9) Provisions for Expected Losses Associated with Credit Risk / Loan portfolio.

## Financial Highlights

**Net income** reached **R$391.9 million** in 1H2022, decreasing by 30.1% or R$168.9 million compared to the adjusted net income in 1H2021, mainly due to (i) reduction in financial margin, (ii) increase in other operating expenses, net of other income, (iii) higher administrative expenses, (iv) higher expenses with provision for credit losses, (v) increase in income from Services Rendered and Bank Fees, and (vi) lower income taxes. In 2Q2022, net income reached R$227.8 million, up by 38.8% or R$63.7 million over 1Q2022, mainly due to: (i) lower expenses with provision for credit losses, (ii) increase in administrative expenses, (iii) increase in other operating expenses, net of other income, (iv) a relatively stable financial margin, and (v) lower income taxes.

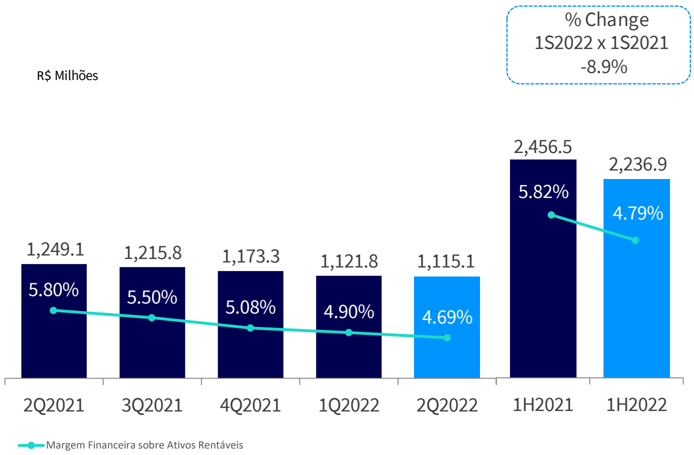



The reconciliation between net income and adjusted net income is presented below, given the occurrence of non-recurring events. The reconciliation is used to demonstrate the return on equity and return on assets and efficiency indicators, calculated based on adjusted net income

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

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 |
|---|---|---|---|---|---|
| Adjusted Net Income | 391.9 | 560.8 | 227.8 | 164.1 | 281.9 |
| Adjustments | - | (16.7) | - | - | (16.7) |
| Provision for Tax Contingencies | - | (76.0) | - | - | (76.0) |
| Tax Effects | - | 34.2 | - | - | 34.2 |
| Tax Credits (CSLL) - Law 14,183/21 (1) | - | 25.2 | - | - | 25.2 |
| Net Income | 391.9 | 544.2 | 227.8 | 164.1 | 265.2 |
| Adjusted ROAA | 0.7% | 1.2% | 0.9% | 0.6% | 1.2% |
| Adjusted ROAE | 8.7% | 13.2% | 10.1% | 7.3% | 13.1% |
| Adjusted Efficiency Ratio (2) | 63.3% | 54.0% | 63.3% | 59.6% | 54.0% |

(1) Refers to the update of the installments to be recognized for deferred tax credits and debits, due to the enactment of Law No. 14,183/21, which increased the CSLL rate of the financial sector from 20% to 25%, in the period between 07/01/2021 and 12/31/2021.
(2) Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Income – Other Expenses). Considers LTM income and expenses.




The **financial margin** in 1H2022, of **R$2,236.9 million**, declined by 8.9% or R$219.6 million against 1H2021, mainly reflecting the substantial increase in interest expenses in relation to the rise in interest income, in a scenario with a higher Selic Rate and increase in credit volumes. The financial margin in 2Q2022 was relatively stable in relation to 1Q2022, in a scenario with a higher Selic Rate, credit volumes and exchange rate variation. The **financial margin on interest-earning assets** in 1H2022 decreased by 1.03 p.p. over 1H2021, and in the comparison between 2Q2022 and 1Q2022, this indicator reduced by 0.21 p.p.

**Expenses with provision for credit losses** totaled R$448.7 million in 1H2022, up by 29.1% or R$101.2 million from 1H2021, mainly due to the rolling over of the loan portfolio according to the credit rating levels and the increase in loan transactions. In 2Q2022, these expenses totaled R$202.3 million, down by 17.9% or R$44.2 million from 1Q2022, mainly due to the rolling over of the loan portfolio according to the credit rating levels.

**Income from Services Rendered and Bank Fees** in 1H2022 grew by 5.2% against 1H2021, reflecting mainly the increase in revenues from Banrisul Cartões, which was offset by the reduction in fees for Sales Polls Groups management, credit cards, checking account and insurance brokerage. In the comparison between 2Q2022 and 1Q2022, these revenues increased by 5.3% given the higher revenues from Banrisul Cartões.

**Breakdown of Income from Services Rendered and Bank Fees - R$ Million**

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q22/2Q21 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| Banrisul Cartões | 357.7 | 286.6 | 187.6 | 170.1 | 146.6 | 24.8% | 28.0% | 10.2% |
| Insurance Commissions | 124.5 | 130.0 | 64.7 | 59.8 | 66.3 | -4.2% | -2.4% | 8.1% |
| Current Account Fees | 288.1 | 290.3 | 149.7 | 138.4 | 143.3 | -0.8% | 4.4% | 8.1% |
| Sales Polls Group Management Fees | 45.2 | 53.3 | 17.0 | 28.2 | 27.6 | -15.2% | -38.5% | -39.7% |
| Other Revenues (1) | 195.5 | 200.6 | 99.7 | 95.8 | 98.5 | -2.6% | 1.2% | 4.1% |
| **Total** | **1,010.9** | **960.8** | **518.6** | **492.3** | **482.3** | **5.2%** | **7.5%** | **5.3%** |

(1) Includes mainly debit account income, collection services, check transactions, check returns, brokerage operations, credit card, fund management, collection and custody services.

**Administrative expenses**, comprised by personnel expenses and other administrative expenses, increased by 6.9% in 1H2022 over 1H2021. In the comparison between 2Q2022 and 1Q2022, administrative expenses increased by 7.3%. In the comparison between 1H2022 and 1H2021, personnel expenses increased by 4.9%, reflecting the collective salary agreement, the extinction of the variable compensation model, which was in force and accounted under personnel expenses until the end of 2021, and the implementation of a profit sharing program. Other administrative expenses increased by 9.1%, mainly influenced by the growth in expenses with specialized technical services, third-party services, data processing, surveillance, security and transportation of values services, and rentals and condominiums. In the comparison between 2Q2022 and 1Q2022, personnel expenses increased by 7.8%, reflected by the effects from vacations, and other administrative expenses increased by 6.7%, mainly due to the rise in expenses with specialized technical services and third-party services.

**Breakdown of Administrative Expenses - R$ Million**

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/ 2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| **Personnel Expenses** | **957.7** | **912.9** | **496.9** | **460.8** | **453.9** | **4.9%** | **9.5%** | **7.8%** |
| Amortization and Depreciation | 123.3 | 119.5 | 61.4 | 61.9 | 59.7 | 3.1% | 2.8% | -0.7% |
| Rentals and Condominiums | 75.2 | 68.8 | 38.1 | 37.1 | 35.7 | 9.2% | 6.5% | 2.6% |
| Data Processing | 75.1 | 66.1 | 35.4 | 39.7 | 35.2 | 13.5% | 0.7% | -10.8% |
| Promotions and Advertising | 55.8 | 50.8 | 29.2 | 26.7 | 24.6 | 10.0% | 18.6% | 9.3% |
| Third-Party Services | 290.7 | 275.2 | 153.2 | 137.5 | 142.9 | 5.7% | 7.2% | 11.5% |
| Specialized Technical Services | 87.6 | 61.9 | 51.7 | 35.9 | 34.9 | 41.5% | 48.1% | 44.2% |
| Surveillance, Security and Transportation of Values | 67.9 | 61.0 | 34.4 | 33.4 | 30.8 | 11.2% | 11.8% | 3.0% |
| Other (1) | 146.8 | 142.0 | 72.6 | 74.2 | 70.7 | 3.4% | 2.6% | -2.1% |
| **Other Administrative Expenses** | **922.2** | **845.3** | **476.0** | **446.2** | **434.6** | **9.1%** | **9.5%** | **6.7%** |
| **Total** | **1,880.0** | **1,758.2** | **972.9** | **907.1** | **888.5** | **6.9%** | **9.5%** | **7.3%** |

(1) Includes mainly water, energy and gas, communications, materials, maintenance and conservation of goods and services of the financial system.

**The adjusted efficiency ratio** reached 63.3% in the last twelve months, as of June 2022, against 54.0% in the same period until June 2021, reflecting the 10.3% reduction in financial margin, the 30.8% growth in other adjusted operating expenses, net of other income, and the 3.5% increase in services and banking fees against the 6.1% increase in adjusted administrative expenses.

## Operational Highlights

**Total assets** reached R$109,657.1 million in June 2022, up by 11.8% over June 2021, by 4.9% compared to December 2021, and by 5.3% over March 2022. The main components of assets and liabilities will be discussed below.

**Treasury investments** (securities - TVM, derivative financial instruments, interbank liquidity investments and cash and cash equivalents) totaled R$46,921.8 million in June 2022, and minus repo operations, treasury investments were down by 16.5% or R$6,207.9 million over June 2021, mainly due to the directing of funds for the 21.7% increase in the loan portfolio, compliance with the compulsory deposits required by the Central Bank, settlement of the international fundraising carried out in 2012, and a 5.6% increase in deposits. In relation to December 2021, these investments fell by 12.2% or R$4,381.1 million, reflecting mainly the 8.6% increase in loans operations, the settlement of external funding carried out in 2012, the increase in financial and development funds, funds in bills and derivative financial instruments, as well as the relative stability in deposits. Compared to March 2022, treasury investments grew by 1.3% or R$405.1 million, mainly resulting from the increase in deposits, financial and development funds, and funds in bills in a scenario with a 5.2% increase in loan transactions.

The **loan portfolio** reached R$44,585.5 million in June 2022, up by 21.7% or R$7,945.3 million from June 2021, up by 8.6% or R$3,543.5 million against December 2021, and up by 5.2% or R$2,207.0 million from March 2022, a trajectory that was mainly influenced by the expansion in commercial, rural, and real estate loans.

### STATEMENT OF THE LOAN PORTFOLIO - R$ MILLION

| | Jun 2022 | Total Credit (%) | Mar 2022 | Dec 2021 | Jun 2021 | Jun 2022/ Jun 2021 | Jun 2022/ Dec 2021 | Jun 2022/ Mar 2022 |
|---|---|---|---|---|---|---|---|---|
| Foreign Exchange | 1,029.1 | 2.3% | 860.9 | 814.5 | 518.7 | 98.4% | 26.4% | 19.5% |
| Commercial | 32,540.6 | 73.0% | 31,247.9 | 30,345.5 | 28,059.4 | 16.0% | 7.2% | 4.1% |
| Individuals | 24,674.0 | 55.3% | 23,704.2 | 23,129.0 | 21,861.8 | 12.9% | 6.7% | 4.1% |
| Payroll Loans (1) | 19,715.6 | 44.2% | 18,881.7 | 18,443.1 | 17,148.4 | 15.0% | 6.9% | 4.4% |
| Other | 4,958.4 | 11.1% | 4,822.5 | 4,685.9 | 4,713.3 | 5.2% | 5.8% | 2.8% |
| Companies | 7,866.6 | 17.7% | 7,543.7 | 7,216.4 | 6,197.6 | 26.9% | 9.0% | 4.3% |
| Working Capital | 5,948.4 | 13.4% | 5,709.8 | 5,480.5 | 4,563.7 | 30.3% | 8.5% | 4.2% |
| Other | 1,918.2 | 4.3% | 1,833.9 | 1,736.0 | 1,633.8 | 17.4% | 10.5% | 4.6% |
| Long-Term Financing | 644.5 | 1.4% | 578.4 | 610.3 | 506.9 | 27.2% | 5.6% | 11.4% |
| Real Estate Loans | 4,831.9 | 10.8% | 4,575.2 | 4,319.8 | 4,077.6 | 18.5% | 11.9% | 5.6% |
| Rural Loans | 5,422.6 | 12.2% | 5,001.4 | 4,836.7 | 3,361.0 | 61.3% | 12.1% | 8.4% |
| Other (2) | 116.7 | 0.3% | 114.7 | 115.1 | 116.5 | 0.1% | 1.4% | 1.7% |
| **Total** | **44,585.5** | **100.0%** | **42,378.5** | **41,042.0** | **36,640.1** | **21.7%** | **8.6%** | **5.2%** |

(1) Includes credits linked to portfolio acquired in assignment.
(2) Includes leasing, long term and public sector.

### COMPOSITION OF CREDIT VOLUMES GRANTED - R$ MILLION

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/ 2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| Commercial (1) | 17,549.7 | 15,943.7 | 9,118.0 | 8,431.7 | 8,760.8 | 10.1% | 4.1% | 8.1% |
| Real Estate Loans | 953.5 | 443.7 | 498.7 | 454.8 | 225.4 | 114.9% | 121.2% | 9.7% |
| Rural Loans | 1,965.6 | 1,229.9 | 1,276.3 | 689.4 | 701.6 | 59.8% | 81.9% | 85.1% |
| Other (2) | 1,174.2 | 572.2 | 736.7 | 437.5 | 273.9 | 105.2% | 168.9% | 68.4% |
| **Total** | **21,643.1** | **18,189.5** | **11,629.7** | **10,013.4** | **9,961.8** | **19.0%** | **16.7%** | **16.1%** |

(1) The volume granted does not include amounts to be billed/debited from credit and debit cards.
(2) Includes leasing, long-term financing and foreign exchange.

The **90-day delinquency rate** reached 1.78% in June 2022, down by 0.45 p.p. in twelve months, by 0.29 p.p. in six months, and by 0.17 p.p. in three months. The balance of credit operations overdue for more than 90 days decreased by 2.5% in twelve months, 6.4% in six months, and 4.0% in three months. **The 90-day coverage ratio** of June 2022, at 319.7%, fell compared to June 2021, reflecting mainly a proportionately higher growth in provision for credit losses in view of the decrease in overdue loans. In comparison with December 2021 and March 2022, this indicator increased, reflecting a reduction in overdue credit operations in a higher proportion than the reduction in the provision for credit losses. The balance of provisions for credit losses decreased by 4.9% in twelve months, 3.3% in six months, and 2.6% in three months, reflecting, in all comparison periods, the rolling over of the portfolio according to rating levels in a scenario with a growing balance of credit operations.

### LOAN QUALITY INDICATORS (%)

| | Jun 2022 | Mar 2022 | Dec 2021 | Jun 2021 |
|---|---|---|---|---|
| Loan Portfolio Normal Risk / Total Credit | 92.2% | 91.6% | 91.6% | 90.0% |
| Loan Portfolio Risks 1 and 2 / Total Credit | 7.8% | 8.4% | 8.4% | 10.0% |
| Default Rate > 90 Days | 1.78% | 1.95% | 2.07% | 2.23% |
| Cover Ratio > 90 Days (1) | 319.7% | 315.3% | 309.7% | 327.8% |
| Provisioning Ratio (2) | 5.7% | 6.2% | 6.4% | 7.3% |

(1) Provisions for Expected Credit Loss / Past Due Loans > 90 days.
(2) Provisions for Expected Credit Loss / Loan portfolio.

**Funds raised and managed**, consisting of deposits, proceeds from bank notes, subordinated debt, and managed third-party funds, reached R$83,850.2 million in June 2022, up by 6.0% or R$4,729.1 million in twelve months, mainly influenced by the rise in deposits and managed funds, offset by the decrease in subordinated debt with the settlement of the obligation carried out in 2012 due to its maturity. Compared to December 2021, funds raised and managed declined by 1.2% or R$1,049.8 million, mainly influenced by the reduction in subordinated debt with the settlement of the obligation that was carried out in 2012, which was offset by the increase in the volume of managed funds. In the last three months, funds raised and managed grew by 3.7% or R$2,993.3 million, mainly influenced by higher deposits and rise in funds under management.

### FUNDS RAISED AND UNDER MANAGEMENT - R$ MILLION

| | Jun 2022 | Mar 2022 | Dec 2021 | Jun 2021 | Jun 2022/ Jun 2021 | Jun 2022/ Dec 2021 | Jun 2022/ Mar 2022 |
|---|---|---|---|---|---|---|---|
| Total Deposits | 64,625.0 | 62,893.9 | 64,277.4 | 61,180.0 | 5.6% | 0.5% | 2.8% |
| Proceeds from Bank Notes (1) | 2,193.8 | 1,835.6 | 1,738.0 | 1,742.5 | 25.9% | 26.2% | 19.5% |
| Subordinated Debt (2) | 1,252.5 | 1,203.3 | 4,689.8 | 2,805.7 | -55.4% | -73.3% | 4.1% |
| **Total Funds Raised** | **68,071.3** | **65,932.8** | **70,705.2** | **65,728.3** | **3.6%** | **-3.7%** | **3.2%** |
| Assets Managed | 15,778.9 | 14,924.1 | 14,194.8 | 13,392.8 | 17.8% | 11.2% | 5.7% |
| **Total Funds Raised and Managed** | **83,850.2** | **80,856.9** | **84,900.0** | **79,121.1** | **6.0%** | **-1.2%** | **3.7%** |

(1) Bank notes, and real estate and agribusiness letters of credit.
(2) In June 2021, the balance did not include R$1,582.0 million from the external funding carried out in January 2021, whose subordination was authorized by the Central Bank of Brazil in October 2021. In February 2022, the foreign funding carried out in January 2012 was settled.

**Shareholders' Equity** reached R$8,970.4 million in June 2022, up by 3.7% or R$316.0 million against June 2021, mainly due to the recognition of results, payments of interest on equity, distribution of dividends and/or provisions of dividends, and the re-measuring of actuarial liabilities of post-employment benefits (according to the application of the accounting rules provided for in CPC 33 - R1), as well as FX variation adjustments and the reclassification of FX variations with the write-offs of foreign equity investments. Compared to December 2021 and March 2022, equity was relatively stable given the recognition of results, payments of interest on equity and the re-measuring of actuarial liabilities, as well as FX variation adjustments and the reclassification of FX variations with the write-offs of foreign equity investments.

In terms of **own taxes and contributions**, Banrisul collected and provisioned R$192.4 million in 1H2022. Withheld and transferred taxes, levied directly on financial intermediation and other payments, totaled R$530.1 million in the period.

# Guidance

After the first half of the year, we present below the review of the Guidance for 2022.

Assumptions for the growth of total credit were maintained, with an increase in the expected growth of the rural loan portfolio, driven by greater dynamism in the sector and by the launch of the Crop Plan, which exceeded initial expectations, and adjustment in the growth of the commercial loan portfolio of the legal entity, but still at an accelerated pace. The expected variations in the allowance for loan losses expenses in relation to the balance of the loan portfolio were reduced, demonstrating a continuous improvement in the quality of credit assets and the maintenance of delinquency at historic low levels.

The financial margin was adjusted to a lower range given the continuity of the monetary tightening cycle in the economy for a longer period than expected. Thus, the continuous increases in the Selic rate continue to pressure funding costs more intensely than what is seen in the recomposition of interest income, thus reducing the speed of growth of the financial margin. It should be noted that the average rates of the portfolio stock are already converging towards the new interest levels, and that, with the end of the monetary contraction cycle and the consequent stabilization in the cost of funding, the growth of the financial margin tends to intensify.

The other growth and indicators disclosed in the Guidance are maintained.

**GUIDANCE BANRISUL**

| | 2022 | |
|---|---|---|
| | **Projected** [3] | **Reviewed** |
| Loan portfolio | 24% to 29% | Sustained |
| Non-direct Lending – Individuals | 19% to 24% | Sustained |
| Non-direct Lending – Companies | 33% to 38% | 28% to 33% |
| Agricultural Loans | 35% to 40% | 45% to 50% |
| Net interest income | 4.5% a 8.5% | 1% to 5% |
| Provision Expenses / Loan portfolio | 2% to 3% | 1.5% to 2.5% |
| Funding [1] | 8% to 12% | Sustained |
| Administrative Expenses [2] | 4% to 8% | Sustained |
| Return on Average Equity | 9% to 13% | Sustained |

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

The expected information and the Company's expectations. The words “anticipates”, “wants”, “expects”, “anticipates”, intends to “plans”, “predicts”, “projects”, “aims” and the like identify that, mainly, they involve known and unknown risks. Other services, competition competition and price competition are not competitors, competition for services, competition for services, transactions for services, competition rules and their service contracts, competition rules and currency competition, risk changes in the mix of services specific and market-defined risks. in the Company's reports. This Guidance is up to date with current data and Banrisul may or may not update it upon new and/or future events.

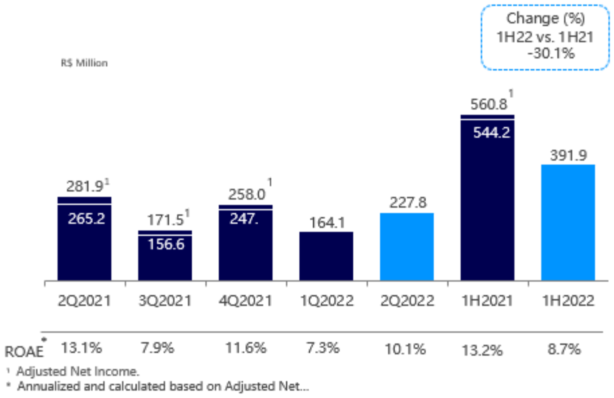
Porto Alegre, August 10, 2022.

# ANALYSIS OF PERFORMANCE

We present the Performance Analysis of Banco do Estado do Rio Grande do Sul S.A. for the first half and second quarter of 2022.

## Net Income

Net income reached R$391.9 million in 1H2022, decreasing by 30.1% or R$168.9 million compared to the adjusted net income in 1H2021, mainly due to (i) a reduction of R$219.6 million in financial margin, (ii) an increase of R$149.9 million in other operating expenses, net of other income, (iii) higher administrative expenses, in the amount of R$121.8 million, (iv) higher expenses with provision for credit losses, of R$101.2 million, (v) a R$50.1 million increase in income from services and banking fees, and (vi) lower income taxes, by R$391.9 million. Net income totaled R$227.8 million in 2Q2022, decreasing 19.2% or R$54.1 million compared to the adjusted net income in 2Q2021, mainly due to (i) a R$134.1 million reduction in financial margin, (ii) an increase in other operating expenses, net of other income, by R$128.9 million, (iii) higher administrative expenses, by R$84.4 million, (iv) a R$36.3 million increase in Income from Services Rendered and Bank Fees, and (vi) lower income taxes, by R$257.1 million. Compared to 1Q2022, net income in 2Q2022 increased by 38.8% or R$63.7 million, reflecting especially: (i) lower expenses with provision for credit losses, by R$44.2 million, (ii) a R$65.8 million increase in administrative expenses, (iii) an increase in other operating expenses, net of other income, of R$53.9 million, (iv) a relatively stable financial margin, and (v) lower income taxes, by R$129.9 million.




## Analytical Financial Margin

The analytical financial 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. 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. As for expenses linked to these accounts, those related to deposits include expenses resulting from contributions made to the Credit Guarantee Fund - FGC.

Margin on interest-earning assets reduced by 1.0 p.p. compared to 1H2021, reaching 4.8% in 1H2022. The average interest-earning assets increased by 10.7% and onerous liabilities increased by 11.2%.

The exchange variation, especially as a result of loan transactions (foreign exchange and foreign currency financing), derivative financial instruments, subordinated debt, international transfers, and the increase in the Selic Rate 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 referenced, the structure of assets and liabilities, as well as the agreed-upon terms and interest, are determining factors when calculating the margin in every reporting period.

As for the structure, among the interest-earning assets, we highlight the following: a)securities transactions, accounting for 46.5% of these assets, reduced by 1.9 p.p. in the half-yearly comparison; and b) loan transactions, accounting for 42.3% of these assets, increased by 1.9 p.p. between the periods of 1H2022 and 1H2021. In relation to onerous liabilities, we highlight the following: a) time deposits, accounting for 57.2% of these liabilities in 1H2022, decreased by 3.9 p.p. from 1H2021; b) open market funding, accounting for 16.5% of onerous liabilities, increased by 7.3 p.p. in the period; and c) savings deposits, accounting for 14.0% of onerous liabilities, decreased by 1.0 p.p. in the half-yearly comparison.

**ANALYTICAL FINANCIAL MARGIN - R$ MILLION AND %**

| | 1H2022 | | | 1H2021 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Average Balance | Income/ Expense | Average Rate | Average Balance | Income/ Expense | Average Rate | Average Balance | Income/ Expense | Average Rate | Average Balance | Income/ Expense | Average Rate |
| **Interest-Earning Assets** | **93,483.8** | **5,713.7** | **6.11%** | **84,447.1** | **3,231.6** | **3.83%** | **87,482.6** | **8,212.2** | **9.39%** | **76,228.3** | **8,233.2** | **10.80%** |
| Loan Transactions (1) | 39,506.4 | 3,457.1 | 8.75% | 34,089.7 | 2,754.7 | 8.08% | 34,901.2 | 5,808.2 | 16.64% | 33,186.0 | 6,311.3 | 19.02% |
| Securities (2) | 43,443.7 | 2,329.6 | 5.36% | 40,886.7 | 548.2 | 1.34% | 42,795.3 | 1,941.0 | 4.54% | 32,854.9 | 836.0 | 2.54% |
| Derivative Financial Instruments | 120.3 | (578.3) | -480.82% | 886.7 | (197.9) | -22.31% | 852.0 | 63.0 | 7.39% | 814.7 | 782.8 | 96.09% |
| Compulsory Deposits | 9,199.8 | 468.0 | 5.09% | 7,434.2 | 95.7 | 1.29% | 7,768.8 | 338.1 | 4.35% | 8,268.3 | 241.8 | 2.92% |
| Other | 1,213.6 | 37.3 | 3.08% | 1,149.9 | 31.0 | 2.69% | 1,165.2 | 62.0 | 5.32% | 1,104.4 | 61.4 | 5.56% |
| **Non-Interest-Earning Assets** | **12,522.9** | **-** | **-** | **11,460.5** | **-** | **-** | **11,627.4** | **-** | **-** | **10,642.8** | **-** | **-** |
| **Total Assets** | **106,006.7** | **5,713.7** | **5.39%** | **95,907.6** | **3,231.6** | **3.37%** | **99,110.0** | **8,212.2** | **8.29%** | **86,871.2** | **8,233.2** | **9.48%** |
| **Onerous Liabilities** | **82,791.6** | **(3,476.8)** | **4.20%** | **74,425.0** | **(775.1)** | **1.04%** | **77,073.1** | **(3,366.6)** | **4.37%** | **67,116.5** | **(2,970.4)** | **4.43%** |
| Interbank Deposits | 635.6 | (10.5) | 1.64% | 1,081.9 | (4.6) | 0.42% | 1,195.8 | (19.4) | 1.62% | 1,098.6 | (23.9) | 2.18% |
| Savings Deposits | 11,556.2 | (401.1) | 3.47% | 11,173.1 | (138.6) | 1.24% | 11,334.9 | (389.3) | 3.43% | 10,256.6 | (285.5) | 2.78% |
| Time Deposits | 47,338.6 | (2,240.1) | 4.73% | 45,474.6 | (543.4) | 1.19% | 46,000.6 | (1,836.0) | 3.99% | 42,571.5 | (1,090.4) | 2.56% |
| Open Market Funding | 13,669.0 | (769.4) | 5.63% | 6,845.3 | (104.2) | 1.52% | 8,278.5 | (429.4) | 5.19% | 4,046.1 | (121.9) | 3.01% |
| Proceeds from Bank Notes (3) | 1,889.5 | (95.5) | 5.05% | 2,034.8 | (24.5) | 1.20% | 1,847.8 | (72.9) | 3.95% | 3,040.1 | (87.1) | 2.86% |
| Subordinated Debt (4) | 2,185.0 | 417.6 | -19.11% | 4,399.2 | 92.0 | -2.09% | 4,487.5 | (377.1) | 8.40% | 2,949.3 | (885.7) | 30.03% |
| Obligations arising from Domestic Loans and Transfers | 1,379.4 | (28.9) | 2.09% | 1,420.9 | (24.9) | 1.75% | 1,397.1 | (50.4) | 3.60% | 1,492.2 | (55.9) | 3.74% |
| Obligations arising from International Loans and Transfers | 1,047.1 | (140.4) | 13.40% | 402.9 | (5.6) | 1.39% | 557.9 | (91.2) | 16.35% | 701.2 | (387.0) | 55.19% |
| Financial and Development Funds | 3,091.1 | (208.7) | 6.75% | 1,592.2 | (21.3) | 1.34% | 1,973.1 | (100.8) | 5.11% | 960.9 | (33.1) | 3.44% |
| **Non-Interest Bearing Liabilities** | **14,158.4** | **-** | **-** | **12,906.5** | **-** | **-** | **13,336.8** | **-** | **-** | **11,578.1** | **-** | **-** |
| **Shareholders' Equity** | **9,056.7** | **-** | **-** | **8,576.2** | **-** | **-** | **8,700.0** | **-** | **-** | **8,176.5** | **-** | **-** |
| **Liabilities and Shareholders' Equity** | **106,006.7** | **(3,476.8)** | **3.28%** | **95,907.6** | **(775.1)** | **0.81%** | **99,110.0** | **(3,366.6)** | **3.40%** | **86,871.2** | **(2,970.4)** | **3.42%** |
| **Spread** | | | **2.11%** | | | **2.56%** | | | **4.89%** | | | **6.06%** |
| **Financial Margin** | | **2,236.9** | **2.39%** | | **2,456.5** | **2.91%** | | **4,845.6** | **5.54%** | | **5,262.8** | **6.90%** |
| **Annualized Financial Margin** | | | **4.79%** | | | **5.82%** | | | **5.54%** | | | **6.90%** |

(1) Includes advances on foreign exchange contracts, leasing operations and other credits with credit granting characteristics. The leasing operations are demonstrated by the net present value of lease agreements.
(2) Includes interbank investments.
(3) Includes bank notes, real estate letters of credit, and agribusiness letters of credit.
(4) Includes the international fundraising carried out in January 2021, and in the earnings release for 1H2021 this reporting was adjusted for comparison purposes. In the earnings release for 1H2021, this fundraising was reported in the Obligations arising from International Loans and Transfers line, as we were waiting for the Bacen to approve the tier II capital, which occurred in October 2021.

## Variations in Interest Income and Expenses: Volume and Rates

The financial margin in 1H2022, in the amount of R$2,236.9 million, declined by 8.9% or R$219.6 million over 1H2021, reflecting the increase in interest expenses, which had a substantially higher volume than the rise in interest income. This growth in expenses was mainly due to the higher rates of onerous liabilities, impacted by the rise in the effective Selic Rate, which increased from 1.27% in 1H2021 to 5.42% in 1H2022. The growth in revenues was mainly related to the higher average rates of interest-earning assets, affecting treasury investments in particular, and also directly influenced by the rise in the Selic Rate and a higher volume of credit operations.

Variations in volume and interest rates were calculated based on the average balances in the period and the variations in the average interest rates, including exchange variation, on interest-earning assets and onerous liabilities. Variation of interest rate was calculated by the variation on interest rate in the period multiplied by the average interest-earning assets or average onerous liabilities in the second period. The change in volume was computed as the difference between the interest amounts from the current period to the previous one.

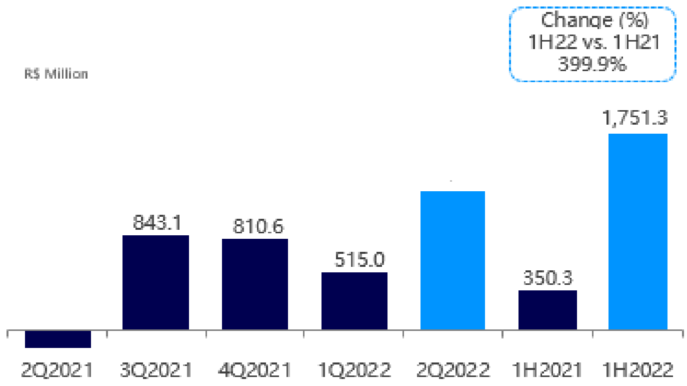
The following table presents the allocation of variations in interest income and expenses by the change in average volume of interesting-earning assets and interesting-bearing liabilities and the variation in the average interest rate over these assets and liabilities, comparing (i) 1H2022 vs. 1H2021, and (ii) 2021 vs. 2020.

**VARIATIONS IN INTEREST INCOME AND EXPENSES: VOLUME AND RATES - R$ MILLION**

| | 1H2022/1H2021 | | | 2021/2020 | | |
|---|---|---|---|---|---|---|
| | 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 | 461.5 | 240.9 | 702.4 | 314.3 | (817.4) | (503.1) |
| Securities | 36.4 | 1,745.0 | 1,781.4 | 308.1 | 796.9 | 1,105.0 |
| Derivative Financial Instruments (1) | 312.9 | (693.3) | (380.4) | 34.3 | (754.1) | (719.8) |
| Compulsory Deposits | 27.7 | 344.6 | 372.3 | (13.6) | 109.9 | 96.3 |
| Other | 1.8 | 4.6 | 6.4 | 2.7 | (2.1) | 0.6 |
| **Total (a)** | **840.3** | **1,641.8** | **2,482.1** | **645.9** | **(666.9)** | **(21.0)** |
| **Onerous Liabilities** | | | | | | |
| Interbank Deposits | 1.0 | (6.8) | (5.9) | (2.0) | 6.5 | 4.5 |
| Savings Deposits | (4.9) | (257.5) | (262.4) | (32.2) | (71.6) | (103.8) |
| Time Deposits | (23.2) | (1,673.5) | (1,696.6) | (94.0) | (651.7) | (745.7) |
| Open Market Funding | (179.5) | (485.7) | (665.2) | (181.9) | (125.6) | (307.5) |
| Proceeds from Bank Notes | 1.6 | (72.6) | (71.0) | 40.7 | (26.6) | 14.2 |
| Subordinated Debt (1) | (68.3) | 393.8 | 325.5 | (322.2) | 830.8 | 508.6 |
| Obligations arising from Domestic Loans and Transfers | 0.7 | (4.7) | (4.0) | 3.2 | 2.3 | 5.5 |
| Obligations arising from International Loans and Transfers | (21.1) | (113.6) | (134.7) | 101.8 | 194.0 | 295.8 |
| Financial and Development Funds | (35.4) | (152.0) | (187.4) | (46.4) | (21.3) | (67.7) |
| **Total (b)** | **(329.1)** | **(2,372.6)** | **(2,701.7)** | **(532.9)** | **136.8** | **(396.1)** |
| **Financial Margin (a + b)** | **511.2** | **(730.8)** | **(219.6)** | **113.0** | **(530.1)** | **(417.1)** |

(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.

## Treasury Results




Results from treasury investments (income from securities plus results from derivative financial instruments) increased R$1,401.0 million in 1H2022 over 1H2021, influenced by the R$1,781.4 million growth in securities, as a result of the rise in the Selic Rate, and was offset by a R$380.4 million reduction in derivative financial instruments given the exchange rate variation and mark-to-market in the period.

In the comparison between 2Q2022 and 2Q2021, results from treasury investments increased R$1,381.0 million, mainly due to the increase in securities, by R$913.0 million, arising from the rise in the Selic Rate, and a positive evolution in derivative financial instruments, by R$468.0 million given the exchange variation and mark-to-market in the period. In relation to 1Q2022, results from treasury investments in 2Q2022 increased R$721.3 million, mainly due to the favorable trajectory of derivative financial instruments, in the amount of R$536.6 million, given the exchange rate variation and mark-to-market in the period.

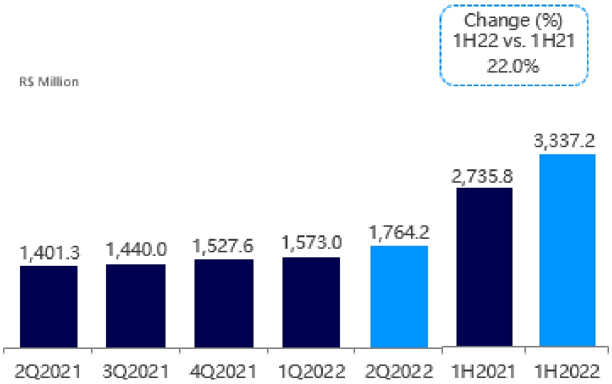
## Income from Compulsory Investments

Income from compulsory investments in 1H2022 amounted to R$505.3 million, up by R$378.7 million against 1H2021. In the comparison between 2Q2022 and 2Q2021, income from compulsory investments totaled R$276.8 million, increasing by R$203.8 million. The growth in both comparison periods was mainly due to the increase in income from credits linked to time deposits, by 76.7% and 76.0%, respectively, of the increase in compulsory investments, especially due to the rise in the Selic Rate and the increase in the balance of compulsory deposits on time deposits.

In comparison to 1Q2022, income from compulsory investments in 2Q2022 increased R$48.4 million, of which 71.1% was from income from credits linked to time deposits, especially due to the rise in the Selic Rate.

## Income from Loan Transactions

In 1H2022, income from loan transactions, which includes income from leasing and other credits, increased by 22.0% or R$601.4 million over 1H2021, and in the comparison between 2Q2022 and 2Q2021, income from loan transactions increased by 25.9% or R$362.9 million. The growth in both comparison periods was mainly influenced by the increase in income from commercial and rural loans resulting from a higher balance and increase in rates.




In relation to 1Q2022, income from loan transactions increased by 12.2% or R$191.3 million, mainly due to higher volumes in commercial loans, long-term loans, mainly in foreign currency, and higher income from the recovery of credit written off as loss.

### Income from Commercial Loans - Individuals and Companies

Income from commercial loans increased by 18.1% or R$411.0 million in 1H2022 over 1H2021, of which 66.2% originated from companies. In the comparison between 2Q2022 and 2Q2021, income from commercial loans increased by 21.8% or R$248.1 million, of which 60.6% originated form companies and, in relation to 1Q2022, income from commercial loans increased by 7.7% or R$99.8 million, of which 56.6% originated from individual loans.

Income from commercial loans for individuals, which accounted for 77.2% of the total income from commercial loans in 1H2022, increased by 7.2% or R$139.1 million over 1H2021, and in the comparison between 2Q2022 and 2Q2021, income from commercial loans for individuals increased by 10.1% or R$97.7 million, mainly influenced by the rise in income from Payroll Loans, which was especially driven by a higher balance. In relation to 1Q2022, income from commercial loans for individuals increased by 5.6% or R$56.5 million, mainly influenced by the rise in Payroll Loans, which was driven by a higher balance and higher average rates for this product.

Income from commercial loans for companies accounted for 22.8% of total commercial loans in 1H2022, and increased by 80.3% or R$271.9 million over 1H2021. In the quarterly comparison, income from commercial loans for companies in 2Q2022 also increased significantly, by 85.2% or R$150.4 million over 2Q2021, and was 15.2% or R$43.3 million higher than in 1Q2022. This increase was especially due to higher income from the working capital line, as a result of a higher balance and higher average rates for this product, in line with the rise in the Selic Rate.

**INCOME FROM COMMERCIAL LOANS - INDIVIDUALS AND COMPANIES - R$ MILLION**

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/ 2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| **Individuals** | **2,065.4** | **1,926.3** | **1,061.0** | **1,004.4** | **963.3** | **7.2%** | **10.1%** | **5.6%** |
| Consumer Loans (Non-Deductible) | 22.9 | 6.1 | 12.6 | 10.3 | 3.3 | 275.3% | 278.3% | 22.6% |
| Credit Card (1) | 105.4 | 85.2 | 54.0 | 51.3 | 43.8 | 23.7% | 23.5% | 5.2% |
| Overdraft | 219.1 | 203.5 | 109.6 | 109.5 | 103.3 | 7.7% | 6.1% | 0.1% |
| Payroll Loans | 1,457.4 | 1,349.2 | 750.1 | 707.3 | 674.5 | 8.0% | 11.2% | 6.1% |
| Personal Loans (Non-Deductible) | 198.1 | 219.9 | 102.3 | 95.8 | 107.3 | -9.9% | -4.7% | 6.7% |
| Other | 62.5 | 62.4 | 32.3 | 30.2 | 31.0 | 0.2% | 4.1% | 7.1% |
| **Companies** | **610.7** | **338.8** | **327.0** | **283.7** | **176.5** | **80.3%** | **85.2%** | **15.2%** |
| Acquisition of Goods | 19.2 | 6.0 | 10.9 | 8.4 | 3.1 | 222.0% | 249.7% | 30.0% |
| Credit Card (1) | 3.9 | 3.5 | 2.0 | 2.0 | 1.8 | 12.4% | 11.6% | 1.5% |
| Working Capital | 434.4 | 195.7 | 233.0 | 201.4 | 106.4 | 122.0% | 119.0% | 15.7% |
| Debtor Accounts | 99.4 | 90.3 | 50.9 | 48.6 | 44.6 | 10.0% | 14.1% | 4.8% |
| Foreign Credit | 1.8 | 1.3 | 0.9 | 0.9 | 0.5 | 34.9% | 76.7% | -2.0% |
| Other | 51.9 | 42.0 | 29.3 | 22.6 | 20.1 | 23.7% | 45.8% | 30.0% |
| **Total** | **2,676.1** | **2,265.1** | **1,387.9** | **1,288.2** | **1,139.8** | **18.1%** | **21.8%** | **7.7%** |

(1) Refers to revolving credit card.

The average monthly rates of commercial loans increased in 1H2022 over 1H2021, as well as in the quarterly comparisons, with emphasis on the rise in average monthly rates for products in the Companies commercial loans portfolio.

The average monthly rates for working capital lines, the main product of the portfolio of commercial loans for companies, increased in all comparative periods. The average monthly rates of commercial loans for companies were mainly influenced by the performance of the basic interest rate and the credit market competition.

Rates for Payroll Loans, the main product of the commercial loans for individuals portfolio, had lower monthly averages in the comparison period between 1H2022 and 1H2021 and 2Q2022 and 2Q2021. In relation to the previous quarter, the average monthly rate for Payroll Loans increased, a trajectory that has occurred for most of the products of the commercial loans for individuals portfolio in all comparison periods. The average monthly rates of the commercial loans for the individuals portfolio were affected by the inventory of fixed transactions and the market competition.

**Average Monthly Rates of Commercial Loans - Individuals and Companies (% and p.p.)**

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/ 2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| **Individuals** | **1.67%** | **1.65%** | **1.68%** | **1.65%** | **1.66%** | **0.02** | **0.02** | **0.03** |
| Consumer Loans (Non-Deductible) | 1.24% | 0.78% | 1.33% | 1.14% | 0.80% | 0.46 | 0.53 | 0.19 |
| Credit Card (1) | 8.24% | 7.41% | 8.37% | 8.10% | 7.53% | 0.83 | 0.84 | 0.27 |
| Overdraft | 7.90% | 7.86% | 7.91% | 7.89% | 7.87% | 0.04 | 0.04 | 0.02 |
| Payroll Loans | 1.34% | 1.36% | 1.35% | 1.33% | 1.36% | (0.02) | (0.01) | 0.02 |
| Payroll Loans (Own) | 1.34% | 1.37% | 1.35% | 1.33% | 1.36% | (0.03) | (0.01) | 0.02 |
| Payroll Loans (Acquired) | 0.84% | 0.86% | 0.84% | 0.84% | 0.84% | (0.02) | - | - |
| Personal Loans (Non-Deductible) | 3.49% | 2.21% | 3.41% | 3.57% | 2.30% | 1.28 | 1.11 | (0.16) |
| Other | 1.31% | 1.39% | 1.35% | 1.27% | 1.40% | (0.08) | (0.05) | 0.08 |
| **Companies** | **1.40%** | **0.93%** | **1.49%** | **1.32%** | **0.94%** | **0.47** | **0.55** | **0.17** |
| Acquisition of Goods | 1.23% | 0.76% | 1.34% | 1.12% | 0.78% | 0.47 | 0.56 | 0.22 |
| Credit Card (1) | 11.96% | 12.17% | 11.90% | 12.01% | 12.06% | (0.21) | (0.16) | (0.11) |
| Working Capital | 1.33% | 0.74% | 1.42% | 1.24% | 0.76% | 0.59 | 0.66 | 0.18 |
| Debtor Accounts | 4.65% | 4.66% | 4.70% | 4.61% | 4.65% | (0.01) | 0.05 | 0.09 |
| Other | 0.65% | 0.54% | 0.70% | 0.59% | 0.53% | 0.11 | 0.17 | 0.11 |
| **Total** | **1.60%** | **1.48%** | **1.63%** | **1.57%** | **1.49%** | **0.12** | **0.14** | **0.06** |

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

## Income from Foreign Exchange Transactions

Income from foreign exchange transactions totaled R$119.9 million in 1H2022, up by R$101.0 million from 1H2021. In 2Q2022, this line reached R$110.2 million, up by R$148.2 million compared to 2Q2021, and R$100.5 million higher than in 1Q2022. The foreign exchange performance reflects the currency appreciation of 6.14%

in 1H2022, against 3.74% in 1H2021, as well as the currency depreciation of 10.56% in 2Q2022, against a currency appreciation of 12.20% in 2Q2021 and 15.10% in 1Q2022. Banrisul's foreign exchange transactions are linked to foreign-currency funding. As a result, the variation in income was proportionally offset by the variation in expenses with obligations arising from foreign-currency loans and transfers.

## Market Funding Transactions

Market funding expenses increased by R$2,408.4 million in 1H2022 over 1H2021, mainly influenced by the higher expenses with deposits and repurchase agreements, both of which were impacted by the rise in the Selic Rate – on which most funding is referenced – and the higher balance. This was offset by the lower results from subordinated debt due to exchange variation, mark-to-market of the obligations, and a lower balance.

In the comparison between 2Q2022 and 2Q2021, market funding expenses increased by R$1,938.4 million, mainly influenced by the higher expenses with deposits, repurchase agreements, and the results from subordinated debt.

Compared to 1Q2022, market funding expenses in 2Q2022 increased by R$889.9 million, mainly influenced by the higher result from subordinated debt, arising from the exchange variation and mark-to-market of the obligations, as well as by the increase in time deposit expenses and repurchase agreements, impacted mainly by the rise in the Selic Rate and a higher balance.

**MARKET FUNDING EXPENSES - R$ MILLION**

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 1Q2022/ 1Q2021 | 1Q2022/ 4Q2021 |
|---|---|---|---|---|---|---|---|---|
| Deposits (1) | 2,642.9 | 686.6 | 1,440.1 | 1,202.8 | 412.5 | 284.9% | 249.1% | 19.7% |
| Repurchase Agreements | 769.4 | 104.2 | 446.6 | 322.8 | 72.9 | 638.3% | 512.7% | 38.4% |
| Proceeds from Bank Notes | 95.5 | 24.5 | 54.2 | 41.3 | 13.9 | 289.6% | 288.5% | 31.0% |
| Subordinated Debt (2) | (417.6) | (133.5) | 49.2 | (466.8) | (447.6) | 212.9% | -111.0% | -110.5% |
| **Total** | **3,090.2** | **681.8** | **1,990.1** | **1,100.2** | **51.7** | **353.2%** | **3,747.4%** | **80.9%** |

(1) Includes expenses related to FGC.
(2) In 1H2021, does not include the international fundraising carried out in January 2021, accounted under loans and transfers expenses, as it was waiting for the approval by Bacen for tier II capital, which occurred in October 2021. In February 2022, the foreign funding carried out in January 2012 was settled.

## Funding Cost

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

The average price of funding reached 2.28% in 2Q2022, higher than in 2Q2021 and 1Q2022, and in line with the trajectory of the Selic Rate. Time deposits and savings deposits were the most relevant items making up costs. The average cost indicator in relation to the Selic Rate reached 78.24% in 2Q2022, down by 7.67 p.p. and 0.57 p.p. over 2Q2021 and 1Q2022, respectively.

The average cost of time deposits – whose balance accounts for 72.8% of the set of items shown in the table below – reached 87.03% of the Selic Rate in 2Q2022, down by 1.09 p.p. over 2Q2021 and stable in relation to 1Q2022.

**FUNDING COST - R$ MILLION AND %**

| | 2Q2022 | | | 1Q2022 | | | 2Q2021 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Average Balance (1) | Accumulated Expense | Average Cost | Average Balance (1) | Accumulated Expense | Average Cost | Average Balance (1) | Accumulated Expense | Average Cost |
| Time Deposits | 47,757.4 | (1,210.3) | 2.53% | 46,841.4 | (992.0) | 2.12% | 45,417.6 | (315.3) | 0.69% |
| Savings Deposits | 11,561.4 | (210.5) | 1.82% | 11,544.0 | (190.6) | 1.65% | 11,245.9 | (77.3) | 0.69% |
| Demand Deposits | 3,762.3 | - | 0.00% | 3,940.9 | - | 0.00% | 3,656.2 | - | 0.00% |
| Interbank Deposits | 510.5 | (0.2) | 0.03% | 729.0 | (1.6) | 0.23% | 842.8 | (1.7) | 0.21% |
| Other Deposits | 17.2 | (0.0) | 0.26% | 18.2 | (0.0) | 0.04% | 15.9 | - | 0.00% |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Bank Notes | 698.1 | (21.3) | 3.05% | 724.4 | (18.3) | 2.53% | 1,003.1 | (8.2) | 0.82% |
| Real Estate Letters of Credit | 726.4 | (18.8) | 2.58% | 725.1 | (15.7) | 2.17% | 818.0 | (5.7) | 0.70% |
| Agribusiness Letters of Credit | 550.4 | (14.2) | 2.57% | 341.1 | (7.3) | 2.14% | - | - | - |
| FGC Contribution Expenses | - | (19.1) | - | - | (18.7) | - | - | (18.1) | - |
| **Total Average Balance/Total Expense** | **65,583.9** | **(1,494.3)** | **2.28%** | **64,864.0** | **(1,244.2)** | **1.92%** | **62,999.5** | **(426.5)** | **0.68%** |
| **Selic Rate** | | | **2.91%** | | | **2.43%** | | | **0.79%** |
| **Average Cost / Selic Rate** | | | **78.24%** | | | **78.81%** | | | **85.91%** |
| **Time Deposit Cost / Selic Rate** | | | **87.03%** | | | **87.02%** | | | **88.12%** |

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

## Loan, Assignment and Transfer Expenses

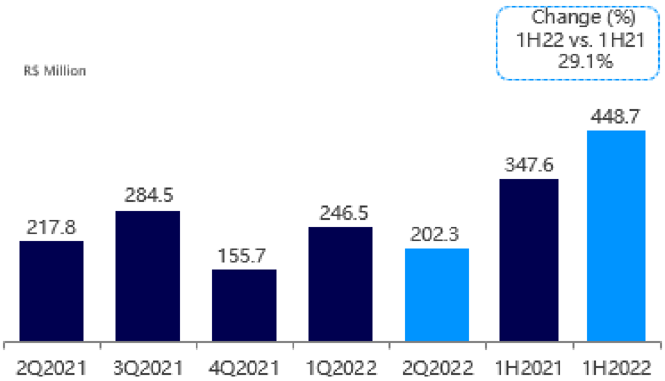
In 1H2022, loan, assignment and transfer expenses increased by R$293.3 million in relation to the expenses in 1H2021, mainly influenced by the rise in reserve fund for court deposits. In the comparison between 2Q2022 and 2Q2021, expenses with loans, assignments and transfers increased by R$291.6 million, influenced by the rise in transfer expenses in foreign currency, which was impacted by the exchange rate variation in the period, and by the growth in expenses with the reserve fund for court deposits. In relation to 1Q2022, expenses with loans, assignments and transfers in 2Q2022 increased by R$178.3 million, mainly influenced by the rise in transfer expenses in foreign currency, impacted by the exchange rate variation in the period.

**LOAN AND TRANSFER EXPENSES - R$ MILLION**

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/ 2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| Reserve Fund for Court Deposits | 208.7 | 21.3 | 125.7 | 83.0 | 13.5 | 878.0% | 833.4% | 51.5% |
| Foreign-Currency Transfer (1) | 140.4 | 47.1 | 137.7 | 2.7 | (34.2) | 198.2% | 502.5% | 5,000.1% |
| Other (2) | 37.5 | 24.9 | 19.1 | 18.5 | 11.6 | 50.8% | 65.0% | 3.4% |
| **Total** | **386.6** | **93.3** | **282.5** | **104.2** | **(9.2)** | **314.4%** | **3,183.2%** | **171.2%** |

(1) In 1H2021, includes the international fundraising of January 2021, expenses reclassified to funding in the open market, after the approval by Bacen for tier II capital, which occurred in October 2021.
(2) Includes, in particular, onlendings from BNDES and FINAME.

## Provision Expenses for Credit Losses




In 1H2022, expenses with provision for credit losses rose by 29.1% or R$101.2 million compared to the expenses in 1H2021, mainly due to the rolling over of the loan portfolio according to the credit rating levels and the increase in loan operations. In the comparison between 2Q2022 and 2Q2021, expenses with provision for credit loss fell by 7.1% or R$15.5 million, and compared to 1Q2022, these expenses fell by 17.9% or R$44.2 million, mainly reflecting, in the quarterly comparisons, the rolling over of the loan portfolio according to the credit rating levels in a scenario with higher credit operations.

## Income from services and banking fees

In 1H2022, income from services and banking fees increased by 5.2% or R$50.1 million from 1H2021, with highlight to the rise in revenues from Banrisul Cartões, which was offset by the reduction in fees for Sales Polls Groups management, credit cards, checking account and commissions from insurance brokerage.

In the comparison between 2Q2022 and 2Q2021, income from services and banking fees increased by 7.5% or R$36.3 million, especially influenced by the rise in revenues from Banrisul Cartões, which was offset by the reduction in Sales Polls Groups management fees.

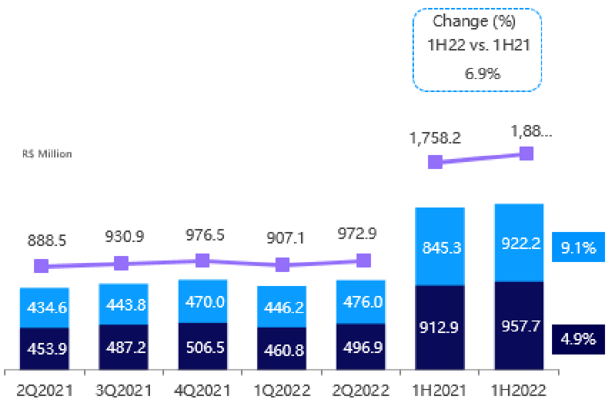
Compared to 1Q2022, income from services and banking fees in 2Q2022 increased by 5.3% or R$26.3 million, mainly due to the higher revenues from Banrisul Cartões.

**BREAKDOWN OF INCOME FROM SERVICES AND BANKING FEES - R$ MILLION**

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| Funds under Management | 39.6 | 33.9 | 20.3 | 19.3 | 17.6 | 16.6% | 15.0% | 5.0% |
| Banrisul Cartões | 357.7 | 286.6 | 187.6 | 170.1 | 146.6 | 24.8% | 28.0% | 10.2% |
| Credit Card | 26.5 | 32.6 | 14.1 | 12.4 | 16.2 | -18.8% | -13.2% | 14.2% |
| Collection and Custody Services | 34.2 | 30.3 | 17.0 | 17.2 | 15.4 | 13.0% | 10.7% | -1.3% |
| Insurance Brokerage Fees | 124.5 | 130.0 | 64.7 | 59.8 | 66.3 | -4.2% | -2.4% | 8.1% |
| Checking Account Fees | 288.1 | 290.3 | 149.7 | 138.4 | 143.3 | -0.8% | 4.4% | 8.1% |
| Sales Polls Groups Management Fees | 45.2 | 53.3 | 17.0 | 28.2 | 27.6 | -15.2% | -38.5% | -39.7% |
| Other Income (1) | 95.2 | 103.9 | 48.3 | 46.9 | 49.3 | -8.3% | -2.0% | 3.0% |
| **Total** | **1,010.9** | **960.8** | **518.6** | **492.3** | **482.3** | **5.2%** | **7.5%** | **5.3%** |

(1) Includes mainly income from debit transactions, collection services, checking accounts, check returns, and brokerage fees.

## Administrative Expenses




In 1H2022, administrative expenses grew by 6.9% or R$121.8 million over 1H2021. In the comparison between 2Q2022 and 2Q2021, administrative expenses increased by 9.5% or R$84.4 million and compared to 1Q2022, these expenses in 2Q2022 increased by 7.3% or R$65.8 million.

Personnel expenses in 1H2022 increased by 4.9% or R$44.8 million over 1H2021, reflecting the collective salary agreement, the extinction of the variable compensation model, which was in force and recorded as personnel expenses until the end of 2021, and the implementation of a profit sharing program. In the comparison between 2Q2022 and 2Q2021, personnel expenses increased by 9.5% or R$43.0 million, impacted by the vacation effect and the extinction of the variable compensation model. Compared to 1Q2022, personnel expenses in 2Q2022 increased by 7.8% or R$36.1 million, due to the vacation effect.

Other administrative expenses in 1H2022 grew by 9.1% or R$76.9 million in comparison to 1H2021, mainly influenced by the increase in expenses with specialized technical services, third-party services, data processing, surveillance, security and transportation of values, and rentals and condominiums. In the comparison between 2Q2022 and 2Q2021, other administrative expenses increased by 9.5% or R$41.4 million, mainly influenced by the rise in expenses with specialized technical services and third-party services. In relation to 1Q2022 other administrative expenses in 2Q2022 increased by 6.7% or R$29.7 million, mainly due to higher expenses with specialized technical services and third-party services, and offset by the reduction in water, energy and gas expenses.

**BREAKDOWN OF ADMINISTRATIVE EXPENSES - R$ MILLION**

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/ 2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| Payroll, Benefits and Social Security Charges | 956.5 | 911.4 | 496.2 | 460.3 | 453.3 | 4.9% | 9.5% | 7.8% |
| Training | 1.2 | 1.5 | 0.7 | 0.5 | 0.6 | -18.3% | 9.7% | 42.3% |
| **Personnel Expenses** | **957.7** | **912.9** | **496.9** | **460.8** | **453.9** | **4.9%** | **9.5%** | **7.8%** |
| Amortization and Depreciation | 123.3 | 119.5 | 61.4 | 61.9 | 59.7 | 3.1% | 2.8% | -0.7% |
| Water, Energy and Gas | 21.3 | 17.9 | 8.2 | 13.1 | 7.3 | 18.9% | 11.2% | -37.7% |
| Rentals and Condominiums | 75.2 | 68.8 | 38.1 | 37.1 | 35.7 | 9.2% | 6.5% | 2.6% |
| Communications | 28.9 | 30.8 | 13.9 | 15.0 | 17.3 | -6.1% | -19.3% | -7.0% |
| Maintenance and Preservation | 32.2 | 34.9 | 15.1 | 17.1 | 15.9 | -7.7% | -5.0% | -11.8% |
| Materials | 7.7 | 8.5 | 3.9 | 3.8 | 5.1 | -9.3% | -22.8% | 2.8% |
| Data Processing | 75.1 | 66.1 | 35.4 | 39.7 | 35.2 | 13.5% | 0.7% | -10.8% |
| Advertising, Promotions and Publicity | 55.8 | 50.8 | 29.2 | 26.7 | 24.6 | 10.0% | 18.6% | 9.3% |
| Third-Party Services | 290.7 | 275.2 | 153.2 | 137.5 | 142.9 | 5.7% | 7.2% | 11.5% |
| Specialized Technical Services | 87.6 | 61.9 | 51.7 | 35.9 | 34.9 | 41.5% | 48.1% | 44.2% |

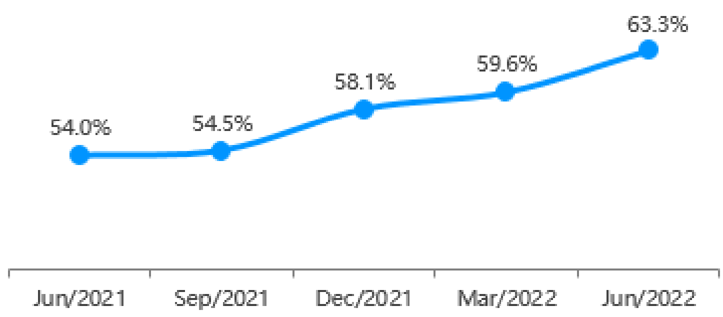
| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Surveillance, Security and Transportation of Values | 67.9 | 61.0 | 34.4 | 33.4 | 30.8 | 11.2% | 11.8% | 3.0% |
| Financial System Services | 17.7 | 16.8 | 8.8 | 8.9 | 8.0 | 5.1% | 9.8% | -0.7% |
| Other Expenses | 39.0 | 33.1 | 22.7 | 16.3 | 17.2 | 17.9% | 32.1% | 39.4% |
| **Other Administrative Expenses** | **922.2** | **845.3** | **476.0** | **446.2** | **434.6** | **9.1%** | **9.5%** | **6.7%** |
| **Total** | **1,880.0** | **1,758.2** | **972.9** | **907.1** | **888.5** | **6.9%** | **9.5%** | **7.3%** |

## Efficiency Ratio

The efficiency ratio for the last twelve months, as of June 2022, reached 63.3% against 54.0% in the 12-month period until June 2021, reflecting the 10.3% reduction in financial margin, the 30.8% growth in other adjusted operating expenses, net of other income, and the 3.5% increase in services and banking fees against the 6.1% increase in administrative expenses.

## Other Adjusted Operating Income and Expenses

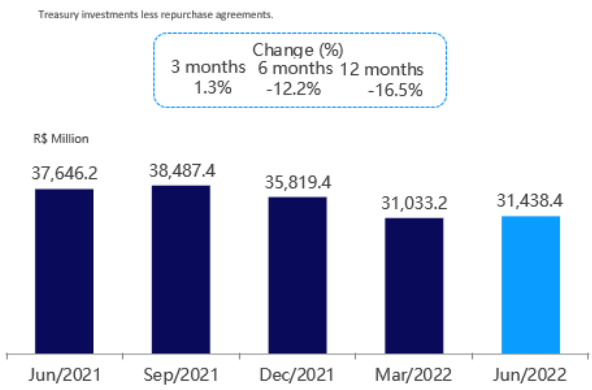
Other revenues, in the amount of R$524.1 million in 1H2022, increased by R$313.8 million against 1H2021. In 2Q2022, other revenues totaled R$421.8 million, increasing by R$311.4 million against 2Q2021 and up by R$319.5 million compared to 1Q2022. The growth in the comparison periods was mainly influenced by: a) the reversal of a provision, in the amount of R$158.9 million, due to a final and unappealablelegal ruling for the annulment of a fine in a tax assessment imposed by Bacen relating to alleged irregularities in foreign exchange transactions from 1987 to 1989 - an amount of R$1.9 million remains provisioned; and b) revenues of R$103.8 million related to the reclassification of equity accounting - exchange rate variation, which was previously recorded in shareholders' equity, due to the write-off of a foreign investment.




Other expenses reached R$925.0 million in 1H2022, up by R$463.7 million from the adjusted expenses in 1H2021. In 2Q2022, other expenses totaled R$649.2 million, up by R$440.3 million in relation to other adjusted expenses in 2Q2021, and increased by R$373.4 million against 1Q2022. The growth in the comparison periods was mainly due to: a) higher expenses with labor provisions, especially in 2Q2022 with the provisions made for collective lawsuits classified as a probable loss; and b) increase in provision for tax risks, mainly referring to income tax and social contribution on the deduction of expenses arising from the settlement of the actuarial deficit at Fundação Banrisul de Seguridade Social - FBSS.

# EQUITY PERFORMANCE

## Treasury




Treasury investments (securities, derivative financial instruments, short-term interbank investments, and cash and cash equivalents) totaled R$46,921.8 million in June 2022, consisting of 67.5% in held-to-maturity securities, 15.8% in held-for-securities, and 14.3% in short-term interbank investments. The majority of these securities consist of federal instruments, which together represent 94.3% of the total amount.

Treasury investments less obligations for repurchase agreements totaled R$31,438.4 million in June 2022, down by 16.5% or R$6,207.9 million over June 2021, mainly due to the directing of funds for the increase in the loan portfolio, which grew 21.7% in the period, in addition to compliance with the compulsory deposits required by the Central Bank of Brazil, settlement of the international fundraising carried out in 2012, and a 5.6% increase in deposits.

In comparison to December 2021, treasury investments less obligations for repurchase agreements fell by 12.2% or R$4,381.1 million, reflecting mainly the 8.6% increase in loans operations, the settlement of external funding carried out in 2012, the increase in financial and development funds, funds in bills and derivative financial instruments, as well as the relative stability in deposits.

Compared to March 2022, treasury investments less obligations for repurchase agreements grew by 1.3% or R$405.1 million, reflecting especially the increase in deposits, financial and development funds, and funds in bills amidst a scenario with a 5.2% increase in loan transactions.

## Compulsory Deposits at the Central Bank of Brazil (BACEN)

The balance of compulsory deposits with the Central Bank reached R$9,738.3 million in June 2022, up by 25.7% or R$1,933.8 million over June 2021, influenced mainly by the increase in compulsory deposits on time deposits arising from the growth in the rate applied to the higher balance of time deposits.

Compared to December 2021, the balance of compulsory deposits with the Central Bank remained flat.

In relation to December 2022, the balance of compulsory deposits with the Central Bank increased by 3.6% or R$336.0 million, mainly influenced by higher compulsory on demand deposits, especially due to the rise in the balance of these deposits.

## Loan Transactions

Banrisul's loan portfolio reached R$44,585.5 million in June 2022, up by 21.7% or R$7,945.3 million over June 2021, increased by 8.6% or R$3,543.5 million December 2021, and was up by 5.2% or R$2,207.0 million from March 2022, a trajectory that was mainly influenced by the expansion in commercial, rural, and real estate loans.

**BREAKDOWN OF LOAN TRANSACTIONS - R$ MILLION**

| | Jun 2022 | Mar 2022 | Dec 2021 | Jun 2021 | Jun 2022/ Jun 2021 | Jun 2022/ Dec 2021 | Jun 2022/ Mar 2022 |
|---|---|---|---|---|---|---|---|
| **Private Sector** | **44,479.8** | **42,275.6** | **40,939.8** | **36,537.6** | **21.7%** | **8.6%** | **5.2%** |
| Commercial | 32,540.6 | 31,247.9 | 30,345.5 | 28,059.4 | 16.0% | 7.2% | 4.1% |
| Real Estate | 4,831.9 | 4,575.2 | 4,319.8 | 4,077.6 | 18.5% | 11.9% | 5.6% |
| Rural | 5,422.6 | 5,001.4 | 4,836.7 | 3,361.0 | 61.3% | 12.1% | 8.4% |
| Long-Term Financing | 644.5 | 578.4 | 610.3 | 506.9 | 27.2% | 5.6% | 11.4% |
| Foreign Exchange | 1,029.1 | 860.9 | 814.5 | 518.7 | 98.4% | 26.4% | 19.5% |
| Leasing | 11.0 | 11.8 | 12.9 | 14.1 | -21.6% | -14.8% | -6.6% |
| **Public Sector** | **105.7** | **102.9** | **102.2** | **102.5** | **3.1%** | **3.4%** | **2.7%** |
| **Total Loan Transactions Granted** | **44,585.5** | **42,378.5** | **41,042.0** | **36,640.1** | **21.7%** | **8.6%** | **5.2%** |
| Co-obligations and Risks on Granted | 255.4 | 261.0 | 283.7 | 225.7 | 13.2% | -10.0% | -2.1% |
| **Total** | **44,840.9** | **42,639.5** | **41,325.7** | **36,865.8** | **21.6%** | **8.5%** | **5.2%** |

## Commercial Loans

The commercial loan portfolio totaled R$32,540.6 million in June 2022, accounting for 73.0% of the Bank's total loan transactions. In June 2022, loans for individuals accounted for 75.8% of the balance of commercial loans, while loans for companies accounted for 24.2% of the balance.

**BREAKDOWN OF COMMERCIAL LOANS - INDIVIDUALS AND COMPANIES - R$ MILLION**

| | Jun 2022 | Mar 2022 | Dec 2021 | Jun 2021 | Jun 2022/ Jun 2021 | Jun 2022/ Dec 2021 | Jun 2022/ Mar 2022 |
|---|---|---|---|---|---|---|---|
| **Individuals** | **24,674.0** | **23,704.2** | **23,129.0** | **21,861.8** | **12.9%** | **6.7%** | **4.1%** |
| Consumer Loans (Non-Deductible) (1) | 321.1 | 311.6 | 261.2 | 145.7 | 120.4% | 23.0% | 3.1% |
| Credit and Debit Cards (2) | 2,442.5 | 2,313.8 | 2,419.6 | 2,128.0 | 14.8% | 0.9% | 5.6% |
| Overdraft | 422.4 | 442.9 | 390.3 | 385.1 | 9.7% | 8.2% | -4.6% |
| Payroll Loans | 19,715.6 | 18,881.7 | 18,443.1 | 17,148.4 | 15.0% | 6.9% | 4.4% |
| Personal Loans (Non-Deductible) | 1,119.3 | 1,099.3 | 938.5 | 1,362.5 | -17.8% | 19.3% | 1.8% |
| Other | 653.1 | 654.8 | 676.4 | 692.2 | -5.6% | -3.4% | -0.3% |
| **Companies** | **7,866.6** | **7,543.7** | **7,216.4** | **6,197.6** | **26.9%** | **9.0%** | **4.3%** |
| Acquisition of Goods (1) | 292.6 | 252.2 | 219.7 | 139.7 | 109.5% | 33.2% | 16.0% |
| Credit and Debit Cards (2) | 149.1 | 149.2 | 151.0 | 134.3 | 11.0% | -1.3% | -0.1% |
| Working Capital | 5,948.4 | 5,709.8 | 5,480.5 | 4,563.7 | 30.3% | 8.5% | 4.2% |
| Debtor Accounts | 381.4 | 349.7 | 287.9 | 333.0 | 14.5% | 32.5% | 9.1% |
| Foreign Credit | 132.7 | 123.2 | 149.1 | 48.6 | 173.2% | -11.0% | 7.7% |
| Other | 962.4 | 959.6 | 928.2 | 978.2 | -1.6% | 3.7% | 0.3% |
| **Total** | **32,540.6** | **31,247.9** | **30,345.5** | **28,059.4** | **16.0%** | **7.2%** | **4.1%** |

(1) Includes CDC Sustentabilidade.
(2) Of the balance of R$2,591.6 million, R$372.0 million refers to revolving credit card.

Commercial loan for individuals – made up of low-risk credit lines – reached R$24,674.0 million in June 2022, up by 12.9% or R$2,812.2 million in relation to June 2021, and increased by 6.7% or R$1,545.0 million over December 2021, and by 4.1% or R$969.8 million from March 2022, in which all these comparison periods were influenced mainly by the increase in the INSS payroll-deductible line.

**BREAKDOWN OF PAYROLL LOANS - R$ MILLION**

| | Jun 2022 | Mar 2022 | Dec 2021 | Jun 2021 | Jun 2022/ Jun 2021 | Jun 2022/ Dec 2021 | Jun 2022/ Mar 2022 |
|---|---|---|---|---|---|---|---|
| Branch Network | 12,240.2 | 11,911.4 | 11,654.4 | 10,979.8 | 11.5% | 5.0% | 2.8% |
| Banking Correspondents | 7,451.5 | 6,934.8 | 6,740.9 | 6,094.2 | 22.3% | 10.5% | 7.5% |
| Payroll Loans (Acquired) | 23.9 | 35.5 | 47.7 | 74.4 | -67.8% | -49.8% | -32.6% |
| **Total** | **19,715.6** | **18,881.7** | **18,443.1** | **17,148.4** | **15.0%** | **6.9%** | **4.4%** |

Commercial loan for companies totaled R$7,866.6 million in June 2022, expanding by 26.9% or R$1,669.0 million in relation to June 2021, up by 9.0% or R$650.1 over December 2021, and by 4.3% or R$322.9 million from March 2022, all of which were mainly influenced by the increase in working capital, mostly due to the expansion in the Giro Banrisul FGI product over the last twelve months.

Another highlight in the commercial loan portfolio was the evolution of the CDC Sustentabilidade, which had a balance of R$512.8 million in June 2022 (considering individuals and companies), increasing by 133.6% in the last twelve months. This product was included in the acquisition of consumer goods (non-deductible) line.

## Specialized Loans

Rural loans reached R$5,422.6 million in June 2022 and 12.2% of the total loan transactions, increasing by 61.3% or R$2,061.6 million over June 2021, up by 12.1% or R$585.9 million over December 2021 and by 8.4% or R$421.2 million from March 2022. Agribusiness is a strategic line for the Bank, which is focused on growing its portfolio with small and medium-sized producers. With its own resources and onlending from BNDES lines, Banrisul has been consolidating itself as one of the main financial institutions that support agribusiness in the state of Rio Grande do Sul. The Bank offered R$5.2 billion in loans for its 2021/2022 Crop Plan, boosting the portfolio and increasing its market share in rural activities across all regions of the state and in the most diverse crops. For the 2022/2023 Crop Plan, which begins in July 2022, Banrisul will offer a record credit amount of R$7.0 billion.

Real estate loans reached R$4,831.9 million in June 2022, up by 18.5% or R$754.3 million over June 2021, up by 11.9% or R$512.1 million from December 2021, and 5.6% or R$256.8 million higher than in March 2022. The real estate loan portfolio accounted for 10.8% of Banrisul's total loan transactions in June 2022.

The foreign exchange portfolio reached R$1,029.1 million in June 2022, up by 98.4% or R$510.4 million in relation to June 2021, up by 26.4% or R$214.6 million from December 2021, and 19.5% or R$168.2 million higher than in March 2022.

Long-term financings reached a balance of R$644.5 million in June 2022, increasing by 27.2% or R$137.6 million over June 2021, up by 5.6% or R$34.2 million from December 2021 and by 11.4% or R$66.2 million over March 2022.

## Loan Breakdown by Company Size

Companies loans totaled R$10,706.9 million in June 2022, accounting for 24.0% of the total loan portfolio. Of the amount of loans destined for companies, 53.8% is allocated to micro, small and medium Companies. Commercial loans for companies increased by 26.8% or R$2,261.9 million in twelve months, of which 64.7% was granted to large enterprises. In the last three months, commercial loans for companies rose by 5.1% or R$520.1 million, of which 70.6% was granted to large Companies.

**BREAKDOWN OF COMPANIES LOANS BY COMPANY SIZE - R$ MILLION**

| | Jun 2022 | | | Mar 2022 | | | Jun 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance | % of Companies | % of Total Portfolio | Balance | % of Companies | % of Total Portfolio | Balance | % of Companies | % of Total Portfolio | Jun 2022 / Jun 2021 | Jun 2022 / Mar 2022 |
| Large Companies | 4,951.1 | 46.2% | 11.1% | 4,584.1 | 45.0% | 10.8% | 3,488.4 | 41.3% | 9.5% | 41.9% | 8.0% |
| Total Micro/Small/Medium Companies | 5,755.8 | 53.8% | 12.9% | 5,602.7 | 55.0% | 13.2% | 4,956.6 | 58.7% | 13.5% | 16.1% | 2.7% |
| Medium Companies | 3,347.5 | 31.3% | 7.5% | 3,173.4 | 31.2% | 7.5% | 2,954.9 | 35.0% | 8.1% | 13.3% | 5.5% |
| Small Companies | 1,978.0 | 18.5% | 4.4% | 1,956.9 | 19.2% | 4.6% | 1,605.1 | 19.0% | 4.4% | 23.2% | 1.1% |
| Micro Companies | 430.2 | 4.0% | 1.0% | 472.5 | 4.6% | 1.1% | 396.6 | 4.7% | 1.1% | 8.5% | -8.9% |
| **Total** | **10,706.9** | **100.0%** | **24.0%** | **10,186.8** | **100.0%** | **24.0%** | **8,445.0** | **100.0%** | **23.0%** | **26.8%** | **5.1%** |

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

## Breakdown of Disbursement by Financing Line

The volume of credit granted in 1H2022 in the amount of R$21,643.1 million, increased by 19.0% or R$3,453.6 million over the volume granted in 1H2021, mainly due to the increase in the volume granted in the commercial portfolio, by R$1,605.8 million, the increase in real estate loans, by R$735.7 million, and the growth in rural loans, by R$509.8 million.

In the comparison between 2Q2022 and 2Q2021, the volume of credit granted increased by 16.7% or R$1,667.9 million, mainly reflecting the increase in rural loans, by R$574.6 million, the growth in commercial loans, by R$357.1 million, and exchange rate, by R$311.2 million.

In relation to 1Q2022, the volume of credit granted increased by 16.1% or R$1,616.3 million, mainly due to the R$686.2 million increase in commercial loans, of which 73.8% was for individuals, and the increase in rural loans, by R$586.9 million.

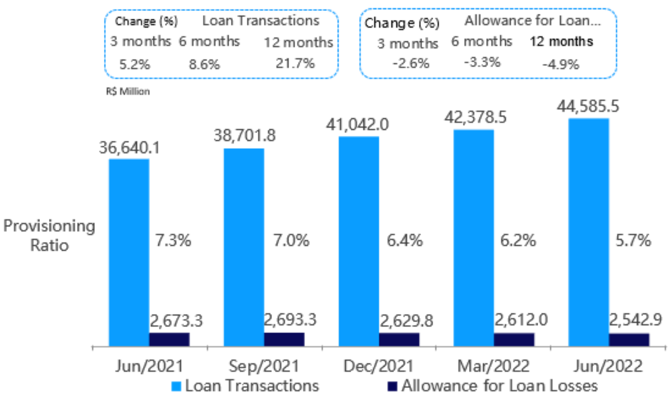
**Breakdown of Loans Granted by Financing Line - R$ Million**

| | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/ 2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| Foreign Exchange | 897.1 | 457.1 | 521.0 | 376.1 | 209.8 | 96.2% | 148.3% | 38.5% |
| Commercial (1) | 17,549.7 | 15,943.7 | 9,118.0 | 8,431.7 | 8,760.8 | 10.1% | 4.1% | 8.1% |
| Individuals | 11,997.2 | 11,302.7 | 6,251.9 | 5,745.3 | 6,148.0 | 6.1% | 1.7% | 8.8% |
| Companies | 5,552.5 | 4,641.0 | 2,866.1 | 2,686.4 | 2,612.8 | 19.6% | 9.7% | 6.7% |
| Long-Term Financing | 277.1 | 115.0 | 215.7 | 61.4 | 64.1 | 140.9% | 236.6% | 251.2% |
| Real Estate | 953.5 | 443.7 | 498.7 | 454.8 | 225.4 | 114.9% | 121.2% | 9.7% |
| Rural | 1,965.6 | 1,229.9 | 1,276.3 | 689.4 | 701.6 | 59.8% | 81.9% | 85.1% |
| **Total** | **21,643.1** | **18,189.5** | **11,629.7** | **10,013.4** | **9,961.8** | **19.0%** | **16.7%** | **16.1%** |

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

# Loan Portfolio Quality

## Provision for Credit Losses



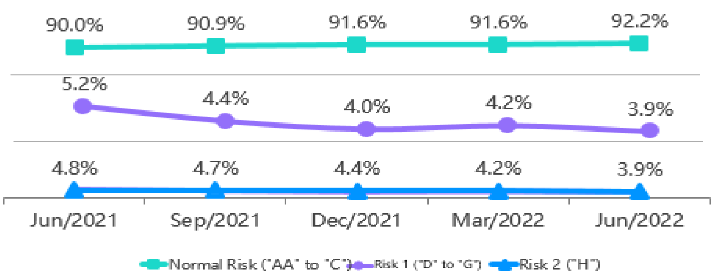

The provision for credit losses, which includes provisions for credits arising from leasing and other credits characterized as loans, reached R$2,542.9 million in June 2022, down by 4.9% compared to June 2021, down by 3.3% in relation to December 2021, and down by 2.6% over March 2022, reflecting the rolling over of the loan portfolio according to rating levels in a scenario with higher volumes of loan transactions.

In June 2022, provisions for credit losses was broken down under CMN Resolution 2,682/99, with supplemental amounts, as follows: (i) R$728.8 million for transactions with installments overdue for more than 60 days; and (ii) R$1,814.1 million for contracts falling due or contracts with installments overdue for less than 60 days.

**BALANCE OF PROVISION FOR CREDIT LOSSES - R$ MILLION**

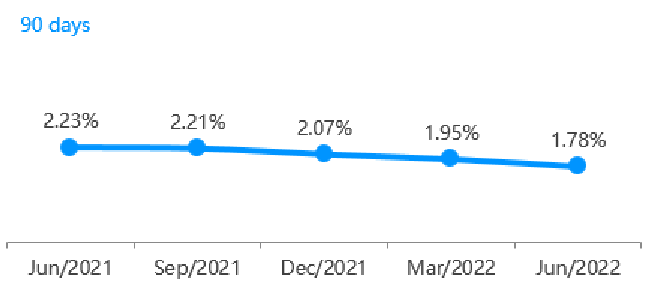
| Risk Levels | Required Provision (%) | Total Portfolio | Accumulated Relative Share (%) | Overdue Loans | Loans Falling Due | Minimum Provision | | Total Provision | Provision on the Portfolio (%) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Overdue | Falling Due | | |
| AA | 0.0% | 5,211.6 | 11.69% | - | 5,211.6 | - | - | - | 0.00% |
| A | 0.5% | 31,597.6 | 82.56% | - | 31,597.6 | - | 158.0 | 158.0 | 0.50% |
| B | 1.0% | 3,006.9 | 89.30% | - | 3,006.9 | - | 30.1 | 30.1 | 1.00% |
| C | 3.0% | 1,306.0 | 92.23% | 33.0 | 1,273.0 | 1.0 | 38.2 | 39.2 | 3.00% |
| D | 10.0% | 813.1 | 94.06% | 59.4 | 753.7 | 5.9 | 75.4 | 81.3 | 10.00% |
| E | 30.0% | 241.9 | 94.60% | 75.6 | 166.3 | 22.7 | 49.9 | 72.6 | 30.00% |
| F | 50.0% | 232.4 | 95.12% | 70.2 | 162.2 | 35.1 | 81.1 | 116.2 | 50.00% |
| G | 70.0% | 434.6 | 96.09% | 112.2 | 322.4 | 78.5 | 225.7 | 304.2 | 70.00% |
| H | 100.0% | 1,741.3 | 100.00% | 585.6 | 1,155.7 | 585.6 | 1,155.7 | 1,741.3 | 100.00% |
| **Total** | | **44,585.5** | | **936.0** | **43,649.4** | **728.8** | **1,814.1** | **2,542.9** | **5.7%** |

## 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 92.2% of the loan portfolio in June 2022. The indicator rose by 2.2 p.p. over June 2021, and by 0.6 p.p. over December 2021 and March 2022.

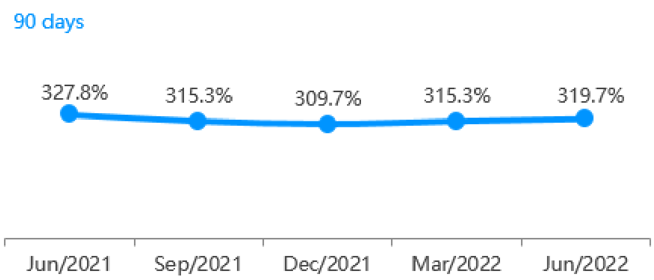
## Delinquency Rate




The delinquency rate represents the amount of loan transactions overdue for more than 90 days against the total amount of active loan transactions. Delinquency over 90 days reached 1.78% of the loan transactions in March 2022, shrinking by 0.45 p.p. in twelve months, by 0.29 p.p. in six months, and by 0.17 p.p. in three months. The balance of loan transactions overdue for more than 90 days reached R$795.3 million in June 2022, down by 2.5% or R$20.3 million over June 2021, by 6.4% or R$54.0 million from December 2021, and by 4.0% or R$33.2 million in relation to March 2022.

## 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.




The coverage ratio of loan transactions overdue for more than 90 days increased in relation to June 2021, reflecting mainly a greater retraction in provisions for credit losses in view of the lower balance in overdue loans.

Compared to December 2021 and March 2022, the increase in coverage ratio reflects, in particular, a greater reduction in overdue credit operations in relation to the decrease in the provision for credit losses.

## Funds Raised and Under Management

Funds raised (consisting of deposits, proceeds from bank notes and subordinated debt) and under management reached R$83,850.2 million in June 2022, up by 6.0% or R$4,729.1 million in twelve months, mainly influenced by the rise in deposits and managed funds, offset by the decrease in subordinated debt with the settlement of the obligation carried out in 2012.

Compared to December 2021, funds raised and under management declined by 1.2% or R$1,049.8 million, mainly influenced by the reduction in subordinated debt with the settlement of the obligation carried out in 2012, and was offset by the increase in the volume of managed funds.

In relation to March 2022, funds raised and under management increased by 3.7% or R$2,993.3 million, mainly influenced by higher deposits and the growth in funds under management.

**BREAKDOWN OF FUNDS RAISED AND UNDER MANAGEMENT BY PRODUCT TYPE - R$ MILLION**

| | Jun 2022 | Mar 2022 | Dec 2021 | Jun 2021 | Jun 2022/ Jun 2021 | Jun 2022/ Dec 2021 | Jun 2022/ Mar 2022 |
|---|---|---|---|---|---|---|---|
| Total Deposits | 64,625.0 | 62,893.9 | 64,277.4 | 61,180.0 | 5.6% | 0.5% | 2.8% |
| Demand Deposits | 3,783.8 | 3,747.2 | 4,675.7 | 3,768.2 | 0.4% | -19.1% | 1.0% |
| Savings Deposits | 11,610.7 | 11,528.0 | 11,565.6 | 11,416.6 | 1.7% | 0.4% | 0.7% |
| Interbank Deposits | 511.5 | 508.8 | 1,392.7 | 123.4 | 314.5% | -63.3% | 0.5% |
| Time Deposits | 48,702.6 | 47,091.4 | 46,626.2 | 45,855.5 | 6.2% | 4.5% | 3.4% |
| Other Deposits | 16.4 | 18.6 | 17.3 | 16.3 | 0.6% | -5.3% | -11.6% |
| Proceeds from Bank Notes | 2,193.8 | 1,835.6 | 1,738.0 | 1,742.5 | 25.9% | 26.2% | 19.5% |
| Bank Notes | 747.9 | 691.7 | 733.4 | 916.7 | -18.4% | 2.0% | 8.1% |
| Real Estate Letters of Credit | 726.2 | 728.1 | 707.8 | 825.9 | -12.1% | 2.6% | -0.3% |
| Agribusiness Letters of Credit | 719.7 | 415.8 | 296.9 | - | 100.0% | 142.4% | 73.1% |
| Subordinated Debt (1) | 1,252.5 | 1,203.3 | 4,689.8 | 2,805.7 | -55.4% | -73.3% | 4.1% |
| **Total Funds Raised** | **68,071.3** | **65,932.8** | **70,705.2** | **65,728.3** | **3.6%** | **-3.7%** | **3.2%** |
| Funds Under Management | 15,778.9 | 14,924.1 | 14,194.8 | 13,392.8 | 17.8% | 11.2% | 5.7% |
| **Total Funds Raised and Under Management** | **83,850.2** | **80,856.9** | **84,900.0** | **79,121.1** | **6.0%** | **-1.2%** | **3.7%** |

(1) In June 2021, the balance did not include R$1,582.0 million from the external funding carried out in January 2021, whose subordination was authorized by the Central Bank of Brazil in October 2021. In February 2022, the foreign funding carried out in January 2012 was settled.

**Total Deposits** - Increased by 5.6% or R$3,445.0 million over June 2021 and by 2.8% or R$1,731.1 million over March 2022, mainly influenced by the higher balances of time deposits, by R$2,847.1 million and R$1,611.2 million, respectively. Compared to December 2021, deposits remained relatively stable, mainly influenced by the increase in time deposits, by R$2,076.5 million, partially offset by the drop in demand deposits, in the amount of R$891.9 million, and interbank deposits, by R$881.2 million.

In June 2022, time deposits, in the amount of R$48,702.6 million, represented 71.5% of funds raised, being the Bank's main funding instrument.

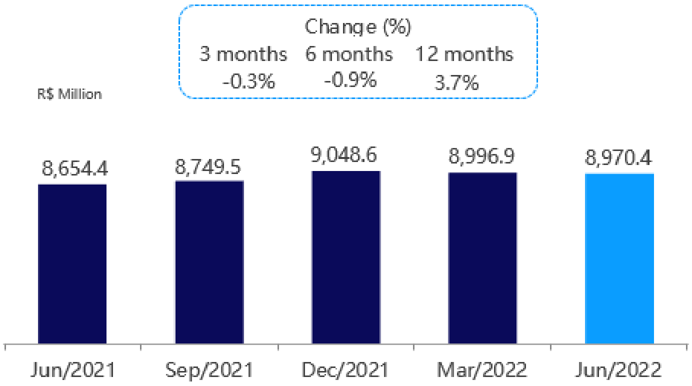
**Proceeds from Bank Notes**. The balance of bank notes, mortgage notes and agribusiness letters of credit increased by 25.9% or R$451.2 million in the last twelve months, by 26.2% or R$455.8 million in the last six months, and by 19.5% or R$358.2 million in the last three months. In August 2021, Banrisul began to raise funds by means of Agribusiness Letters of Credit (LCAs), so as to diversify its funding sources and obtain funding for rural credit.

**Subordinated Debt**. The balance of subordinated debt reduced by 55.4% or R$1,553.3 million in the last twelve months and by 73.3% or R$3,437.3 million in the last six months, reflecting the settlement of the remaining balance of external funding carried out in January 2012, in the amount of R$2,967.5 million, due to the maturity of the obligation. The external funding carried out in January 2021, in the amount of US$300 million, started to be accounted for in this item in October 2021, after being authorized by Bacen to compose

Capital Level II; until then, it was recorded under foreign loans. In relation to March 2022, subordinated debt increased by 4.1% or R$49.2 million, reflecting the exchange rate variation and mark-to-market.

## Equity

Banrisul's equity was R$8,970.4 million at the end of June 2022, up by 3.7% or R$316.0 million over June 2021, mainly due to the recognition of results, payments of interest on equity, distribution of dividends and/or provisions of dividends, and the re-measuring of actuarial liabilities, which had a positive impact of R$85.0 million in June 2022, arising from post-employment benefits (CPC 33 - R1), as well as FX variation adjustments, in the amount of R$18.2 million, and the reclassification of FX variations on write-offs, in the amount of R$103.8 million, of foreign equity investments. Compared to December 2021 and March 2022, equity was relatively stable given the recognition of results, payments of interest on equity and the re-measuring of actuarial liabilities, which had a negative impact of R$35.1 million in June 2022, as a result of post-employment benefits (CPC 33 - R1), as well as FX variation adjustments and the reclassification of FX variations on write-offs of foreign equity investments.

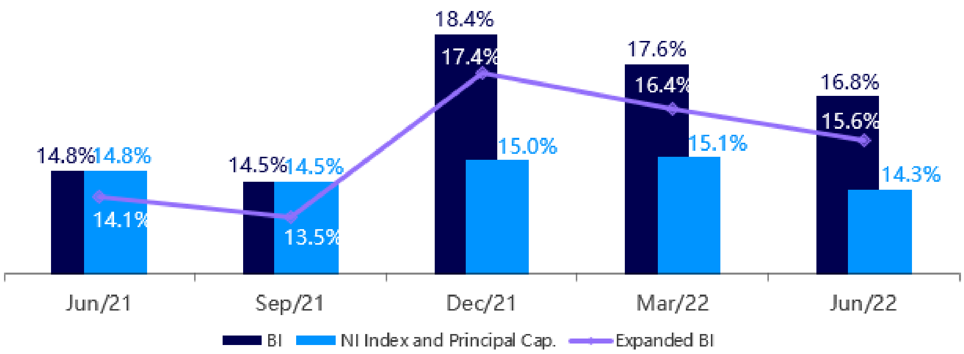


## Basel Ratio

BCB Resolutions 4,955/21 and 4,958/21 determine that the calculation of regulatory capital and risk-weighted assets be based on the Prudential Conglomerate. The Basel Index (BI) 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 Capital Indexes 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. On June 30, 2022, the Basel Index reached 16.8%, 6.3 p.p. above the minimum regulatory level with the additional core capital ratio (10.5%). In the same period, the Core Capital Ratio and the Tier 1 Capital Ratio were the same as the Basel Ratio and ended the quarter at 14.3%, corresponding to 7.3 p.p. and 5.8 p.p., respectively, above the minimum regulatory level.

Below is the Basel Index in June 2022 and the changes in the reference equity in the comparisons with June 2021 and March 2022, respectively.



## Summarized Consolidated Balance Sheet

R$ Million

| Assets | Jun 2022 | Mar 2022 | Dec 2021 | Jun 2021 | Jun 2022/ Jun 2021 | Jun 2022/ Dec 2021 | Jun 2022/ Mar 2022 |
|---|---|---|---|---|---|---|---|
| Cash and Cash Equivalents | 1,134,317 | 1,456,979 | 1,464,768 | 1,583,843 | -28.4% | -22.6% | -22.1% |
| Financial Assets | 105,317,641 | 99,869,475 | 100,594,067 | 93,465,517 | 12.7% | 4.7% | 5.5% |
| Short-Term Interbank Investments | 6,690,625 | 8,154,044 | 5,845,434 | 8,063,373 | -17.0% | 14.5% | -17.9% |
| Compulsory Deposits at the Central Bank of Brazil | 9,738,259 | 9,402,253 | 9,738,751 | 7,744,492 | 25.7% | 0.0% | 3.6% |
| Securities | 39,096,828 | 35,182,998 | 38,389,069 | 36,016,688 | 8.6% | 1.8% | 11.1% |
| Derivative Financial Instruments | - | - | 841,900 | 661,669 | -100.0% | -100.0% | - |
| Loan Transactions | 41,301,924 | 39,370,826 | 37,910,306 | 34,074,673 | 21.2% | 8.9% | 4.9% |
| Other Financial Assets | 8,477,522 | 7,746,015 | 7,854,055 | 6,888,776 | 23.1% | 7.9% | 9.4% |
| Leasing Transactions | 12,483 | 13,339 | 14,552 | 15,846 | -21.2% | -14.2% | -6.4% |
| Provision for Credit Losses | (2,593,565) | (2,662,465) | (2,681,589) | (2,725,494) | -4.8% | -3.3% | -2.6% |
| Tax Assets | 3,725,820 | 3,357,937 | 3,125,439 | 3,490,854 | 6.7% | 19.2% | 11.0% |
| Other Assets | 696,471 | 685,248 | 700,470 | 865,235 | -19.5% | -0.6% | 1.6% |
| Investments | 190,845 | 169,250 | 154,439 | 162,060 | 17.8% | 23.6% | 12.8% |
| Fixed Assets in Use | 480,724 | 475,488 | 476,867 | 464,865 | 3.4% | 0.8% | 1.1% |
| Intangible Assets | 704,860 | 737,198 | 741,303 | 756,135 | -6.8% | -4.9% | -4.4% |
| **Total Assets** | **109,657,113** | **104,089,110** | **104,575,764** | **98,063,015** | **11.8%** | **4.9%** | **5.3%** |
| **Liabilities** | **Jun 2022** | **Mar 2022** | **Dec 2021** | **Jun 2021** | **Jun 2022/ Jun 2021** | **Jun 2022/ Dec 2021** | **Jun 2022/ Mar 2022** |
| Deposits and Other Financial Liabilities | 94,938,093 | 89,906,795 | 90,644,572 | 83,837,370 | 13.2% | 4.7% | 5.6% |
| Deposits | 64,625,034 | 62,893,936 | 64,277,380 | 61,179,999 | 5.6% | 0.5% | 2.8% |
| Open Market Funding | 15,483,400 | 13,760,775 | 10,721,736 | 8,679,331 | 78.4% | 44.4% | 12.5% |
| Funds from Acceptance and Issue of Securities | 2,193,752 | 1,835,551 | 1,738,001 | 1,742,545 | 25.9% | 26.2% | 19.5% |
| Obligations arising from Loans and Transfers | 2,616,794 | 2,340,266 | 2,416,122 | 3,318,305 | -21.1% | 8.3% | 11.8% |
| Derivative Financial Instruments | 570,042 | 546,505 | 136,170 | 174,239 | 227.2% | 318.6% | 4.3% |
| Other Financial Liabilities | 9,449,071 | 8,529,762 | 11,355,163 | 8,742,951 | 8.1% | -16.8% | 10.8% |
| Provisions | 2,641,975 | 2,443,075 | 2,315,530 | 2,218,988 | 19.1% | 14.1% | 8.1% |
| Tax Liabilities | 793,257 | 671,645 | 608,811 | 813,260 | -2.5% | 30.3% | 18.1% |
| Other Liabilities | 2,313,398 | 2,070,648 | 1,958,268 | 2,538,980 | -8.9% | 18.1% | 11.7% |
| **Equity** | **8,970,390** | **8,996,947** | **9,048,583** | **8,654,417** | **3.7%** | **-0.9%** | **-0.3%** |
| **Total Liabilities and Equity** | **109,657,113** | **104,089,110** | **104,575,764** | **98,063,015** | **11.8%** | **4.9%** | **5.3%** |

# Consolidated Adjusted Income Statement

| R$ Million | 1H2022 | 1H2021 | 2Q2022 | 1Q2022 | 2Q2021 | 1H2022/ 1H2021 | 2Q2022/ 2Q2021 | 2Q2022/ 1Q2022 |
|---|---|---|---|---|---|---|---|---|
| **Income from Financial Intermediation** | **5,713,728** | **3,231,630** | **3,387,597** | **2,326,131** | **1,291,712** | **76.8%** | **162.3%** | **45.6%** |
| Loan Transactions, Leasing, and Other Credits | 3,337,215 | 2,735,776 | 1,764,236 | 1,572,979 | 1,401,349 | 22.0% | 25.9% | 12.2% |
| Income from Securities Transactions | 2,329,606 | 548,157 | 1,257,146 | 1,072,460 | 344,136 | 325.0% | 265.3% | 17.2% |
| Income (Loss) from Derivative Financial Instruments | (578,295) | (197,854) | (20,823) | (557,472) | (488,837) | 192.3% | -95.7% | -96.3% |
| Income (Loss) from Foreign Exchange Transactions | 119,904 | 18,910 | 110,205 | 9,699 | (37,982) | 534.1% | -390.2% | 1036.3% |
| Income from Compulsory Investments | 505,298 | 126,641 | 276,833 | 228,465 | 73,046 | 299.0% | 279.0% | 21.2% |
| **Financial Intermediation Expenses** | **(3,476,845)** | **(775,141)** | **(2,272,538)** | **(1,204,307)** | **(42,564)** | **348.5%** | **5,239.1%** | **88.7%** |
| Market Funding Transactions | (3,090,236) | (681,839) | (1,990,083) | (1,100,153) | (51,725) | 353.2% | 3,747.4% | 80.9% |
| Loan, Assignment and Transfer Transactions | (386,609) | (93,302) | (282,455) | (104,154) | 9,161 | 314.4% | -3,183.2% | 171.2% |
| **Income from Financial Intermediation** | **2,236,883** | **2,456,489** | **1,115,059** | **1,121,824** | **1,249,148** | **-8.9%** | **-10.7%** | **-0.6%** |
| **Provision for Credit Losses** | **(448,746)** | **(347,564)** | **(202,289)** | **(246,457)** | **(217,807)** | **29.1%** | **-7.1%** | **-17.9%** |
| **Other Adjusted Operating Income** | **1,569,781** | **1,190,335** | **958,395** | **611,386** | **601,699** | **31.9%** | **59.3%** | **56.8%** |
| Income from services and banking fees | 1,010,938 | 960,848 | 518,594 | 492,344 | 482,304 | 5.2% | 7.5% | 5.3% |
| Equity in Affiliates | 34,712 | 19,202 | 17,962 | 16,750 | 8,951 | 80.8% | 100.7% | 7.2% |
| Other Adjusted Income | 524,131 | 210,285 | 421,839 | 102,292 | 110,444 | 149.2% | 281.9% | 312.4% |
| **Other Adjusted Operating Expenses** | **(3,033,731)** | **(2,452,141)** | **(1,740,482)** | **(1,293,249)** | **(1,212,156)** | **23.7%** | **43.6%** | **34.6%** |
| Adjusted Personnel Expenses | (957,746) | (912,915) | (496,913) | (460,833) | (453,906) | 4.9% | 9.5% | 7.8% |
| Other Administrative Expenses | (922,225) | (845,304) | (475,978) | (446,247) | (434,603) | 9.1% | 9.5% | 6.7% |
| Tax Expenses | (228,749) | (232,621) | (118,365) | (110,384) | (114,680) | -1.7% | 3.2% | 7.2% |
| Other Adjusted Expenses | (925,011) | (461,301) | (649,226) | (275,785) | (208,967) | 100.5% | 210.7% | 135.4% |
| **Adjusted Operating Income** | **324,187** | **847,119** | **130,683** | **193,504** | **420,884** | **-61.7%** | **-69.0%** | **-32.5%** |
| **Earnings Before Tax and Employee Profit Sharing (without Profit)** | **324,187** | **847,119** | **130,683** | **193,504** | **420,884** | **-61.7%** | **-69.0%** | **-32.5%** |
| **Adjusted Income Tax and Social Contribution** | **170,941** | **(220,983)** | **150,440** | **20,501** | **(106,673)** | **-177.4%** | **-241.0%** | **633.8%** |
| **Employee Profit Sharing** | **(103,090)** | **(65,174)** | **(53,341)** | **(49,749)** | **(32,256)** | **58.2%** | **65.4%** | **7.2%** |
| **Non-Controlling Interests** | **(122)** | **(144)** | **41** | **(163)** | **(72)** | **-15.3%** | **-156.9%** | **-125.2%** |
| **Adjusted Net Income** | **391,916** | **560,818** | **227,823** | **164,093** | **281,883** | **-30.1%** | **-19.2%** | **38.8%** |
| Provision for Tax Contingencies | - | (76,036) | - | - | (76,036) | -100.0% | -100.0% | - |
| Tax Effects | - | 34,216 | - | - | 34,216 | -100.0% | -100.0% | - |
| Tax Credits (CSLL) - Law 14,183/21 | - | 25,163 | - | - | 25,163 | -100.0% | -100.0% | - |
| **Net Income** | **391,916** | **544,161** | **227,823** | **164,093** | **265,226** | **-28.0%** | **-14.1%** | **38.8%** |

## COMPETITIVE MARKET

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

**Competitive Market**

| | Brazil | | Rio Grande do Sul State | |
|---|---|---|---|---|
| | Mar 2022 (1) | Mar 2021 | Mar 2022 (1) | Mar 2021 |
| Demand Deposits | 1.1596% | 1.1441% | 26.2330% | 23.4668% |
| Savings Deposits | 1.1380% | 1.0923% | 12.5200% | 12.3583% |
| Time Deposits | 2.6978% | 2.7988% | 42.9340% | 42.5337% |
| Loan Transactions | 0.8870% | 0.8983% | 19.8191% | 17.6274% |
| Number of Branches (2) | 2.8249% | 2.7345% | 32.3992% | 31.7639% |

(1) Latest quarterly information disclosed.
(2) Refers to February 2022, latest available information.

# MANAGEMENT REPORT

We present the Management Report, parent and consolidated financial statements of Banco do Estado do Rio Grande do Sul S.A., for the first half of 2022, prepared according to the accounting practices adopted in Brazil, applicable to the institutions authorized to operate by the Central Bank of Brazil.

## Economic scenario

The first half of 2022 was influenced by pandemic lower risks, with auspicious expectations of a stronger economic expansion and that the global inflation phenomenon could be restrained with moderate monetary measures, especially in large economies. However, new outbreaks of Covid-19, especially in Asia and the armed conflict in East Europe caused new and subsequent supply shocks over the global economy, considerably hampering inflation to lower around the globe. The result is an adverse international economic scenario going through a process of widespread and lingering inflated prices, which possibly, will require tighter and long-lasting monetary conditions.

In Brazil, after GDP grew 1% in the first quarter of 2022, estimates foresee a surprising recovery of the labor market and the adoption of tax incentive measures that may result in activity growth in the second and third quarters of the year, despite headwinds and significant monetary tightness in the country. Concerning price behavior, the IPCA (extended consumer price index) accumulated an 11.9% surge in 12 months until June 2022, higher than the 11.3% recorded at the end of the first quarter. In light of the enduring inflationary process and bearish market expectations, the Brazilian monetary authority extended the cycle of adjusting the Selic benchmark interest rate, which in June 2022, stood at 13.25% p.a.

The balance of credit in Brazil, in 12 months until April 2022 grew by 16.8%, especially in the individuals' segment, which soared by 21.9%. The average delinquency index during such a period stood at 2.3%, lower than the pre-pandemic levels. The pace accelerated in the Rio Grande do Sul with a total balance of credit at 18.45% during the same period and average delinquency of 1.78%, according to the Central Bank of Brazil's credit regional data. It is worth of note, that the Rio Grande do Sul state economy outperformed national performance in 2021, boosted by agribusiness and industry.

**Brazil GDP 1Q2022: +1.0%**
(quarterly variation with seasonable adjustment)

**IPCA +11.9%**
(in 12 months until June /2022)

**Solid growth in the first half fueled by surging and lingering inflation**

## Rebranding

On May 23, 2022, Banrisul announced its rebranding, which included a new positioning, a new brand and the concept *Nossa conexão transforma (*Our connection transforms*)*. The rebranding was announced in a press conference by CEO, Mr. Cláudio Coutinho, in the city of Porto Alegre.

Going beyond changes of image, the rebranding reflects transformations already present at Banrisul. The new brand is in line with these deliveries and reinforces its connection with customers and partners. With an eye on the future, Banrisul over time has been ramping up strategic areas for its business: innovation, people, sustainability and agribusiness. The Bank has more than four million customers and 496 branches, positioned among Brazil's largest banks. In 1H2022, Banrisul recorded a credit balance of R$44.6 billion and, during the same period, invested R$115.8 million in innovation, improved customer experience, information security and technological modernization.

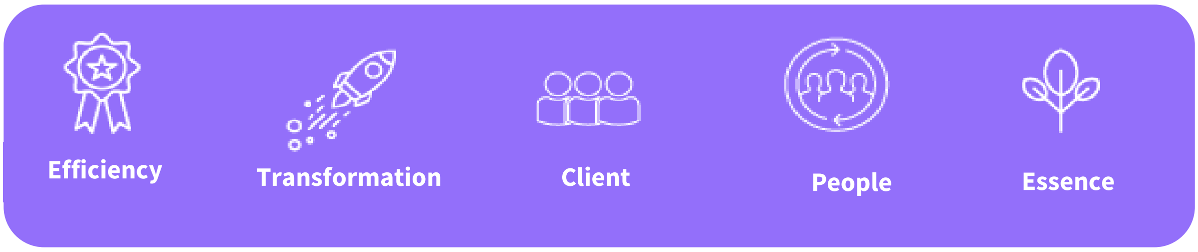
"We are committed to continuing building an increasingly modern, efficient and sustainable Banrisul, grounded on our mission of promoting the economic and social development of people and communities," highlighted Coutinho, during his presentation. The CEO reiterated that the Bank every day monitors the advances required by the market. "The brand's two new colors represent modernity and sustainability. We maintained the blue color that everyone knows, this is how we evolve, respecting our history, our essence," he added.

DYNAMISM & INNOVATION

CEO Cláudio Coutinho pointed out that the concept *Nossa conexão transforma* (Our connection transforms) refers to a more inclusive, human bank connected to its employees and customers. The rebranding began before the pandemic, from market research and studies. “We reached a new positioning, a new concept and a new brand, which besides attributes of security, strength, and credibility, represent the Bank’s current momentum, i.e., a collective, human and contemporary institution.


## Companies and business strategy

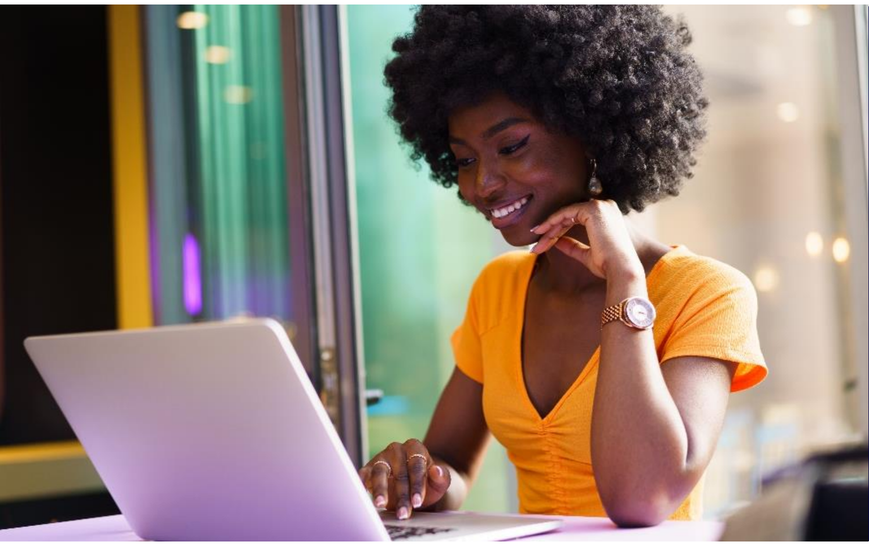
Banrisul’s corporate strategy is anchored in five pillars:




that substantiate the Mission of becoming the financial agent that promotes the Rio Grande do Sul’s economic and social development, aiming at becoming a profitable, solid and competitive state-owned bank, integrated into communities and its Vision of providing excellent services.

Banrisul adopts the best corporate governance practices and continuously endeavors efforts to expedite and simplify processes, such as bolstering infrastructure and information technology architecture and refining risk management in pursuit of **efficiency gains**. The 496 branches composing On-Site Service Network go through a continuous process of evaluation, optimization and adequacy to various segments, in the forefront of changes and financial market technological advances. Services via WhatsApp are a reality thanks to artificial intelligence, a booming innovation present in the market. In 2022, Banrisul will provide greater agility and assertiveness to meet customers’ demands by deploying the smart virtual assistant.

Heightening its **customer-centric** focus, Banrisul monitors the banking sector’s technological transformations to always offer the best experience in financial solutions for its customers and raise satisfaction levels. The first branch exclusive for the Affinity public was inaugurated in 1H2022 in the city of Porto Alegre, specialized in the mass affluent segment, besides opening new spaces, as well as training and developing new professionals. To potentialize customer journey, Banrisul improved products and services made available in its digital channels, namely: credit card, account opening, limit management and investments.



Organizational culture is improved to disseminate the Institution’s objectives and strategies

Banrisul is active in diversity, equity & inclusion, so that the Bank becomes more diverse and inclusive.

BanriTech launched the 2nd cycle of startup acceleration, aiming at boosting the Rio Grande do Sul’s innovation ecosystem. Initiatives like these contribute to sustaining Banrisul’s competitiveness in the market towards the **transformation** journey and devising new business models, technologies and work models. The remote work was implemented for employees working in the information technology area and a hybrid work model was proposed for other administrative areas of the Bank. Another innovation in the period was the inauguration of the new Datacenter that ensures a continuous operation, with a high level of reliability and safety in one of the country’s cutting-edge data use structures.

Banrisul believes that organizational success is only achieved with **people’s strength**, thus, continues to promote its employees’ engagement through an agile and transforming culture. Following this pillar, the Profit Sharing Program was implemented in 2022, a new performance-driven compensation model, a Succession Management project, Organizational Culture Improvement as well as Banrisul’s diversity, equity & inclusion initiatives.

The retail bank is Banrisul’s **essence**, with a focus on the Rio Grande do Sul state and committed to sustainable development. Focus have been maintained in 2022 in products, such as working capital with FGI (Investment Guarantee Fund) incentive to foment micro, small and medium-sized companies. Concerning the **agribusiness** sector, which is the foundation of the state’s economic development, the Bank invests in improved agribusiness loan systems, besides keeping a focus on expanding financing throughout the chain.

The product portfolio with a sustainability bias has been ramped up to promote sustainable development through credit lines aimed to mitigate the environmental and social impacts, fomenting the transition to an inclusive and low-carbon economy.

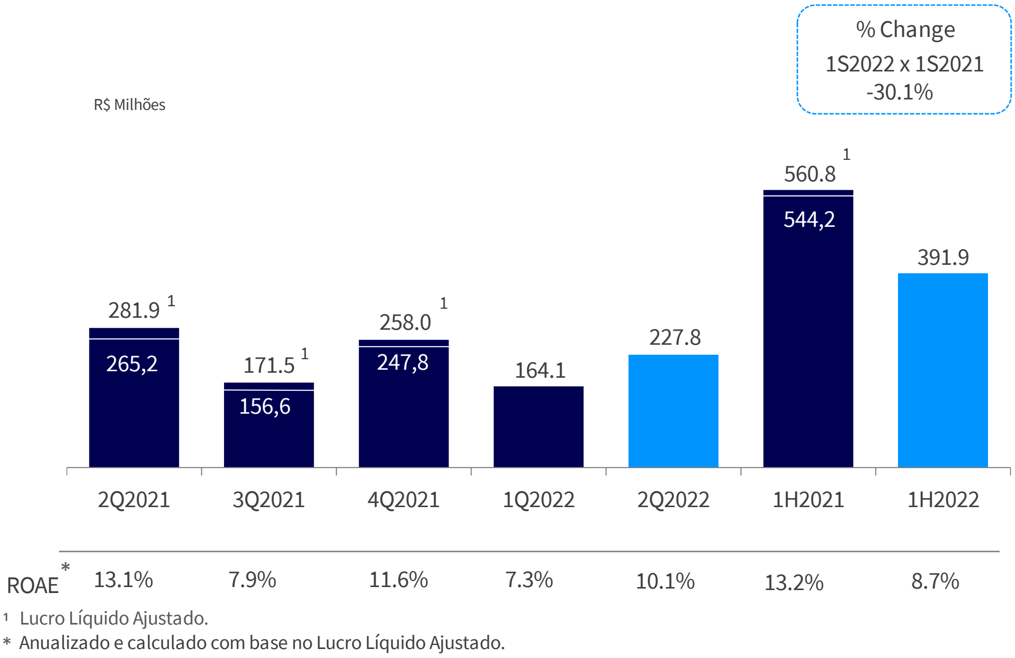
With the publication of an update on Banrisul's Social, Environmental and Climate Responsibility Policy – PRSAC and the creation a Social, Environmental and Climate Responsibility Committee linked to the Board of Directors, Banrisul has been reinforcing its Governance for Sustainability. For the 2H2022, the publication of Banrisul's Strategic Sustainability Agenda 2030 is planned, which will be integrated into its Strategic Planning in 2022.

# Consolidated performance

## Net income

Net income plunged 30.1% or R$168.9 million in 1H2022 to R$391.9 million, versus adjusted net income in 1H2021, mainly reflecting lower net interest income, higher flow of allowance for loan losses expenses, higher administrative expenses, higher fee, commission income, higher other operating expenses, net of other income, and accordingly, lower volume of income taxes. The annualized profitability stood at 8.7% over average shareholders' equity in 1H2022.

Measured by the concept of added value, Banrisul generated revenues of R$1,580.1 million in 1H2022, of which R$926.3 million, or 58.6%, was allocated for personnel expenses; R$392.0 million, or 24.8%, for shareholder compensation; R$192.4 million, or 12.2%, for the payment of taxes, fees and contributions; and R$69.4 million, or 44.4%, for debt capital compensation.




R$ million
Chg. %/1H2022 x 1H2021/ 2Q2021/ 3Q2021/ 4Q2021/ 1Q2022/ 2Q2022/ 1H2021/ 1H2022
1 – Adjusted net income/ *annualized and calculated based on adjusted net income

## Equity

Banrisul shareholders' equity reached R$8,970.4 million in June 2022, in line with December 2021, reflecting the incorporation of the results delivered, the payment of interest on equity, the foreign exchange variation adjustments over the foreign branches' equity and remeasurement of actuarial liability occurred in June 2022, referring to post-employment benefits (CPC 33 - R1).

## Total assets

Total assets surged 4.9% or R$5,081.3 million to R$109,657.1 million in June 2022 versus December 2021. In assets composition, treasury investments (securities, added to interbank investments, cash and cash equivalents and derivative financial instruments) account for 42.8% of the total, loan operations 40.7%, compulsory deposits at Bacen, 8.9% and other assets, 7.6%.

Treasury investments totaled R$46,921.8 million in June 2022, relatively in line with December 2021, driven by external funding settled in 2012 due to obligation maturity, in February 2022 and allocation of funds for the 8.6% growth of loan operations.

Banrisul has financial capacity evidenced by technical studies internally developed and intends to hold until maturity the securities classified as “held-to-maturity,” pursuant to Article 8 of the Central Bank of Brazil (Bacen) Circular Letter No. 3068/01.

## Products and services

### Loan portfolio

The loan portfolio came to R$44,585.5 million in June 2022, R$3,543.5 million, or 8.6% higher than in December 2021.

In 1H2022, Banrisul sustainably fomented the economic, social and technological development of its area of activity, contributing to businesses’ growth and accordingly, employment and income generation. The Bank granted R$394.7 million in working capital lines of credit Banrisul Giro FGI and Banrisul FAMPE Mais secured by Guarantee Funds. Small businesses benefited from the line of credit Banrisul FAMPE Mais, can also rely on business education, digital content and managerial advisory services, so that customers knowingly take out a loan, with access to financial education and can improve the management of their business.

Banrisul also offers two lines of own funds, the *Banrisul Fomento*, targeting investment projects, and acquisition of machinery, equipment, buses and trucks, and the Banrisul Special Financing or FEB, intended to finance capital goods to the Rio Grande do Sul’s municipalities. Banrisul also acts as an on lending agent for the Brazilian Development Bank (BNDES) lines: Finame, for the acquisition of machinery, equipment, buses and trucks, and *BNDES Automatico*, concerning businesses and industries installation and expansion projects.

Concerning Banrisul’s sustainability strategy, aiming at meeting the demand for renewable energy solutions, the Bank with its own funds offers the line of credit, *CDC SUSTENTABILIDADE* and onlending through *BNDES Finame Fundo Clima* and *BNDES Finame Baixo Carbono*. Partnering with FINEP, Banrisul offers technological innovation lines of credit with financing entity onlending, Inovacred, Inovacred *Expresso, FINEP* Inovacred 4.0 and FINEP *Aquisição Inovadora.*

**The Bank, in the first half of 2022**, advanced the integration of customer service channels, making available efficient customer service solutions not requiring face-to-face visit at the branch, taking out loans via app, with safety and convenience.

| Breakdown of Total Credit - R$ million | Jun 2022 | Dec 2021 | Jun 2022/ Dec 2021 Abs Chg. % | Chg. % |
|---|---|---|---|---|
| **Private Sector** | **44,479.8** | **40,939.8** | **3,540.0** | **8.6%** |
| Commercial | 32,540.6 | 30,345.5 | 2,195.1 | 7.2% |
| Individual (1) | 24,674.0 | 23,129.0 | 1,545.0 | 6.7% |
| Companies | 7,866.6 | 7,216.4 | 650.1 | 9.0% |
| Real Estate Loans | 4,831.9 | 4,319.8 | 512.1 | 11.9% |
| Rural Loans | 5,422.6 | 4,836.7 | 585.9 | 12.1% |
| Long-term financing | 644.5 | 610.3 | 34.2 | 5.6% |
| Foreign exchange | 1,029.1 | 814.5 | 214.6 | 26.4% |
| Leasing | 11.0 | 12.9 | (1.9) | -14.8% |
| **Public sector** | **105.7** | **102.2** | **3.5** | **3.4%** |
| **Total** | **44,585.5** | **41,042.0** | **3,543.5** | **8.6%** |

**(1)** it includes the transfer of assets – accounted for as per Bacen Circular Letter No. 3.543/12, in loans linked to assignment operations.

In June 2022, the 1st public notice of Banrisul Innovation was issued to select businesses and startups intending to finance their innovation projects and assist 150 businesses to finance R$30 million funded by FINEP onlending.

The loan portfolio is rated by risk levels under procedures set forth by the Brazilian Monetary Council (CMN) Resolution No. 2,682/99. At the end of June 2022, Normal Risk operations, which include risk levels AA to C, totaled R$41,122.1 million, or 92.2% of the total portfolio. Risk 1-rated operations, which include risk levels from D to G, came to R$1,722.0 million, or 3.9% of the portfolio. Risk 2, solely composed of H-level operations, reached R$1,741.3 million or 3.9% of the total.

## Commercial Loans

In line with Banrisul's business strategy, the individual commercial loan advanced R$1,545.0 million versus December 2021, mainly fueled by the growth of payroll-deductible loan operations, which amounted to R$19,715.6 million in June 2022. Out of this total, R$12,240.2 million refer to operations generated at Banrisul's branches and R$7,451.5 million refer to correspondent-generated operations. The remainder of R$23.9 million refers to operations acquired from other institutions.

Companies commercial loans surged R$650.1 million in June 2022, versus December 2021, especially driven by increased working capital loans, highlighting higher volumes granted in Guarantee Funds – FGI.

**Individual**

**R$24,674.0 million**
of balance in June/2022

**+6.7%** in 6 months

**Companies**

**R$7,866.6 million**
of balance in June/2022

**+9.0%** in 6 months

## Agribusiness

Banrisul continues supporting the Rio Grande do Sul agribusiness, in line with its mission of contributing to the state's economic development, as one of its priorities, keeping its focus on small and medium-sized producers' growth through own funds or BNDES onlending.

**In the 2021/2022 crop plan, R$5.2 billion credit was released**, an all-time record in terms of loan granting volume, 45% higher than the 2020/2021 crop year, boosting the agribusiness loan portfolio and rural business share across all regions of the state and most varied cultivations.

In 2021, we inaugurated Banrisul Agro Spaces, customized and specialized in the agribusiness sector to reach an increasing number of small and medium-sized producers in the cities of Santo Ângelo, Cruz Alta and Passo Fundo and, in the second half of 2022, new spaces will be inaugurated in the cities Santana do Livramento, Ijuí, Carazinho and Bagé, envisaging customized services, technical support and financial guidance for production activity, offered by sector's specialists.

In the 2021/2022 Crop Plan, R$5.2 billion credit was released by Banrisul, a record in terms of loan granting volume, 45% higher than the 2020/2021 crop year, boosting the agribusiness loan portfolio and rural business share across all regions of the state and most varied cultivations. In July 2022, the 2022/2023 Crop Plan will start, with credit availability of R$ 7.0 billion.

In March 2022, Banrisul participated in the 22nd *Expodireto Cotrijal* Fair, with a turnover exceeding R$452.2 million, 74% higher than the previous fair in 2020, highlighting machinery, irrigation and renewable energy project finances.

## Funding and asset management

Funds raised, consisting of deposits, funds in banknotes and subordinated debt and assets under management, totaled R$83,850.2 million in June 2022. These funds are mainly composed of 58.1% of time deposits, 18.8% of asset management and 13.9% of savings deposits.

The subordinated debt plunged compared to December/2021, reflecting the settlement of external funding contracted in 2012, due to maturity of obligation in February 2022. Banrisul issued a new subordinated debt (Tier II) in January 2021, totaling US$300.0 million with an annual interest of 5.375%, 10-year maturity and 5-five repurchase option, as per conditions previously agreed by the Offering Memorandum.

| Breakdown of funds By Product – RS million | Jun 2022 | Dec 2021 | Jun 2022 / Dec 2021 Abs. Chg. | Chg. % |
|---|---|---|---|---|
| Total Deposits | 64,625.0 | 64,277.4 | 347.7 | 0.5% |
| Demand Deposits | 3,783.8 | 4,675.7 | (891.9) | -19.1% |
| Savings Deposits | 11,610.7 | 11,565.6 | 45.1 | 0.4% |
| Interbank Deposits | 511.5 | 1,392.7 | (881.2) | -63.3% |
| Time Deposits | 48,702.6 | 46,626.2 | 2,076.5 | 4.5% |
| Other Deposits | 16.4 | 17.3 | (0.9) | -5.3% |
| Bank Notes (1) | 2,193.8 | 1,738.0 | 455.8 | 26.2% |
| Subordinated Debt | 1,252.5 | 4,689.8 | (3,437.3) | -73.3% |
| **Total Funding** | **68,071.3** | **70,705.2** | **(2,633.9)** | **-3.7%** |
| Assets Under Management | 15,778.9 | 14,194.8 | 1,584.1 | 11.2% |
| **Total Funding and Assets Under Management** | **83,850.2** | **84,900.0** | **(1,049.8)** | **-1.2%** |

[1] Financial, real estate and agribusiness credit bills.

### CREDIT AND DEBIT CARDS

Banrisul continuously updates its strategies to attract and retain customers, monitoring the advance of means of payment sector, also fierce competition. In 1H2022, the highlights were credit card annual fee exemption for certain individuals, the exemption for all individual customers holding a credit card, access to the new Timeline and innovations in app credit cards. The 3-month promotion *Sou Mais Ban Ban* was launched in June, targeting individuals holding Banrisul Mastercard credit cards, also distributing R$164.4 thousand in rewards.

**Banricard**

**R$799.8 million**
revenue in 1H02022

**+19.7%**
vs. 1H2021

**Banricompras**

**84.2 million**
transactions in 1H2022

**+9.0%**
vs. 1H2021

**R$8.0 billion**
of total amount

**+9.9%**
vs. 1H2021

**Credit cards**

**44.5 million**
transactions in 1H2022

**+15.6%**
vs. 1H2021

**R$4.2 billion**
revenue in 1H2022

**+21.5%**
vs. 1H2021

Since April 2022, customers starting a relationship with the Bank through Banrisul App can find a new input flow in the icon ‘I want to become a Banrisul Customer’. In addition, once registration is approved, customers can contract certain modes of MasterCard credit card. Current account holders and non-current account holders holding Banrisul credit cards can update their registration data under the Credit Cards menu, in the Banrisul App, Registry Update.

Banrisul ended 1H2022 with a base of 1.2 million credit cards under the Mastercard and Visa brands. Income from credit and credit card fees and BNDES cards totaled R$230.4 million in 1H2022.

### Vero acquiring network

In 1H2022, Elo acknowledged Vero as the 2021 highlight in the Quality & Efficiency category and won two awards: Best Index of Settlement Rejection and Best Release Performance. The ‘Living and Entrepreneurship’ Podcast debuted in March/2022 and ranked the Bank among the Top 10 most listened in Brazil under the Entrepreneurship Category (Apple Podcasts). In addition, processes, assets control and internal and external services channels were improved with the accreditation launched via the Banrisul app, which also gave the option of 18-month installment buying.

Vero ended 1H2022 with 134.8 thousand active accredited merchants in the last 12 months. In 1H2022, 211.4 million transactions were captured, of which 148.8 million with debit cards, 25.6% higher than in 1H2021, and 62.7 million with credit card transactions, 27.1% higher than in 1H2021. In terms of financial volume, the amount transacted totaled R$20.4 billion, 23.7% up from 1H2021. Out of this amount, R$11.4 billion came from debit card transactions and R$9.0 billion from credit card transactions.

The ‘Living and Entrepreneurship’ Podcast launched in March/2022, ranked Banrisul to the **Top 10 most listened in Brazil** under the Entrepreneurship Category (ApplePodcasts).

### Insurance

Our customers are offered a wide portfolio of solutions including personal insurance, property insurance, rural insurance, savings bonds and supplementary private pension plans. In 1H2022, systems and processes were upgraded, sales campaigns took place, financial protection products were remotely contracted and new products were launched. Banrisul broadened the options of private pension investments with the products *BanrisulPrev Qualificado* and *BanrisulPrev Data Alvo*, and through *Banrisul* App that now makes available new functionalities of this product.

The collection of insurance premiums, pension contributions and savings bonds reached R$1.2 billion in 1H2022. Total revenues amounted to R$153.6 million, and income from insurance brokerage commissions totaled R$124.5 million in the period. In June/2022, insurance active operations totaled 2.3 million contracts.

## Customer relationship

In 1H2022, after the consolidated return of face-to-face services at branches, the Customer Manager Terminal - TGA was installed at Banrisul’s branches network, to assist in the organization and standardization of this service. This tool provides parameters that direct the customer to the section fitted into his profile generates data that will assist customer experience monitoring at branch channel and identifies improved service flows, besides complying with legal requirements. The TGA installation will move forward in the second half of 2022 until all branches are covered.

**1,044**
**Service Stations**

**496 branches**
**474** in Rio Grande do Sul
**17** in Santa Catarina
**4** in other states
**1** abroad

**410 service stations and ATMs –PAEs**
**138** service stations-PAs
**986** correspondents

Banrisul’s Ombudsman is prompted when other service channels do not fully solve a complaint or complaint is registered at Bacen, Procons (Consumer Protection and Defense Program), or other public authorities and private entities. Through this channel, 2,427 complaints were received in 1H2022, of which 828 referred to protocols registered in the Ombudsman channel, including letters answered, 612 referred to complaints registered at Bacen and 987 from the Consumer Protection and Defense Program (Procon).

## Digital channels

Banrisul's new visual identity debuted in 1H2022, resulting in the digital channels rebranding and various improvements in the Internet and Mobile Banking.

The digital transformation evolution aims to always offer the best customer experience during his journey. In 1H2022, operations advanced 3.7 p.p., including PIX, via available channels: digital, ATMs, correspondents, cashiers and Banrifone, from 77.5% in 1H2021.


In 1H2022, Internet Banking (Home & Office Banking) and Mobile Banking (My Account, Affinity and Office App*)*, accessed via Banrisul App, including PIX operations, recorded 261.3 million accesses, 27.0% higher than in 2021, an average of 1.5 million daily accesses. In 1H2022, total transactions carried out via these channels increased by 17.1%, where the number of financial transactions came 46.9% higher and the volume transacted came 17.6% higher, compared to the same period in 2021.

The limit management services also implemented in 1H2022, enabled customers to suit their financial transactions according to their needs. Loans signature service was also made available, allowing customers to take out a loan transaction previously registered at the branch and sign up favorite accounts for Pix transactions, conferring greater security. The Antifraud System financial transaction monitoring was another innovation, which offers greater security and assists in anti-fraud, besides the channel restriction to activate the virtual card to access the Banrisul app, wherein customers over 60 years of age must contact Banrifone to confirm the virtual card activation.

The Banrisul app was upgraded to the Office Mobile layout, besides the qualified experience of users' first access to the app, considering different users' profiles and needs, better presentation of services and products available, the possibility of bookmarking the accesses available for a customer and, especially, the creation of specific access for credit cardholders. The *Banrisul Digital* app rating on app stores ended 1H2022 at 3.8 at the Play Store and 4.2 on Apple Store (scale from 1 to 5).

# Banrisul Group Operating Segments

## Banrisul Cartões (Cards)

Banrisul Cartões S.A. manages Vero acquiring network and the issuance of BanriCard benefit and business cards, with 134.8 thousand active accredited merchants and 5,867 active agreements, respectively, in June 2022. Gross operating revenue totaled R$302.4 million in 1H2022, 8.8% higher than in 1H2021. Out of this total, R$299.7 million derived from acquiring network's revenue.

Banrisul Cartões' net income came to R$180.9 million in 1H2022, 47.6% higher than in 2Q2021.

In 2022, the controlling shareholder's board of directors decided to terminate the process that would implement the Company's strategic operation, initiated in August 2021, taking into account that the terms and conditions of acquisition proposals received through financial advisor JP Morgan did not meet its objectives and are not satisfactory to its best interest, also due to current market conditions.

## Banrisul Administradora de Consórcios (Sales Poll Groups)

Banrisul S.A. Administradora de Consórcios has 78.5 thousand Sales Polls Groups members (quotas) and manages Sales Polls Groups groups for the acquisition of goods in the movable property, real estate and services segments, with alternatives for the acquisition of goods. In 1H2022, three partners joined our sales force: *BANESE (Banco do Estado do Sergipe S/A) Administradora e Corretora de Seguros Ltda, WP2 Corretora de Seguros Ltda (WIZ)* and *AUDAC Serviços Especializados de Atendimento ao Cliente Ltda*., broadening our operations in the domestic market, also consolidating Banrisul brand across all Brazilian regions.

In 1H2022, the volume of letters of credit totaled R$6.0 billion, with 5.7 thousand draws, making available to the market, a volume of credit of R$373.8 million for the consumer goods acquisition. Net income came to R$28.7 million, 15.0% higher than in 1H2021.

## Banrisul Seguridade Participações (Insurance)

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

In 1H2022, net income surged 47.4% to R$69.1 million versus the same period in 2021, due to a higher number of insurance policies migrated to the Company.

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

Banrisul S.A. Corretora de Valores Mobiliários e Câmbio operates in the capital markets as an equity broker in equities transactions on the spot, options, forward and futures markets, private fixed income and public fixed income (Direct Treasury), along with B3 S.A. - Brasil, Bolsa, Balcão.

In 1H2022, Banrisul Corretora de Valores intermediated R$2.5 billion transactions at B3 S.A. Brasil, Bolsa, Balcão, 10.7% lower than 1H2021. In 1H2022, Banrisul Corretora de Valores' net income totaled R$5.1 million, 27.4% higher than in the same period of the previous year.

## Corporate Governance

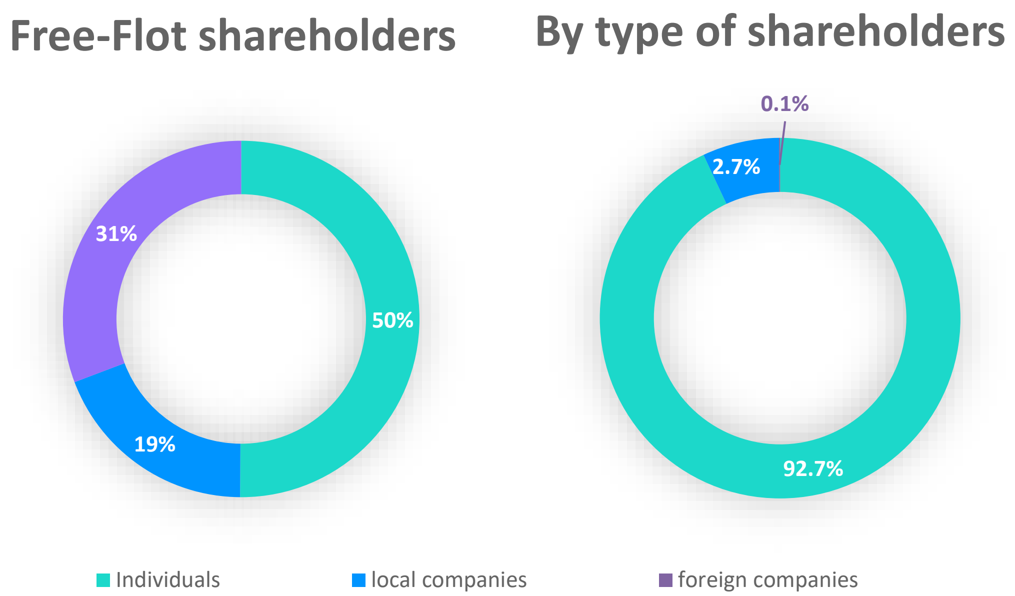
Since 2007, listed under Level 1 of Corporate Governance at B3 S.A., and in line with the best market practices, Banrisul has been fully meeting the requirements of this listing level and additional aspects required by other

B3's governance levels, conferring it greater transparency, equity and accountability, creating value for its shareholders and reinforcing its credibility with investors and customers.

Pursuant to CVM Instruction No. 381/03, Banrisul informs that the company Deloitte Touche Tohmatsu, engaged in 2021, exclusively provided external independent audit services in 1S2022. Additional information on Corporate Governance is available on our Investor Relations website [(ri.banrisul.com.br/en – Corporate Governance Section).]

## Ownership Structure

In June 2022, Banrisul recorded 169,000 shareholders, widespread stock ownership higher than the Corporate Governance Level 1 requirement: free float accounts for 50.6% of total shares issued by the Bank, while the minimum required is 25.0%. In the state of Rio Grande do Sul, Banrisul's controlling shareholder holds 98.1% of common shares with voting rights and 49.4% of Banrisul's total capital.




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

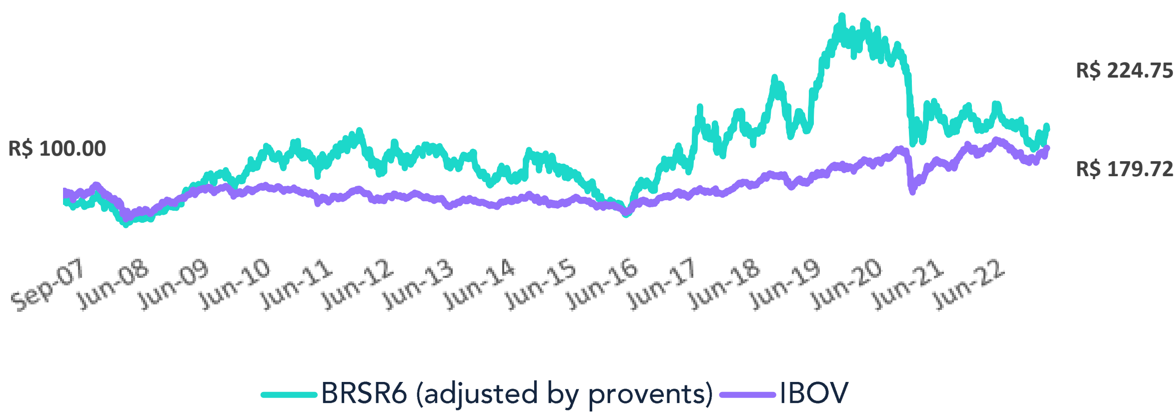
**R$3.7 billion**
Market cap

**R$24.0 million**
Average daily trading volume

**13.1% Dividend yield**
in 12 months

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

**Banrisul PNB Shares Appreciation - BRSR6**
Evolution of R$100.00 invested in 2007 follow-on.




### *Banrisul Ratings*

On June 14, 2022, the Fitch Ratings agency (“*Fitch*”) upgraded Banrisul’s Long-Term National Rating from ‘A+ (bra)’ to ‘AA- (bra)’ and reaffirmed IDRs at ‘BB-‘. IDRs outlook is negative and the Long-Term National Rating is stable.

In addition, Banrisul’s ESG Relevance Score concerning Governance Structure was reviewed from ‘4’ to ‘3’. Fitch considers Banrisul’s corporate governance solid and stable, without significant changes in the Bank’s long-term overall strategy.

Additional information about Ratings can be found on the Investor Relations website (ri.banrisul.com.br/en – Market Information / Ratings Section).

### Interest on equity and dividends payout policy

Since early 2008, Banrisul has been observing the quarterly payout policy of interest on equity - JSCP and, historically, it has compensated its shareholders with a JSCP and dividend payment higher than the legally required minimum level. On April 17, 2022, at the Annual Shareholders’ Meeting, the proposal for the distribution of additional dividends for the year 2022 was approved in the percentage equivalent to 25% of Net Income deducted from the Legal Reserve, totaling 50%. From January to June 2022, R$273.0 million were paid and/or interest on equity were accrued, net of withholding income tax.

## Capital and risk management

### Integrated Management Structure

We review, at least yearly, the institutional structures for capital management and corporate risk. 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 calculationof the amount of risk-weighted assets - RWA, reference shareholders’ equity - PR and leverage ratio - RA.

### Capital Management

Capital management is a continuous process of monitoring, controlling, evaluating and planning goals and capital needs, considering our strategic objectives and risks to which the Bank is subject.

The Brazilian Monetary Council - CMN, through Resolution No. 4,557 / 17, resolved that the financial institutions required to calculate theRWA shall have a continuous capital management structure compatible with the nature of their operations, the complexity of products and services offered and the extent of their risk exposure.

Concerning S2 segment institutions, according to the rules to be fitted into prudential regulation, as capital management improvement, the Capital Adequacy Assessment Simplified Internal Process, or $ICAAP_{SIMP}$ has been introduced.

## Credit risk

Banrisul, aiming the appropriate credit risk management, follows discussions of the Bacen Public Consultation Notice 78/20 (standard partially issued), which discloses the set of normative proposals for the prudential treatment applicable to payment services and Bacen Resolution No. 229/2022, which sets out procedures to calculate the amount of risk-weighted assets -RWA referring to credit risk exposures subject to the calculation of capital requirement through standard approach - $RWA_{CPAD}$. Since January 2022, we have been reporting the Individual Operational Limit Statement - DLI, which briefly gathers information about the detailed calculation of individual limits monitored by Bacen.

## Market risk

During the first half of 2022, monitoring processes did not indicate any occurrence of events or crises to culminate in increased market risk for the Bank. All risk indicators remained at levels in line with the risk policy and within thresholds set out in the Risk Appetite Declaration.

The Fundamental Review of the Trading Portfolio – FRTB has been underway in 2022, but remain unaltered the phases which will determine the effectiveness of public consultations with the set of proposals from the Basel Committee on Banking Supervision, referring to market risk-related capital requirement.

## Liquidity Risk

In 1H2022, the monitoring processes did not indicate any occurrence of events or crises to result in higher liquidity risk. The scenarios adopted in the results projections of operating cash flows did not indicate relevant liquidityrisks in the estimated period, as well as no projected stress scenario in the positions, has materialized, therefore the risk indicators remained at adequate levels under the risk policy and thethresholds defined in the Risk Appetite Statement.

## Operational Risk

In 1H2022, we reviewed the risk assessment methodology to improve assessment criteria and risk level definitions. A few actions for greater integration between lines of defense are underway, aiming at improving operational risk management, among them, associations between loss and risk events to assist in the decision-making process to the extent these are based on more consistent information to assess risks, and accordingly, adopt mitigation actions.

During the same period, the first delivery of Document 5050 occurred, the Operational Risk Statement – DRO, moving forward the new processes set forth by Bacen Resolution No. 3,979/20 and related rules.

## Social, environmental and climate risks

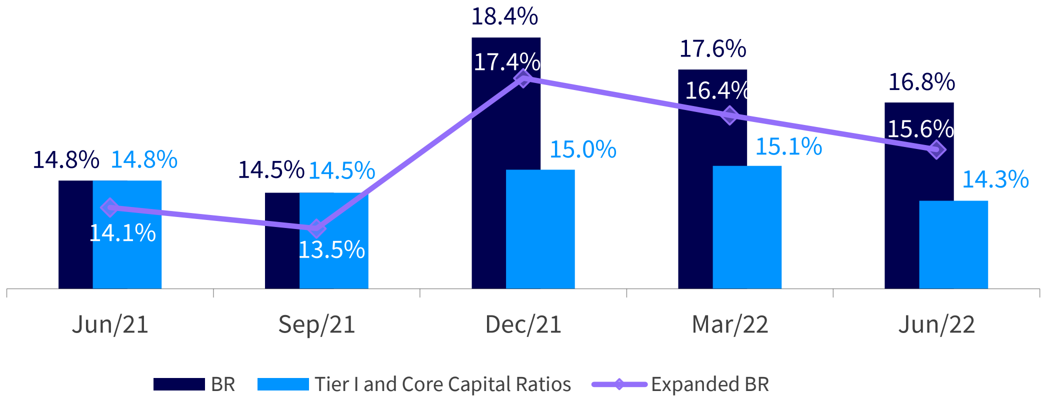
In 1H2022, Action Plans were devised to improve management processes, in line with new regulatory guidelines, as per CMN Resolution No. 4,943/2021, Bacen Resolutions Nos. 121/2021 and 222/2021 and other related rules.

Banrisul enhanced the integration of social, environmental, climate and risk management with other relevant risks from greater identification of these events in the Operating Losses Base and monthly monitoring of the Bank's loan portfolio exposure.

## Basel Ratio

BCB Resolutions No. 4,955/2021 and No. 4,958/2021 determined that the Prudential Conglomerate shall the basis for the calculation of capital requirements and risk-weighted assets. The Basel Ratio measures the ratio between the sum of Tier I Capital – CNI and Tier II Capital – CNII and total risk-weighted risks calculated on the reference date. The maintenance of Capital Adequacy Ratios above the levels defined by the regulator seeks to protect Banrisul in the event of stress scenarios.

The Capital Management area seeks to potentialize the investment of available funds, besides ensuring the Bank's solvency. Below, is the Basel Ratio variation – BR in the last 12 months.



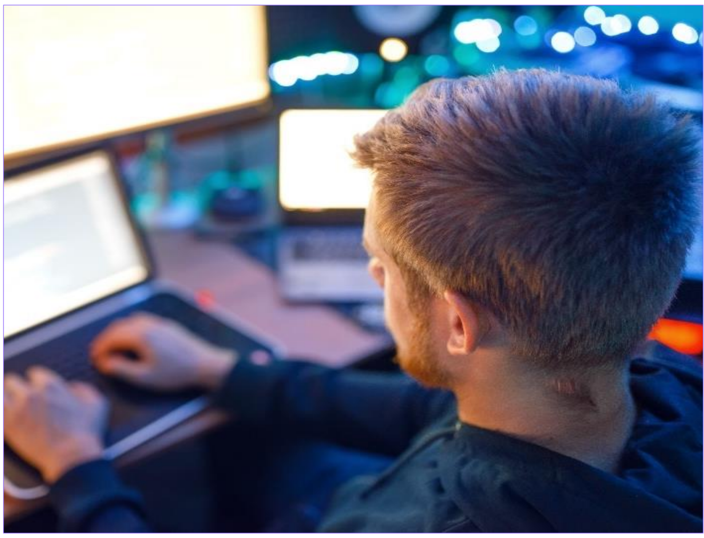

On June 30, 2022, the Basel Ratio stood at 16.8%, 6.3 p.p. above the minimum regulatory level with an additional core capital ratio of 10.5%. In the same period, the Core Capital Ratio and the Tier I Ratio were the same and ended the period at 14.3%, 7.3 p.p. and 5.8 p.p. respectively, above the minimum regulatory level.

# Investment & Innovation

In 1H2022, Banrisul, stick to its increasing commitment to information security, invested R$115.8 million in digital transformation and expansion of the IT infrastructure.

## Actions & initiatives

Banrisul's strategy is grounded on a framework of innovative initiatives and solutions that develop projects and transform businesses, products and services, with a focus on customer always concerned with deploying and providing efficient security mechanisms and tools within a sustainable and solid infrastructure, with digital transformation guidelines and a strong commitment to the sector regulation, always monitoring IT operations availability.



The *Datacenter Zona Sul* was inaugurated on May 17, one of Brazil's most robust and modern structures ensuring a high level of reliability and security. It is worth noting that thanks to an extremely organized planning articulated with various areas, 80% of IT asset planned movement – a significant risk for the new infrastructure of *Datacenter Zona Sul* – took place without any services unavailability.

Concerning information security, Banrisul consistently advanced to mitigate risks, also concerned with customer experience. New security measures were built into virtual card request/activation and customers access to the app, such as the inclusion of validation in mobile phone number via token SMS/e-mail during virtual card request, validating customer registration address including mobile phone geolocation wherein virtual card has been requested, thus, preventing frauds in the access.

Customers' security in online channels raised new regulatory requirements through Bacen Resolution No. 142/2021 and Normative Instruction No. 196/2021 that set out new guidelines to the banks' app concerning limits, accounts and hours involved in financial transactions, such as Pix, TED and bank slips. Banrisul complied with all laws requirements and transformed services availability and limit management into an intuitive and clear customer experience.

To celebrate Safe Internet Day, Banrisul promoted a phishing awareness campaign and reiterated the relevance of employees' and customers' safe behavior to avoid social-engineering attacks, with broad dissemination via the Bank's intranet, website and social media. All these initiatives have been continuously consolidating the Bank's security and the strength of its security mechanisms and policies.

Within the scope of Instant Payment System - Pix, Banrisul delivered relevant services for its customers, such as *Pix Saque* and *Pix Troco*, independent modes of withdrawal. In the evolution of Open Finance's phase 3, the schedule of transactions via Pix enabled customers to schedule Pix transactions from their accounts through the app of another financial institution, adding other options for all ecosystem participants. The Open Finance's ecosystem, through open communication, defines various management and control mechanisms required to be appropriate in each implementation of a new service or functionality, also involving, the customer consent management chain. Thus, the inclusion of Pix scheduling made the process more complex and resulted in defining new business rules and adjustments to payment consent status to comprise the new rule of payment arrangement. Open Finance's phase 4 involves the development and the sharing of public information on products and services offered in the market connected with insurance, investments, private pension and foreign exchange.

Banrisul highly supports Rio Grande do Sul state's initiatives, among them, the *Receita Certa* (Right Revenue) a program that returns amounts to taxpayers referring to payments registered at the *Nota Fiscal Gaúcha* program - the Rio Grande do Sul Trade Bill – NFG via Banrisul accounts or Pix and the project to generate the Statement of Receipt and Responsibility on the use of Citizen card to acknowledge the delivery of Banricard debit card referring to the Social Program *Devolve ICMS* of the state of Rio Grande do Sul. Besides these initiatives, Banrisul also added tax payment via Pix, through QRCode or bar code, so that local governments or accredited companies can broaden their receivables options.

The digital transformation continuously ramps up, promoting a wide cultural leveling on innovation in various areas of the Bank, also consolidating the business and technology integration in pursuit of results. In 1H2022, Banrisul advanced development journeys, with short cycles of deliveries and continued value added for customers.

Concerning the Banrisul App, the customer journey now relies on a new access experience that enhanced the presentation of products and services available in the unlogged area, rearranging current options and making available an access card for non-account holders with a credit card. The number of withdrawals also increased through the app, which can be anticipated within the scope of credit product, the Anticipation of FGTS (workers' severance indemnity fund) Anniversary Withdrawal.

As far as investments are concerned, Banrisul improved bank statement structure and content, as well as functionality, so that customers receive suggestions to invest in products suited to their needs, besides pension plans product management, which now makes available a tool to redeem until R$10,000. Within the context of customer prospects through the *app*, a journey was delivered allowing the entry of new customers with the option to contract credit cards without adhering to a current account.

Within the context of Vero solutions, the launch of Banrisul Digital accreditation journey was the highlight, targeting individual customers who are Banrisul's account holders. Now, customers accessing the app have a smoother experience in their relationship as Banrisul's accredited member and customer, to the extent their registration data are previously validated and are automatically appropriated in the accreditation process, ensuring a quick process.

*Agrofácil* solutions, especially the *Agro Conecta* destined for agricultural technicians, enable to integrate from business prospect to the conduction of operation, including projects.

Within the context of innovation, Banrisul has participated in relevant discussions about Bacen *Real Digital – CBDC*, the Brazilian digital currency representing a real transformation in terms of technology for the Brazilian financial market as a whole. Banrisul consolidates the Digital Portfolio and Delivery Versus Payment – DvP Wholesale squads wherein proposals were built and submitted with Febraban (the Brazilian Federation of Banks) participation in Bacen Innovation Laboratory - LIFT challenge – Real Digital. As a result, the DvP Wholesale proposal was accepted and Banrisul is also participating in its implementation. Banrisul is also a member of the Febraban New Technologies Advisory Group.

Banrisul, aiming at advancing business continuity and reliability, started prospecting and acquiring inputs to enhance its Corporate HelpDesk services and support, conforming the Bank with remote work particularities.

Problem management went through improvements that resulted in greater control of high-impact problems for the Bank's businesses which included executive initiatives, such as the deployment of new reports to mitigate risks and recurrence of these events.

## BanriHub

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

**Hub.Startup**
*BanriTech, Startup Acceleration Program, in partnership with Tecnopuc.*

**Hub.Venture**
*Participation in innovation-related funds.*

**Hub.Education**
*Training, mentorships and exchange among Bank's professionals, market experts and entrepreneurs looking for innovation-related products.*

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

In earlier 2022, BanriTech Startup Acceleration Program, issued its second public notice to select up to 30 companies with different levels of maturity to be accelerated with the technical support of Tecnopuc, focusing on the following verticals: Financial Services, Operational Efficiency, Governments, Agribusiness, Information Security, Customer Relationship and Companies. Within this context, in 1Q2022 a call for proposal was issued for these companies to participate in BanriTech and analysis prioritizing the companies most attentive to the ESG (Environmental, Social and Governance) aspects.

The second cycle of acceleration commenced in April 2022, when 30 selected startups participated in the following activities: early diagnosis of the company; action plan and networking events. The most discussed topics in networking events and mentorships in 1H2022 were: Bank Connection; Digital Marketing; Benefits, Partners and Sales. The following events are scheduled for the second half of the year: Funding, Speed Dating Week, Social and Environmental Impact and the closure event with a runners-up presentation, the BanriTech Pitch Day.

Sixty advisors were selected to monitor startups' activities, business development and Banrisul connections (Bank's voluntary professionals acting as facilitators and supporters in the company's journey). During the acceleration cycle, advisors oversee the company's business, enabling an immersion into business and professional development at the Bank. This interaction also promotes the sharing of a culture of innovation among business units, favoring the implementation of new work methodologies and the improvement of Banrisul's processes, products and services.

During the Week of Innovation held in the city of Porto Alegre in celebration of 250 years of this capital city and the first year of *Instituto Caldeira*'s operation, wherein the Bank is the founder, a Banrisul space was inaugurated at *Instituto Caldeira* where various events took place concerning the innovation ecosystem, with the participation of panel members invited by Banrisul and BanriHub's team. Besides this room, which comprises coworking and ideation spaces, BanriHub has actively participated in other partner events related to innovation, such as RIAGRO, Pacto Alegre and NAVI, amongst others.

In May 2022, Banrisul was one of the greatest sponsors of the South Summit Brazil in the city of Porto Alegre, one of the world's largest innovation events, which for the first time, took place outside Europe, the Bank participated in innovation-related panels and presented its open innovation projects, such as BanriHub and BanriTech.

## Sustainability

In 1H2022, Banrisul continued investing in solid governance mechanisms, especially through its executive Sustainability Committee and recently created the Social, Environmental and Climate Responsibility Committee, linked to the Board of Directors. The Sustainability Strategic Agenda has been built to guide future actions, among them, a project to mitigate greenhouse gases connected with direct emissions and projects related to credit products and services under the sustainability perspective.

Banrisul's **Social, Environmental and Climate Responsibility Policy – PRSAC**, drawn up from a review of Banrisul's Social and Environmental Responsibility Policy, referred to as PRSA, effective since 2016, was approved by the Board of Directors on June 8, 202022. The PRSAC sets out guidelines to guide the social, environmental and climate responsibility actions of Banrisul and entities controlled by Banrisul Group, compatible with the nature of its activities and the complexity of its products and services, besides promoting sustainability, pursuing to balance business opportunities with social, environmental and climate responsibilities, thus, contributing to sustainable development in the regions in which it operates.

Banrisul has been reinforcing its commitment to the ESG agenda, present in businesses and financial services through lines of credit that stimulate the best social and environmental practices, financing sectors and assets of positive impact on society and the environment, such as sustainable agribusiness credit options, acquisition of solar energy systems and biodigesters, among other technologies to enable a conscious use of natural resources.

In 1H2022, a **Technical Cooperation Agreement was signed between Banrisul, Embrapa Trigo CCGL (Cooperativa Central Gaúcha Ltda) to monitor the soil quality, under the pilot phase of Operação 365**. This partnership with **Operação 365** aims at fomenting the chemical, physical and biological quality of agricultural soil, improving crop production stability and stimulating sustainable agriculture. With this initiative, Banrisul evidences its active participation in promoting sustainable agriculture best practices.

The Social, Environmental and Climate Responsibility Policy – PRSAC was approved in June 2022, to set out guidelines in these areas and contribute to the sustainable development in the regions in which it operates.

## Environmental Management

The **Programa Reciclar (Recycling Program), created up to 20 years ago, continuously enhances initiatives** for internal stakeholders aiming at environmental education and includes guidance on practices for correct waste disposal, environmental education, conscious consumption and sustainability principles.

In 1H2022, 134.0 tons of paper were destined for recycling within the scope of the **Solid Waste Management Plan**, which aims at ruling actions, prioritizing the reuse of materials and appropriately disposing of solid waste generated by operations, emphasizing recycling and the utilization as a source of energy.

Banrisul is also concerned with waste topic, participating in the **Programa Sustentare's** Deliberative Committee of the Rio Grande do Sul State government, which sets out guidelines on the appropriate disposal of electro-electronic waste of direct and indirect public administration, with social inclusion envisaging prison work and IT courses for low-income young people. In 1H2022, 11.1 tons of electro-electronic waste was destined for decommissioning through prison work and subsequent recycling. Also in partnership with the state government, Banrisul participates in the Environmental Education Inter-Institutional Commission – CIEA.

Within the scope of interinstitutional partnerships, it is worth noting Banrisul's participation in AMCHAM Sustainability Committee and in the Febraban (Brazilian Federation of Banks) ESG Committee, enabling it to continuously monitor the ESG agenda advances, as well as collaborate on these improvements.

Aware of its role to fight against climate change effects, Banrisul, participates in projects that contribute to mitigating greenhouse gas emissions and the transition to a low-carbon economy, among them, the Renewable Energy Project that foresees the migration of our electricity-consuming units for the use of 100% renewable energy. This Project, which plans to continue over the upcoming years, also aims to foment businesses to generate 100% renewable energy.

## People

Banrisul's strategic planning pillar, the **Strength of our People** drives our efforts to employees' development and engagement, besides improving People Management. Within this scope, in 1H2022, we implemented a new performance-driven compensation model for 2022, the Profit Sharing Program – PPR, wherein indicators are assessed to measure performance in line with Bank's strategy and based on results, productivity and competencies, therefore, discontinuing the variable compensation, effective until 2021.

**Employees**

**8,789** employees

**3,977** female employees

**34.3%** of leadership positions held by women

**2,263** interns

Management by Competencies-related actions were heightened, concerned with Competencies Evaluation model that seeks to know and measure employees' performance at the Organization, aiming at facilitating planning and strategies execution, evidencing each one's expected behavior. A consistent evaluation guides employees and promotes a sense of recognition, belonging and engagement with Institution, accordingly, improving their individual performance and Bank's results as a whole.

Banrisul also kicked off its Organizational Culture Improvement Project, which aims at stressing the Institution's positive values and foreseeing improvement initiatives concerning the values to achieve the organizational objectives.

Succession Management was another project implemented in 1H2022, which aims at identifying and developing eventual successors for the organization's most strategic positions. This project enabled to map potential employees to hold these positions, also an Individual Development Plan will be drawn up for these talents' development.

An in-house Committee was set up, within the scope of Diversity, Equity & Inclusion initiatives, which jointly with the Gender Equality, PwD, Race/ Ethnic Affinity Groups, will develop leaders who will stimulate a diverse and inclusive environment, develop employees about this topic and, along with Communication areas, so that the Institution has a more diverse and inclusive language, making all of them feel represented.

The *Acolhimento Feminino* (Women's Acceptance) program conducted the webinar "The men's role in the fight against women's violence" in 1H2022, which mainly aimed at promoting men's thoughts on their attitudes.

In 1H2022, over R$975.0 thousand were invested in employees' training to ensure Banrisul's sustainability, and 1,481 development and training courses were made available targeting professionals' development. Banrisul's Corporate Education guides training, qualification and development actions concerned with the organization's strategic objectives.

Training Programs for specific positions at branches network and General Management's units, where construction of contents and application shall meet the demands of the organization's strategic alignment and expectations of individuals, groups and branches network, enabling greater agility in the upgrade, building up innovations and adapting to changes.

Our employees could also participate in open courses, lectures, seminars, congresses and other professional qualification-related actions with a focus on commercial, financial, innovation and human resources areas, besides preparatory courses for CPA10 certification exams; CPA20; CFG; CGA and ISFS Information Security certification. Other courses made available were training and development in GRI (Global Reporting Initiative) sustainability, ESG (Environmental, Social and Governance) in banks, lines of credit, firefighting training and prevention, General Law of Data Protection - LGPD, Privacy and Data Protection, Project Management, amongst others.

Concurrently with these actions, Banrisul also invested R$339.6 thousand in Higher Qualification Program concerned with a partial subsidy to undergraduate, graduate, master's degree, Ph.D. and language courses and R$48.6 thousand in the Language Incentive Program in 1H2022.

In 1H2022, Banrisul's Corporate University developed innovation-related lines of credit courses and acquired market content to complement the courses built up with in-house content, aiming the professional development and material topics due to legal claims, such for instance, advanced PLD course for Compliance area employees.

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Considering the negotiations relating to bank employees' base date, Banrisul will initiate negotiation with unions to implement a collective bargaining agreement envisaging an employee's dismissal program, referred to as Voluntary Dismissal Program 2022 ("PDV 2022"). Once approved the case and signed the agreement, the Bank will adopt the subsequent phases required for implementation.

**Environmental, cultural and community support actions and programs**

**The *Programa Sementes* (Seeds Program)**, concerned with households' support and the development of the country's southern region, this program benefited 2,438 farmers' families, schools, Indigenous and quilombola people in 1H2022. 20 projects distributed over 31.0 million seeds for ecologic orchards and projects developed by schools, amongst others.

**The *Projeto Pescar Banrisul* (Professional Initiation Project)** kicked off its 19$^{th}$ class of the professional initiation course in administrative services in March 2022 with **20 adolescents between 16 and 19 years of age**.

**The *Programa Jovem Aprendiz* (Young Apprentice Program)** is concerned with the inclusion of **young people between 14 and 24 years of age** into the labor market, which is materialized through partnerships with eight training institutions.

Banrisul also acts as a **social development agent** in communities in which it operates, supporting and sponsoring cultural, sports and educational events within **social-environmental and healthcare scopes** in the capital city and inland of the state of Rio Grande do Sul. Part of these projects is sponsored by the use of tax benefits granted by culture and sports incentivized federal laws.

In 1H2022, the **Banrisul Museum** maintained regular public access to its permanent exhibition, totaling by the end of June, more than 1,000 visitors at *Espaço Memória Banrisul*. In January, the Museum initiated a study along with the Assets Management Unit for qualification of Technical Reserve facilities aiming at improving assets preservation conditions, researchers services and other procedures. Concerning management, it has been moving forward with the implementation of its charter and the **construction of a Museum Plan** in 2022.

The **#Banrieduca** Program, develops various financial education strategies for young people, among them: meetings with *Projeto Pescar Banrisul* and *Programa Jovem Aprendiz* classes, comprising 90 young people; **Webinars involving 234 interns**; interest survey with internal stakeholders, financial education quiz and tips with external stakeholders, with 13,228 views via Facebook and Instagram.

## Recognitions

April/2022. Banrisul is among the best companies to build a career in Brazil.

Banrisul stands out in the ranking of the best companies to build a career in Brazil, according to a survey of the ranking LinkedIn Top Companies 2022. This survey data are exclusive of LinkedIn, and rank the best companies in the country – Banrisul ranks in the 12th position – for investing in their talents, assisting them to develop their careers and succeed in the long term.

April/2022. Banrisul is Focus' highlight – Bacen's Top 5.

Banrisul achieved an outstanding position in the Focus Report Top 5 ranking, published by Bacen. In the March edition, Banrisul was ranked on the top for Selic rate short-term projection. Bacen's Top 5 ranking classifies, for a degree of accuracy, the financial, academic institutions and advisory firms that periodically release economic indicators projections.

April/2022. Banrisul leads as Rio Grande Sul State-Owned Company according to the Marcas de Quem Decide survey.

Banrisul is the leading brand preferred by managers and top executives in the Rio Grande do Sul market under the Rio Grande do Sul state-owned company category. The Bank received this recognition in the 24th edition of the *Marcas de Quem Decide* (Brands of Those Who Decide) survey, promoted by *Jornal do Comércio* in partnership with *Instituto Qualidata*. Besides this achievement, Banrisul is amongst the top five most reminded and preferred brands under Bank, Private Pension and Sales Polls Groups categories.

May/2022. Banrisul is one of the most innovative companies.

Banrisul is the most innovative company under the State-Owned and Philanthropic Companies special category of Champions of Innovation ranking. This result composes the 18th edition of the survey published by *Grupo Amanhã*. The study aims at exploring brands' potential, measuring the level of innovation and comparing companies of the same sector and others.

The Champions of Innovation adopts the Innovation Management Index, a tool of the Global Innovation Management Institute methodology applied by IXL-Center, Cambridge (USA), an entity that is a global benchmark in the investigation of the best innovation management practices.

June/2022. Fitch upgrades Banrisul's national rating.

Fitch Ratings, one of the world's major risk rating agencies upgraded Banrisul's Long-Term National Rating to 'AA- (bra),' with a stable outlook. According to Fitch, the upgrade of Banrisul's Long-Term National Rating reflects Fitch's opinion that the Bank has been maintaining capitalization and leverage ratios better than its peers (with ratings under the 'A (bra)' category), over the past two years and a half.

"The Bank also evidences the resilience of its risk and business profiles, also least influence from the operational environment of the state of Rio Grande do Sul on the Bank's financial profile," affirms Fitch's notice. Fitch Ratings also affirmed Banrisul's Long-Term IDRs (Issuer Default Ratings) in foreign currencies and Local 'BB-.'

June/2022. Banrisul app stands out in the national survey.

Banrisul App stood out in the 2022 edition of the Credit Card National Survey that assessed credit card attributes, among them, customer satisfaction with key apps available in the Brazilian market. Concerning credit card services via mobile phone app, the Bank's tool received 92.8%, a result above the market average which stood at 88.1%. The analysis was conducted by Research Institute *Medida Certa*, in partnership with *CardMonitor*, specialized in the survey and evaluation of card market trends.

Among various information, the survey also highlighted that from the sample surveyed (427 Banrisul cardholders were interviewed), the percentage of people using the app surged from 74.1% to 75%. Banrisul's credit card acceptance in the market stands at 92%. Also, 50% of Banrisul cardholders use cards to buy online and, 90% of them approve shopping via the Internet.

## Acknowledgments

Foreseeing a favorable outlook for the Brazilian economy, Banrisul sustains its leading role of leveraging entrepreneurship in the communities in which it operates, with the dedication and professionalism of its employees and the credibility trusted on the Company by its investors and customers. We are grateful for these connections that increasingly transform us into a modern, efficient and sustainable bank.

**The Management**

# FINANCIAL STATEMENTS

## BALANCE SHEET
(In Thousands of Reais)

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| **ASSETS** | **Note** | **06/30/2022** | **12/31/2021** | **06/30/2022** | **12/31/2021** |
| Cash | 4 | 1,134,139 | 1,464,621 | 1,134,317 | 1,464,768 |
| Financial Instruments | | 102,675,037 | 98,045,961 | 105,317,641 | 100,594,067 |
| Interbank Lending Market Investments | 5 | 6,690,625 | 5,843,792 | 6,690,625 | 5,845,434 |
| Compulsory Deposits of Central Bank of Brazil | 6 | 9,738,259 | 9,738,751 | 9,738,259 | 9,738,751 |
| Securities | 7 | 38,879,117 | 38,101,151 | 39,096,828 | 38,389,069 |
| Derivative Financial Instruments | 8 | - | 841,900 | - | 841,900 |
| Loans | 9 | 41,301,924 | 37,910,306 | 41,301,924 | 37,910,306 |
| Other Financial Instruments | 10 | 6,052,629 | 5,595,509 | 8,477,522 | 7,854,055 |
| Leases | 9 | 12,483 | 14,552 | 12,483 | 14,552 |
| (Provisions for Expected Losses Associated with Credit Risk) | 9e | (2,591,498) | (2,678,378) | (2,593,565) | (2,681,589) |
| (Loans) | | (2,431,411) | (2,491,660) | (2,431,411) | (2,491,660) |
| (Leases) | | (4,348) | (4,709) | (4,348) | (4,709) |
| (Other Credits) | | (155,739) | (182,009) | (157,806) | (185,220) |
| Tax Assets | | 3,612,515 | 3,115,599 | 3,725,820 | 3,125,439 |
| Current | | 127,202 | 106,662 | 233,527 | 109,439 |
| Deferred | 11 | 3,485,313 | 3,008,937 | 3,492,293 | 3,016,000 |
| Other Assets | 12 | 691,721 | 819,132 | 696,471 | 700,470 |
| Investments | | 2,523,821 | 2,256,357 | 190,845 | 154,439 |
| Investments in Associates and Subsidiaries | 13 | 2,497,551 | 2,248,573 | 164,575 | 146,655 |
| Other Investments | | 26,270 | 7,784 | 26,270 | 7,784 |
| Property and Equipment | 14 | 370,153 | 371,632 | 480,724 | 476,867 |
| Property and Equipment | | 984,860 | 972,362 | 1,157,927 | 1,130,556 |
| (Accumulated Depreciation) | | (614,707) | (600,730) | (677,203) | (653,689) |
| Intangible Assets | 15 | 704,805 | 741,214 | 704,860 | 741,303 |
| Intangible Assets | | 1,820,889 | 1,759,627 | 1,823,296 | 1,762,053 |
| (Accumulated Amortization) | | (1,116,084) | (1,018,413) | (1,118,436) | (1,020,750) |
| **TOTAL ASSETS** | | **109,120,693** | **104,136,138** | **109,657,113** | **104,575,764** |

# BALANCE SHEET

(In Thousands of Reais)

| | | Parent Company | | Consolidated | |
|---|---|---|---|---|---|
| **LIABILITIES** | **Note** | **06/30/2022** | **12/31/2021** | **06/30/2022** | **12/31/2021** |
| Deposits and Other Financial Instruments | | 94,775,292 | 90,463,813 | 94,938,093 | 90,644,572 |
| Deposits | 16 | 65,233,306 | 65,045,847 | 64,625,034 | 64,277,380 |
| Repurchase Agreements | 16 | 15,554,269 | 10,774,902 | 15,483,400 | 10,721,736 |
| Funds from Acceptance and Issuance of Securities | 16 | 2,535,774 | 2,036,940 | 2,193,752 | 1,738,001 |
| Borrowings | 17 | 1,250,259 | 1,021,299 | 1,250,259 | 1,021,299 |
| Onlendings | 17 | 1,366,535 | 1,394,823 | 1,366,535 | 1,394,823 |
| Derivative Financial Instruments | 8 | 570,042 | 136,170 | 570,042 | 136,170 |
| Other Financial Liabilities | 18 | 8,265,107 | 10,053,832 | 9,449,071 | 11,355,163 |
| Provisions | 19 | 2,635,699 | 2,308,528 | 2,641,975 | 2,315,530 |
| Tax Liabilities | | 625,473 | 494,639 | 793,257 | 608,811 |
| Current | | 95,376 | 94,734 | 262,258 | 207,516 |
| Deferred | 11b | 530,097 | 399,905 | 530,999 | 401,295 |
| Other Liabilities | 20 | 2,118,406 | 1,822,941 | 2,313,398 | 1,958,268 |
| **TOTAL LIABILITIES** | | **100,154,870** | **95,089,921** | **100,686,723** | **95,527,181** |
| **EQUITY** | **21** | **8,965,823** | **9,046,217** | **8,970,390** | **9,048,583** |
| 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 | | 4,064,466 | 3,960,169 | 4,064,466 | 3,960,169 |
| Other Comprehensive Income | | (303,154) | (118,463) | (303,154) | (118,463) |
| Non-controlling Interests | | - | - | 4,567 | 2,366 |
| **TOTAL LIABILITIES AND EQUITY** | | **109,120,693** | **104,136,138** | **109,657,113** | **104,575,764** |

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 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| **Income from Financial Intermediation** | | **5,700,392** | **3,228,701** | **5,713,728** | **3,231,630** |
| Loans, Leases and Other Credits | | 3,337,135 | 2,735,682 | 3,337,215 | 2,735,776 |
| Securities | | 2,316,350 | 545,322 | 2,329,606 | 548,157 |
| Derivative Financial Instruments | | (578,295) | (197,854) | (578,295) | (197,854) |
| Foreign Exchange | | 119,904 | 18,910 | 119,904 | 18,910 |
| Compulsory Deposits | | 505,298 | 126,641 | 505,298 | 126,641 |
| **Expenses from Financial Intermediation** | | **(3,535,499)** | **(785,166)** | **(3,476,845)** | **(775,141)** |
| Deposits and Securities Sold Under Repurchase Agreements | | (3,148,891) | (691,864) | (3,090,236) | (681,839) |
| Borrowings, Assignments and Onlendings | | (386,608) | (93,302) | (386,609) | (93,302) |
| **Net Income from Financial Intermediation** | | **2,164,893** | **2,443,535** | **2,236,883** | **2,456,489** |
| **Provisions for Expected Losses Associated with Credit Risk** | | **(449,829)** | **(345,736)** | **(448,746)** | **(347,564)** |
| **Other Operating Income** | | **1,316,926** | **945,106** | **1,569,781** | **1,190,335** |
| Income from Services Rendered and Bank Fees | 22a | 456,638 | 508,166 | 1,010,938 | 960,848 |
| Result of Participation in Associates and Subsidiaries | 13 | 310,634 | 222,523 | 34,712 | 19,202 |
| Other Income | 22b | 549,654 | 214,417 | 524,131 | 210,285 |
| **Other Operating Expenses** | | **(2,857,070)** | **(2,377,207)** | **(3,033,731)** | **(2,528,177)** |
| Personnel Expenses | 23a | (943,073) | (902,954) | (957,746) | (912,915) |
| Other Administrative Expenses | 23b | (873,433) | (796,539) | (922,225) | (845,304) |
| Tax Expenses | | (154,724) | (171,756) | (228,749) | (232,621) |
| Other Expenses | 23c | (885,840) | (505,958) | (925,011) | (537,337) |
| **Net Operating Income** | | **174,920** | **665,698** | **324,187** | **771,083** |
| **Income Before Income Tax and Profit Sharing** | | **174,920** | **665,698** | **324,187** | **771,083** |
| **Income Tax and Social Contribution** | **24** | **320,086** | **(56,364)** | **170,941** | **(161,604)** |
| Current | | - | (169,355) | (149,408) | (275,104) |
| Deferred | | 320,086 | 112,991 | 320,349 | 113,500 |
| **Employee Profit Sharing** | | **(103,090)** | **(65,173)** | **(103,090)** | **(65,174)** |
| **Non-controlling Interest** | | **-** | **-** | **(122)** | **(144)** |
| **Net Income in the Period** | | **391,916** | **544,161** | **391,916** | **544,161** |
| **Net Income Atributable to Shareholderes** | | | | | |
| Controlling | | 391,916 | 544,161 | 391,916 | 544,161 |
| Non-Controlling | | - | - | 122 | 144 |
| **Earnings per Share** | **25** | | | | |
| Basic and Diluted Earnings per Share (in BRL - R$) | | | | | |
| Common Shares | | 0.96 | 1.33 | 0.96 | 1.33 |
| Preferred Shares A | | 0.98 | 1.39 | 0.98 | 1.39 |
| Preferred Shares B | | 0.96 | 1.33 | 0.96 | 1.33 |

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

# STATEMENT OF COMPREHENSIVE INCOME

(In Thousands of Reais)

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| **Net Income Attributable to Shareholders** | **391,916** | **544,161** | **391,916** | **544,161** |
| Non-controlling Interest | - | - | 122 | 144 |
| **Net Income Attributable to Shareholders in the Period** | **391,916** | **544,161** | **392,038** | **544,305** |
| **Items That May Be Reclassified Into the Income Statement** | **(149,583)** | **(23,656)** | **(149,583)** | **(23,656)** |
| Securities available for sale | (4,850) | (3,726) | (4,850) | (3,726) |
| Change in Fair Value | (8,041) | (6,215) | (8,041) | (6,215) |
| Tax Effect | 3,191 | 2,489 | 3,191 | 2,489 |
| Foreign Exchange Variations on Investments Abroad | - | (19,930) | - | (19,930) |
| **Items That May Not Be Reclassified Into the Income Statement** | **(35,108)** | **-** | **(35,108)** | **-** |
| Remeasurement of Post-Employment Benefit Obligations | (35,108) | - | (35,108) | - |
| Actuarial Gains/(Losses) | (63,786) | - | (63,786) | - |
| Tax Effect | 28,678 | - | 28,678 | - |
| **Total Adjustments Not Included in Period Net Income** | **(184,691)** | **(23,656)** | **(184,691)** | **(23,656)** |
| **Total Comprehensive Income for the Period, Net of Tax Income and Social Contribution** | **207,225** | **520,505** | **207,347** | **520,649** |
| Comprehensive Income Attributable to Controlling interests | 207,225 | 520,505 | 207,225 | 520,505 |
| Comprehensive Income Attributable to Non-controlling interests | - | - | 122 | 144 |

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

# STATEMENT OF CHANGES IN EQUITY

(In Thousands of Reais)

| | | Attributable 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, 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 | | - | - | - | - | - | - | (3,726) | - | (3,726) | - | (3,726) |
| Foreign Exchange Effects on Investments Abroad | | - | - | - | - | - | - | (19,930) | - | (19,930) | - | (19,930) |
| Change in Non-controlling Interest | | - | - | - | - | - | - | - | - | - | 113 | 113 |
| Approval of Previous Year's Dividends | | - | - | - | - | - | (23,199) | - | - | (23,199) | - | (23,199) |
| Realization Deferral Agreement of Exclusivity | | - | - | - | - | - | - | - | 2,914 | 2,914 | - | 2,914 |
| Net Income in the Perid | | - | - | - | - | - | - | - | 544,161 | 544,161 | - | 544,161 |
| Allocation of Net Income | 21c | | | | | | | | | | | |
| Constitution of Reservations | | | | 27,208 | 136,040 | 165,417 | - | - | (328,665) | - | - | - |
| Interest on Equity | | - | - | - | - | - | - | - | (192,131) | (192,131) | - | (192,131) |
| Additional Proposed Dividends | | - | - | - | - | - | 26,279 | - | (26,279) | - | - | - |
| **Balance as of June 30, 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** |
| **Balance as of January 1st, 2022** | | **5,200,000** | **4,511** | **680,076** | **2,488,077** | **792,016** | **-** | **(118,463)** | **-** | **9,046,217** | **2,366** | **9,048,583** |
| Other Valuation Adjustments | | | | | | | | | | | | |
| Mark-to-Market of Available-for-Sale Securities | | - | - | - | - | - | - | (4,850) | - | (4,850) | - | (4,850) |
| Actuarial Valuation Adjustments | | - | - | - | - | - | - | (35,108) | - | (35,108) | - | (35,108) |
| Foreign Exchange Effects on Investments Abroad | | - | - | - | - | - | - | (144,733) | - | (144,733) | - | (144,733) |
| Change in Non-controlling Interest | | - | - | - | - | - | - | - | - | - | 2,201 | 2,201 |
| Realization Deferral Agreement of Exclusivity | | - | - | - | - | - | - | - | 2,901 | 2,901 | - | 2,901 |
| Net Income in the Perid | | - | - | - | - | - | - | - | 391,916 | 391,916 | - | 391,916 |
| Allocation of Net Income | 21c | | | | | | | | | | | |
| Constitution of Reservations | | - | - | 19,596 | 84,701 | - | - | - | (104,297) | - | - | - |
| Interest on Equity | | - | - | - | - | - | - | - | (290,520) | (290,520) | - | (290,520) |
| **Balance as of June 30, 2022** | | **5,200,000** | **4,511** | **699,672** | **2,572,778** | **792,016** | **-** | **(303,154)** | **-** | **8,965,823** | **4,567** | **8,970,390** |

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

# CASH FLOW STATEMENT

(In Thousands of Reais)

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| **Cash Flow from Operating Activities** | | | | |
| **Income Before Taxes Income and Employee Profit Sharing** | **174,920** | **665,698** | **324,187** | **771,083** |
| **Adjustments to Income Before Income Tax and Employee Profit Sharing** | | | | |
| Depreciation and Amortization | 113,713 | 111,510 | 123,271 | 119,522 |
| Share of Profit of Equity Accounted Investees | (310,634) | (222,523) | (34,712) | (19,202) |
| Income from Subordinated Debt | (417,610) | (53,466) | (417,610) | (53,466) |
| Provisions for Expected Losses Associated with Credit Risk | 449,829 | 345,736 | 448,746 | 347,564 |
| Provision for Tax, Labor and Civil Risks | 478,049 | 330,701 | 477,474 | 331,202 |
| Effects of the Exchange Rate Variation on Cash and Cash Equivalents | 14,428 | 5,545 | 14,428 | 5,545 |
| **Adjusted Income Before Taxes on Income and Employee Profit Sharing** | **502,695** | **1,183,201** | **935,784** | **1,502,248** |
| **Changes in Assets and Liabilities** | **5,950,266** | **4,537,363** | **5,415,031** | **4,280,365** |
| Decrease in Interbank Deposits | 748,225 | 119,508 | 748,225 | 119,508 |
| Decrease in Central Bank Compulsory Deposits | 492 | 6,117 | 492 | 6,117 |
| (Increase) Decrease in Securities | 1,094,288 | (1,455,331) | 956,501 | (1,519,514) |
| Decrease in Derivative Financial Instruments | 1,275,772 | 357,169 | 1,275,772 | 357,169 |
| (Increase) Decrease in Loans | (4,105,244) | 346,368 | (4,105,244) | 346,368 |
| Decrease in Leases | 2,064 | 3,757 | 2,064 | 3,757 |
| (Increase) Decrease in Other Financial Assets | (467,173) | 27,867 | (633,581) | (47,072) |
| (Increase) in Tax Assets | (176,830) | (310,759) | (280,032) | (371,262) |
| (Increase) Decrease in Other Assets | 71,259 | (31,148) | (2,217) | (47,242) |
| Increase (Decrease) in Deposits | 229,701 | (1,118,799) | 389,896 | (1,262,333) |
| Increase in Repurchase Agreements (Repos) | 4,779,367 | 4,297,010 | 4,761,664 | 4,316,894 |
| Increase (Decrease) in Funds from Acceptance and Issuance of Securities | 498,834 | (694,746) | 455,751 | (697,990) |
| Increase in Borrowings | 200,672 | 1,419,324 | 200,672 | 1,419,324 |
| Increase in Other Financial Liabilities | 1,648,590 | 1,185,126 | 1,531,223 | 1,334,934 |
| (Decrease) in Provisions | (150,878) | (125,085) | (151,029) | (125,168) |
| Increase (Decrease) in Deferred Tax Liabilities | (168,771) | 357,883 | 59,110 | 431,154 |
| Increase in Other Liabilities | 490,379 | 316,732 | 400,777 | 195,180 |
| Income Tax and Social Contribution Paid | (20,481) | (163,630) | (195,013) | (179,459) |
| **NET CASH FROM OPERATING ACTIVITIES** | **6,452,961** | **5,720,564** | **6,350,815** | **5,782,613** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Dividends Received from Associates and Subsidiaries | 112,024 | 85,385 | 17,498 | 27,400 |
| (Increase) in Securities Available for Sale | (6,081) | (5,143) | (6,373) | (5,199) |
| (Increase) in Securities Held to Maturity | (1,866,173) | (2,850,340) | (1,866,741) | (2,850,499) |
| Disposal of Investments | 7,671 | 4,392 | 7,382 | 6,528 |
| Disposal of Property and Equipment | 233 | 337 | 347 | 2,182 |
| Disposal of Intangible Assets | - | - | 19 | - |
| Acquisition of Investments | (20,997) | (5,741) | (20,982) | (706) |
| Acquisition of Property and Equipment | (13,298) | (37,195) | (28,291) | (49,834) |
| Acquisition of Intangible Assets | (62,136) | (45,576) | (62,136) | (45,576) |
| **NET CASH FROM (USED IN) INVESTING ACTIVITIES** | **(1,848,757)** | **(2,853,881)** | **(1,959,277)** | **(2,915,704)** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Subordinated Debt Payment/Rescue | (3,019,705) | (120,436) | (3,019,705) | (120,436) |
| Dividends | (14,975) | (23,199) | (14,975) | (23,199) |
| Interest on Equity Paid | (290,520) | (244,131) | (290,520) | (244,131) |
| Change in Non-controlling Interest | - | - | 2,201 | 113 |
| **NET CASH (USED IN) FINANCING ACTIVITIES** | **(3,325,200)** | **(387,766)** | **(3,322,999)** | **(387,653)** |
| **NET INCREASE IN CASH AND CASH EQUIVALENTS** | **1,279,004** | **2,478,917** | **1,068,539** | **2,479,256** |
| Cash and Cash Equivalents at the Beginning of the Period | 6,396,676 | 6,978,798 | 6,630,661 | 6,980,155 |
| Effects of the Exchange Rate Variation on Cash and Cash Equivalents | (14,428) | (17,752) | (14,428) | (17,752) |
| Cash and Cash Equivalents at the End of the Period | 7,661,252 | 9,439,963 | 7,684,772 | 9,441,659 |

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

# STATEMENT OF ADDED VALUE

(In Thousands of Reais)

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| **INCOME (a)** | **6,256,855** | **3,605,548** | **6,800,051** | **4,055,199** |
| Financial Income | 5,700,392 | 3,228,701 | 5,713,728 | 3,231,630 |
| Services Rendered and Bank Fees Income | 456,638 | 508,166 | 1,010,938 | 960,848 |
| Provisions for Expected Losses Associated with Credit Risk | (449,829) | (345,736) | (448,746) | (347,564) |
| Other | 549,654 | 214,417 | 524,131 | 210,285 |
| **FINANCIAL INTERMEDIATION EXPENSES (b)** | **(3,535,499)** | **(785,166)** | **(3,476,845)** | **(775,141)** |
| **INPUTS ACQUIRED FROM THIRD PARTIES (c)** | **(1,575,957)** | **(1,127,518)** | **(1,654,575)** | **(1,199,377)** |
| Supplies, Energy and Other | (1,208,501) | (803,515) | (1,276,296) | (862,319) |
| Third-party Services | (367,456) | (324,003) | (378,279) | (337,058) |
| **GROSS ADDED VALUE (d=a-b-c)** | **1,145,399** | **1,692,864** | **1,668,631** | **2,080,681** |
| **DEPRECIATION AND AMORTIZATION (e)** | **(113,713)** | **(111,510)** | **(123,271)** | **(119,522)** |
| **NET ADDED VALUE PRODUCED BY THE COMPANY (f=d-e)** | **1,031,686** | **1,581,354** | **1,545,360** | **1,961,159** |
| **ADDED VALUE RECEIVED IN TRANSFER (g)** | **310,634** | **222,523** | **34,712** | **19,202** |
| Equity in earnings (losses) in investees | 310,634 | 222,523 | 34,712 | 19,202 |
| **ADDED VALUE FOR DISTRIBUTION (h=f+g)** | **1,342,320** | **1,803,877** | **1,580,072** | **1,980,361** |
| **DISTRIBUTION OF ADDED VALUE** | **1,342,320** | **1,803,877** | **1,580,072** | **1,980,361** |
| **Personnel** | **912,479** | **843,149** | **926,252** | **852,281** |
| Salaries | 693,695 | 639,449 | 705,287 | 646,666 |
| Benefits | 177,404 | 164,590 | 178,626 | 165,644 |
| FGTS | 41,380 | 39,110 | 42,339 | 39,971 |
| **Taxes, Fees and Contributions** | **(31,678)** | **353,098** | **192,392** | **520,033** |
| Federal | (58,029) | 324,843 | 144,763 | 473,210 |
| State | 11 | 10 | 28 | 48 |
| Local | 26,340 | 28,245 | 47,601 | 46,775 |
| **Remuneration on Third Party Capital** | **69,603** | **63,469** | **69,390** | **63,742** |
| Rentals | 69,603 | 63,469 | 69,390 | 63,742 |
| **Equity Remuneration** | **391,916** | **544,161** | **392,038** | **544,305** |
| Interest on Equity | 290,520 | 192,131 | 290,520 | 192,131 |
| Dividends | - | 26,279 | - | 26,279 |
| Retained Earnings | 101,396 | 325,751 | 101,396 | 325,751 |
| Non-controlling Interests | - | - | 122 | 144 |

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 INTERIM 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 and CMN Resolution No 4,818/20. 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. In the second quarter of 2022, following the closing process, the capital of the Miami Agency was written off with the return of US$56 million to the headquarters in Brazil. The sum of assets and liabilities, income and expenses reported by foreign branches, before eliminations, are summarized as follows:

| Assets | 06/30/2022 | 12/31/2021 |
|---|---|---|
| **Loans** | **352,871** | **380,807** |
| Loans in Brazil | 220,126 | 231,662 |
| Other Lending activities | 132,745 | 149,145 |
| **Other Assets** | **43,622** | **349,359** |
| **Property and Equipment** | **-** | **9** |
| **Total Assets** | **396,493** | **730,175** |
| **Liabilities and Equity** | **06/30/2022** | **12/31/2021** |
| **Deposits** | **79,721** | **74,032** |
| Deposits in Brazil | 37,642 | 29,412 |
| Other Deposits | 42,079 | 44,620 |
| **Other Obligations** | **-** | **101** |
| **Other Liabilities** | **76,148** | **85,514** |
| **Equity** | **240,624** | **570,528** |
| **Total Liabilities and Equity** | **396,493** | **730,175** |
| **Income Statement** | **01/01 to 06/30/2022** | **01/01 to 06/30/2021** |
| Financial Intermediation Income | 4,193 | 4,189 |
| Financial Intermediation Expenses | (1,195) | (630) |
| Other Income (Expenses) | (2,176) | (2,996) |
| **Net Income** | **822** | **563** |

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$(40,901) (1st half of 2021 – (R$19,930).

**(c)** The consolidated financial statements include the accounts of Banrisul, its foreign branches, subsidiaries and investment funds shares 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 shares included in the consolidated financial statements:

| | | Ownership Interest | |
|---|---|---|---|
| | **Activity** | **06/30/2022** | **12/31/2021** |
| Banrisul Armazéns Gerais S.A. | Services | 99.50% | 99.50% |
| Banrisul S.A. Corretora de Valores Mobiliários e Câmbio | Broker | 98.98% | 98.98% |
| Banrisul S.A. Administradora de Consórcios | Management of Sales Poll Groups | 99.68% | 99.68% |
| Banrisul Cartões S.A. | Payment Options | 99.78% | 99.78% |
| Banrisul Seguridade Participações S.A. (1) | Insurance | 100.00% | 100.00% |
| Investment Funds Shares | Investment Funds | 83.67% to 97.45% | 86.88% to 98.95% |

(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 interim financial statements prepared for the reported period were approved by the Board of Directors on August 05, 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:

**- 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.

Derivative financial instruments are assess at market value, on the occasion of the monthly and annual balance sheets. Gains and losses are recognized in income or expense accounts of the respective financial instruments in the income statement.

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

The use of derivative financial instruments is predominantly aimed at mitigating the risks arising from exchange rate fluctuations in the external funding operation carried out by Banrisul, mentioned in Note 18, which result in the conversion of these rates to the variation of the CDI rate.

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

Banrisul makes the documented designation, at the beginning of the 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 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.

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

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

**(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. 2,682/99, 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. 2,682/99, 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**

Investments in subsidiaries and affiliates are valued using the equity method, based on the value of the subsidiary's or affiliate's equity, observing the same accounting practices as the parent company, that is, accounting practices adopted in Brazil applicable to financial institutions authorized to operate at Central Bank of Brazil.

**(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 | 18 |
| 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 to 10 |
| Software | 8 |

**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.

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. 4817/20.

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, 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 triggering events and the respective recorded provisions.

Provision for income tax is recorded at the base rate of 15% of taxable income, plus an additional 10%.

Social Contribution on Profit (CSLL) had its rate altered from 20% to 25% for financial institutions, in the period of 07/01/2021 to 12/31/2021, and starting in January 2022, it went back to 20%, according to article 1 of Law 14,183/21. The aforementioned Law also changed, in the same period, the rate from 15% to 20% for Banrisul

S/A Corretora de Valores Mobiliários e Câmbio, and starting in January 2022, it went back to 15%. For other non-financial companies, the Social Contribution rate on Net Income remains at 9%.

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** - Banrisul 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 periodically 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 offers 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 periodically.

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 periodically 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 | |
|---|---|---|---|---|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| **Cash** | **1,134,139** | **1,464,621** | **1,134,317** | **1,464,768** |
| In Local Currency | 840,761 | 934,541 | 840,939 | 934,688 |
| In Foreign Currency | 293,378 | 530,080 | 293,378 | 530,080 |
| **Interbank Investments (1)** | **6,527,113** | **4,932,055** | **6,527,113** | **4,933,697** |
| Reverse Repurchase Agreements | 5,649,992 | 4,850,003 | 5,649,992 | 4,851,645 |
| Investments in Interbank Deposits | 877,121 | 82,052 | 877,121 | 82,052 |
| Securities | **-** | **-** | **23,342** | **232,196** |
| Investment Funds Quotas | - | - | 23,342 | 232,196 |
| **Total** | **7,661,252** | **6,396,676** | **7,684,772** | **6,630,661** |

(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 | 06/30/2022 | 12/31/2021 |
| **Reverse Purchase Agreements** | **5,649,992** | **-** | **-** | **5,649,992** | **4,850,003** |

| | | | | | |
|---|---|---|---|---|---|
| Reverse Repurchase Agreements - Own Portfolio | | | | | |
| Financial Treasury Letter – LFT | 2,699,994 | - | - | 2,699,994 | 2,500,002 |
| National Treasury Letter – LTN | 2,800,000 | - | - | 2,800,000 | 2,350,001 |
| National Treasury Notes - NTN | 149,998 | - | - | 149,998 | |
| **Interbank Deposits** | **877,121** | **163,512** | **-** | **1,040,633** | **993,789** |
| Interbank Deposits | 877,121 | 163,512 | - | 1,040,633 | 993,789 |
| **Total as of 06/30/2022** | **6,527,113** | **163,512** | **-** | **6,690,625** | |
| **Total as of 12/31/2021** | **4,932,055** | **766,094** | **145,643** | | **5,843,792** |

| | | | | | Consolidated |
|---|---|---|---|---|---|
| | **Up to 3 months** | **3 to 12 months** | **Over 1 Year** | **06/30/2022** | **12/31/2021** |
| **Reverse Purchase Agreements** | **5,649,992** | **-** | **-** | **5,649,992** | **4,851,645** |
| Reverse Repurchase Agreements - Own Portfolio | | | | | |
| Financial Treasury Letter – LFT | 2,699,994 | - | - | 2,699,994 | 2,500,002 |
| National Treasury Letter – LTN | 2,800,000 | - | - | 2,800,000 | 2,350,001 |
| National Treasury Notes - NTN | 149,998 | - | - | 149,998 | |
| Bank Deposit Certificates | - | - | - | - | 1,642 |
| **Interbank Deposits** | **877,121** | **163,512** | **-** | **1,040,633** | **993,789** |
| Interbank Deposits | 877,121 | 163,512 | - | 1,040,633 | 993,789 |
| **Total as of 06/30/2022** | **6,527,113** | **163,512** | **-** | **6,690,625** | |
| **Total as of 12/31/2021** | **4,933,697** | **766,094** | **145,643** | | **5,845,434** |

# NOTE 06 - COMPULSORY DEPOSITS OF CENTRAL BANK OF BRAZIL

| | | Parent Company and Consolidated | |
|---|---|---|---|
| | **Form of Remuneration** | **06/30/2022** | **12/31/2021** |
| Demand deposits and other resources | No Remuneration | 689,685 | 861,453 |
| Savings Deposits | Savings rate | 2,009,904 | 2,016,105 |
| Other Deposits | No Remuneration | 110,057 | 210,762 |
| Time Deposits | SELIC | 6,928,613 | 6,650,431 |
| **Total** | | **9,738,259** | **9,738,751** |

# NOTE 07 - PORTFOLIO OF SECURITIES

Breakdown of the portfolio of securities:

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | **06/30/2022** | **12/31/2021** | **06/30/2022** | **12/31/2021** |
| Securities | 7,194,655 | 8,288,943 | 7,418,807 | 8,584,162 |
| Available-for-sale Securities | 40,116 | 34,035 | 22,641 | 16,268 |
| Held-to-Maturity Securities | 31,644,346 | 29,778,173 | 31,655,380 | 29,788,639 |
| **Total** | **38,879,117** | **38,101,151** | **39,096,828** | **38,389,069** |

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.A. – Brasil, Bolsa, Balcão (Brazil Stock Exchage) future curves.

(a) **Securities**

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

| | | | | | | | | | Parent Company |
|---|---|---|---|---|---|---|---|---|---|
| | Fair Value | | | | | 06/30/2022 | | 12/31/2021 | |
| | Without Maturity | Up to 3 months | 3 to 12 months | 1 to 3 years | 3 to 5 years | Fair Value | Amortized Cost | Fair Value | Amortized Cost |
| Financial Treasury Letter – LFT | - | 1,177,943 | 355,096 | 3,007,660 | 2,180,629 | 6,721,328 | 6,733,963 | 8,276,302 | 8,297,101 |
| National Treasury Bonds – LTN | - | - | - | 318,640 | 139,731 | 458,371 | 460,701 | - | - |
| Shares of Publicly-Held Companies | 14,956 | - | - | - | - | 14,956 | 17 | 12,641 | 17 |
| **Total as of 06/30/2022** | **14,956** | **1,177,943** | **355,096** | **3,326,300** | **2,320,360** | **7,194,655** | **7,194,681** | | |
| **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** |

| | | | | | | | | | Consolidated |
|---|---|---|---|---|---|---|---|---|---|
| | Fair Value | | | | | 06/30/2022 | | 12/31/2021 | |
| | Without Maturity | Up to 3 months | 3 to 12 months | 1 to 3 years | 3 to 5 years | Fair Value | Amortized Cost | Fair Value | Amortized Cost |
| Financial Treasury Letter – LFT | - | 1,177,943 | 355,096 | 3,016,483 | 2,180,629 | 6,730,151 | 6,742,796 | 8,284,663 | 8,305,481 |
| Shares of Publicly-Held Companies | - | - | - | 318,640 | 139,731 | 458,371 | 460,701 | - | - |
| Bank Deposit Certificates | 14,956 | - | - | - | - | 14,956 | 17 | 12,641 | 17 |
| Investment Fund Shares | - | 1,720 | - | - | - | 1,720 | 1,720 | - | - |
| **Total as of 06/30/2022** | 213,609 | - | - | - | - | 213,609 | 213,609 | 286,858 | 286,858 |
| **Total as of 12/31/2021** | **228,565** | **1,179,663** | **355,096** | **3,335,123** | **2,320,360** | **7,418,807** | **7,418,843** | | |

In December 2021, shares of Investment Funds were reclassified from the trading portfolio to the available-for-sale portfolio, in compliance with CMN Resolution No. 4,926/21, and BCB Resolution No. 111/21, 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 Bacen Circular No. 3,068/01. 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| | 06/30/2022 | | | 12/31/2021 | | | 06/30/2022 | | 12/31/2021 | |
| | Without Maturity | Fair Value | Amortized Cost | Fair Value | Amortized Cost | Without Maturity | Fair Value | Amortized Cost | Fair Value | Amortized Cost |
| Investment Fund Shares | 40,116 | 40,116 | 40,734 | 34,035 | 30,934 | 22,626 | 22,626 | 22,916 | 16,254 | 15,745 |
| Privatization Certificates | - | - | - | - | - | 15 | 15 | 15 | 14 | 14 |
| **Total as of 06/30/2022** | **40,116** | **40,116** | **40,734** | | | **22,641** | **22,641** | **22,931** | | |
| **Total as of 12/31/2021** | **34,035** | **-** | **-** | **34,035** | **30,934** | **16,268** | | | **16,268** | **15,759** |

**(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 | | | | | 06/30/2022 | | 12/31/2021 | |
| | 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 | 2,841,018 | 1,465,636 | 12,069,129 | 10,553,498 | 4,405,770 | 31,335,051 | 31,321,533 | 27,230,666 | 27,184,037 |
| National Treasury Letter – LTN | - | - | - | - | - | - | - | 2,246,502 | 2,244,439 |
| Federal Bonds – CVS | - | - | - | 55,535 | - | 55,535 | 46,764 | 61,006 | 52,298 |
| Time Deposits with Special Collaterals - DPGE | 251,196 | - | - | - | - | 251,196 | 250,978 | 237,161 | 238,025 |
| Certificate of Real Estate Receivables - CRI | - | - | - | - | 2,564 | 2,564 | 2,497 | 2,838 | 2,747 |
| **Total as of 06/30/2022** | **3,092,214** | **1,465,636** | **12,069,129** | **10,609,033** | **4,408,334** | **31,644,346** | **31,621,772** | | |
| **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** |

| | | | | | | | | | Consolidated |
|---|---|---|---|---|---|---|---|---|---|
| | Updated Amortized Cost | | | | | 06/30/2022 | | 12/31/2021 | |
| | 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 | 2,841,018 | 1,465,636 | 12,069,129 | 10,564,532 | 4,405,770 | 31,346,085 | 31,332,524 | 27,241,132 | 27,194,433 |
| National Treasury Letter – LTN | - | - | - | - | - | - | - | 2,246,502 | 2,244,439 |
| Federal Bonds - CVS | - | - | - | 55,535 | - | 55,535 | 46,764 | 61,006 | 52,298 |
| Time Deposits with Special Collaterals - DPGE | 251,196 | - | - | - | - | 251,196 | 250,978 | 237,161 | 238,025 |
| Certificate of Real Estate Receivables - CRI | - | - | - | - | 2,564 | 2,564 | 2,497 | 2,838 | 2,747 |
| **Total as of 06/30/2022** | **3,092,214** | **1,465,636** | **12,069,129** | **10,620,067** | **4,408,334** | **31,655,380** | **31,632,763** | | |
| **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** |

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

# NOTE 08 - DERIVATIVE FINANCIAL INSTRUMENTS

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

The use of derivative financial instruments is predominantly aimed at mitigating the risks arising from exchange rate fluctuations in the external funding operation carried out by Banrisul, mentioned in Note 18, which result in the conversion of these rates to the variation of the CDI rate.

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).

In the comparative information from 12/31/2021, there is the amount referring to the Subordinated Debt, signed in 2012 and settled in February 2022.

| | Parent Company and Consolidated | | | | |
|---|---|---|---|---|---|
| | 06/30/2022 | | | | 12/31/2021 |
| **Derivatives Used as Fair Value Hedge** | **Notional Value** | **Amortized cost** | **Fair value adjustment** | **Fair Value** | **Fair Value** |
| **Hedging Instrument** | | | | | |
| Swaps | 1,711,260 | (218,708) | (351,334) | (570,042) | 705,730 |
| Foreign Currency (USD) | 1,711,260 | (218,708) | (351,334) | (570,042) | 705,730 |
| **Hedged Item** | | | | | |
| Subordinated Debt | (1,711,260) | 1,603,545 | (350,996) | 1,252,549 | 4,673,265 |
| Foreign Currency (USD) | (1,711,260) | 1,603,545 | (350,996) | 1,252,549 | 4,673,265 |

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 | 1,711,260 | (107,635) | (351,072) | (458,707) |
| **Liabilities** | | | | |
| % of Interbank Deposit Rate (CDI) | (1,711,260) | (111,073) | (262) | (111,335) |
| **Net Adjustment as of 06/30/2022** | | **(218,708)** | **(351,334)** | **(570,042)** |
| **Net Adjustment as of 12/31/2021** | | **754,468** | **(48,738)** | **705,730** |

(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 | 1,700,260 | (458,707) | (15,309) | (14,218) | (47,577) | (381,603) |
| **Liabilities** | | | | | | |
| % of Interbank Deposit Rate (CDI) | (1,700,260) | (111,335) | (8,163) | (8,485) | (26,717) | (67,970) |
| **Net Adjustment as of 06/30/2022** | | **(570,042)** | **(23,472)** | **(22,703)** | **(74,294)** | **(449,573)** |
| **Net Adjustment as of 12/31/2021** | | **705,730** | **836,079** | **(6,574)** | **(23,553)** | **(100,222)** |

(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$377,906.

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.

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

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

# 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 | 06/30/2022 | 12/31/2021 |
| Loans and Discounted Titles | 535,136 | 23,908,390 | 1,581,349 | 670,720 | 586,755 | 197,854 | 206,664 | 339,831 | 1,649,807 | 29,676,506 | 27,553,291 |
| Financing | 206,950 | 738,779 | 174,580 | 48,803 | 77,602 | 10,752 | 8,171 | 1,959 | 5,987 | 1,273,583 | 1,101,717 |
| Rural and Agro-Industrial Financing | 534,615 | 4,050,251 | 430,921 | 255,426 | 66,032 | 15,238 | 8,755 | 7,232 | 54,041 | 5,422,511 | 4,836,636 |
| Real Estate Loans | 3,724,269 | 759,103 | 232,552 | 68,663 | 9,615 | 1,521 | 372 | 24,637 | 2,850 | 4,823,582 | 4,310,233 |
| Loans Assigned with Recourse (1) | 4,346 | 3,813 | 113 | 56 | - | - | - | - | - | 8,328 | 9,546 |
| Infrastructure and Development Financing | 2,552 | 38,743 | 55,512 | 607 | - | - | - | - | - | 97,414 | 98,883 |
| **Subtotal Loans** | **5,007,868** | **29,499,079** | **2,475,027** | **1,044,275** | **740,004** | **225,365** | **223,962** | **373,659** | **1,712,685** | **41,301,924** | **37,910,306** |
| Lease Operations | 2,631 | 931 | 1,080 | 1,096 | 613 | 37 | 228 | 5,846 | 21 | 12,483 | 14,552 |
| Advances on Foreign Exchange Contracts (2) | 88,817 | 334,869 | 316,388 | 161,521 | 39,635 | 10,469 | 5,268 | 53,305 | 18,871 | 1,029,143 | 804,434 |
| Other Receivables (3) | 88,312 | 1,762,757 | 214,389 | 99,140 | 32,848 | 6,066 | 2,934 | 1,769 | 9,771 | 2,217,986 | 2,264,945 |
| Acquired Portfolio with Recourse (Note 10) | 23,949 | - | - | - | - | - | - | - | - | 23,949 | 47,738 |
| **Total Loan portfolio** | **5,211,577** | **31,597,636** | **3,006,884** | **1,306,032** | **813,100** | **241,937** | **232,392** | **434,579** | **1,741,348** | **44,585,485** | **41,041,975** |
| Recourse and Guarantees Granted (4) | 141,009 | 75,810 | 1,709 | 27,502 | 31 | - | - | - | 9,340 | 255,401 | 283,720 |
| **Total** | **5,352,586** | **31,673,446** | **3,008,593** | **1,333,534** | **813,131** | **241,937** | **232,392** | **434,579** | **1,750,688** | **44,840,886** | **41,325,695** |
| **Total Loan portfolio 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** |

(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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Loan portfolio in Ordinary Course [1] | | | | | | | | | | |
| | AA | A | B | C | D | E | F | G | H | 06/30/2022 | 12/31/2021 |
| **Falling Due** | **5,210,942** | **31,538,282** | **2,780,898** | **1,121,371** | **669,237** | **124,613** | **140,341** | **284,468** | **1,057,471** | **42,927,623** | **39,646,395** |
| 01 to 30 days | 123,173 | 2,277,088 | 362,078 | 153,387 | 75,499 | 15,531 | 10,059 | 13,936 | 84,341 | 3,115,092 | 2,290,295 |
| 31 to 60 days | 174,642 | 1,452,552 | 247,142 | 97,871 | 40,966 | 13,180 | 13,201 | 34,719 | 17,015 | 2,091,288 | 1,686,302 |
| 61 to 90 days | 115,439 | 1,165,702 | 294,515 | 105,155 | 27,667 | 14,588 | 5,434 | 12,576 | 20,081 | 1,761,157 | 1,348,862 |
| 91 to 180 days | 244,314 | 2,726,777 | 334,562 | 124,002 | 76,813 | 11,690 | 13,022 | 38,777 | 82,140 | 3,652,097 | 3,896,218 |
| 181 to 360 days | 337,545 | 4,448,194 | 450,993 | 313,634 | 84,071 | 14,296 | 20,815 | 51,792 | 98,443 | 5,819,783 | 5,684,250 |
| Over 360 days | 4,215,829 | 19,467,969 | 1,091,608 | 327,322 | 364,221 | 55,328 | 77,810 | 132,668 | 755,451 | 26,488,206 | 24,740,468 |
| **Past Due** | **635** | **59,354** | **9,503** | **7,226** | **4,059** | **2,519** | **3,159** | **1,127** | **5,659** | **93,241** | **27,633** |
| Up to 14 days | 635 | 59,354 | 9,503 | 7,226 | 4,059 | 2,519 | 3,159 | 1,127 | 5,659 | 93,241 | 27,633 |
| **Subtotal** | **5,211,577** | **31,597,636** | **2,790,401** | **1,128,597** | **673,296** | **127,132** | **143,500** | **285,595** | **1,063,130** | **43,020,864** | **39,674,028** |
| | Non-Performing Contracts [1] | | | | | | | | | | |
| **Falling Due** | **-** | **-** | **202,075** | **144,839** | **101,690** | **75,511** | **54,869** | **66,116** | **443,480** | **1,088,580** | **932,537** |
| 01 to 30 days | - | - | 4,754 | 4,411 | 4,425 | 3,075 | 2,041 | 2,890 | 12,808 | 34,404 | 29,460 |
| 31 to 60 days | - | - | 4,043 | 3,501 | 3,240 | 2,202 | 1,752 | 2,744 | 12,055 | 29,537 | 26,542 |
| 61 to 90 days | - | - | 4,004 | 3,308 | 3,069 | 2,186 | 1,654 | 2,661 | 12,504 | 29,386 | 24,701 |
| 91 to 180 days | - | - | 10,708 | 9,027 | 8,506 | 6,048 | 4,534 | 7,638 | 34,670 | 81,131 | 71,033 |
| 181 to 360 days | - | - | 19,164 | 17,882 | 15,389 | 11,292 | 7,849 | 11,587 | 62,955 | 146,118 | 128,718 |
| Over 360 days | - | - | 159,402 | 106,710 | 67,061 | 50,708 | 37,039 | 38,596 | 308,488 | 768,004 | 652,083 |
| **Past Due** | **-** | **-** | **14,401** | **32,596** | **38,114** | **39,294** | **34,023** | **82,868** | **234,738** | **476,034** | **435,410** |
| 01 to 14 days | - | - | 597 | 569 | 460 | 337 | 285 | 377 | 3,236 | 5,861 | 5,064 |
| 15 to 30 days | - | - | 12,177 | 7,088 | 6,556 | 5,475 | 3,005 | 17,547 | 16,251 | 68,099 | 54,849 |
| 31 to 60 days | - | - | 1,627 | 24,199 | 11,100 | 7,740 | 4,334 | 10,437 | 20,600 | 80,037 | 52,859 |
| 61 to 90 days | - | - | - | 523 | 19,420 | 5,633 | 5,116 | 8,443 | 19,241 | 58,376 | 48,949 |
| 91 to 180 days | - | - | - | 217 | 578 | 19,565 | 20,613 | 44,891 | 57,517 | 143,381 | 139,884 |
| 181 to 360 days | - | - | - | - | - | 544 | 670 | 1,173 | 100,876 | 103,263 | 117,714 |
| Over 360 days | - | - | - | - | - | - | - | - | 17,017 | 17,017 | 16,091 |
| **Subtotal** | **-** | **-** | **216,476** | **177,435** | **139,804** | **114,805** | **88,892** | **148,984** | **678,218** | **1,564,614** | **1,367,947** |
| **Total as of 06/30/2022** | **5,211,577** | **31,597,636** | **3,006,884** | **1,306,032** | **813,100** | **241,937** | **232,392** | **434,579** | **1,741,348** | **44,585,485** | |
| **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** |

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

## (c) Loan portfolio Breakdown by Business Sector

| | Parent Company and Consolidated | |
|---|---|---|
| | 06/30/2022 | 12/31/2021 |
| **Public Sector** | **105,688** | **102,207** |
| Government - Direct and Indirect Administration | 105,688 | 102,207 |
| **Private Sector** | **44,479,797** | **40,939,768** |
| Companies | 10,601,193 | 9,778,898 |
| Farming and Livestock | 172,284 | 157,230 |
| Food, Beverages and Tobacco | 1,443,819 | 1,428,878 |
| Automotive | 462,127 | 394,772 |
| Pulp and Paper, Wood and Furniture | 215,361 | 201,453 |
| Food Wholesale Trade | 851,435 | 723,876 |
| Wholesale Trade (except food) | 741,633 | 656,660 |
| Retail Trade - Other | 1,079,346 | 1,003,249 |
| Construction and Real Estate | 682,615 | 719,696 |
| Education, Health and other Social Services | 1,017,397 | 1,025,433 |
| Electronics and technology | 423,069 | 350,109 |
| Financial and Insurance | 372,256 | 376,065 |
| Machinery and equipment | 306,881 | 265,830 |
| Metallurgy | 372,085 | 304,044 |
| Infrastructure Works | 39,041 | 42,215 |
| Oil and Gas | 417,015 | 398,718 |
| Chemical and Petrochemical | 674,843 | 521,689 |
| Private Services | 363,497 | 334,628 |
| Textile, Clothing and Leather | 348,177 | 265,386 |
| Transportation | 301,705 | 299,826 |
| Others | 316,607 | 309,141 |
| **Individuals** | 33,878,604 | 31,160,870 |
| **Total Loans** | **44,585,485** | **41,041,975** |

## (d) Loan Concentration

| | Parent Company and Consolidated | | | |
|---|---|---|---|---|
| | 06/30/2022 | | 12/31/2021 | |
| | Value | % of Portfolio | Value | % of Portfolio |
| Largest Debtor | 146,597 | 0.33 | 147,703 | 0.36 |
| 10 Largest Debtors | 1,057,764 | 2.37 | 980,542 | 2.39 |
| 20 Largest Debtors | 1,804,194 | 4.05 | 1,734,651 | 4.23 |
| 50 Largest Debtors | 3,405,015 | 7.64 | 3,152,205 | 7.68 |
| 100 Largest Debtors | 4,647,519 | 10.42 | 4,322,686 | 10.53 |

## (e) Changes in Allowances

The Allowance for Expected Losses in the amount of R$2,591,498, consolidated R$2,593,565 is shown below:

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

| | Parent Company and Consolidated | |
|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| **Opening Balance** | **2,629,813** | **2,763,101** |
| Allowance Recorded in the Period | 449,774 | 345,843 |
| Write-Offs | (536,708) | (435,628) |
| **Closing Balance** | **2,542,879** | **2,673,316** |
| Allowance for Loan Losses | 2,431,411 | 2,518,339 |
| Allowance for Doubtful Lease Receivables | 4,348 | 5,641 |
| Allowance for Losses on Other Receivables with Lending Characteristics (1) | 107,120 | 149,336 |

(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 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| **Opening Balance** | **48,565** | **48,791** | **51,776** | **50,037** |
| Allowance/(Reversal) Recorded in the Period | 55 | (107) | (1,028) | 2,227 |
| Write-Offs | (1) | (80) | (62) | (86) |
| **Closing Balance** | **48,619** | **48,604** | **50,686** | **52,178** |

### (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. 2,682/99 | Recorded Allowance |
| AA | 5,211,577 | 0.00% | - |
| A | 31,597,636 | 0.50% | 157,988 |
| B | 3,006,884 | 1.00% | 30,069 |
| C | 1,306,032 | 3.00% | 39,181 |
| D | 813,100 | 10.00% | 81,310 |
| E | 241,937 | 30.00% | 72,581 |
| F | 232,392 | 50.00% | 116,196 |
| G | 434,579 | 70.00% | 304,206 |
| H | 1,741,348 | 100.00% | 1,741,348 |
| **Total as of 06/30/2022** | **44,585,485** | | **2,542,879** |
| **Total as of 12/31/2021** | **41,041,975** | | **2,629,813** |

### (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 |
|---|---|---|---|---|
| | | 06/30/2022 | | 12/31/2021 |
| Rating | Asset | Provision | Asset | Provision |
| AA | 234 | - | 634 | - |
| A | 22,972 | 17 | 35,666 | 27 |
| B | 823 | 1 | 1,039 | 2 |
| C | 250 | 1 | 305 | 1 |
| D | 962 | 14 | 201 | 3 |
| E | 525 | 24 | 294 | 13 |
| F | 465 | 35 | 278 | 21 |
| G | 236 | 25 | 409 | 43 |
| H | 1,900 | 285 | 1,386 | 208 |
| **Total** | **28,367** | **402** | **40,212** | **318** |

### (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$205,385 (1st half of 2021- R$176,226), net of losses generated in these recoveries.

The balance of renegotiated loans during the period amounted to R$396,412 (1st half of 2021 - R$341,568). 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 06/30/2022 | Up to 12 Months | Over 12 Months | Total as of 12/31/2021 |
| Interbank Accounts | 157,530 | 1,232,404 | 1,389,934 | 7,889 | 1,195,996 | 1,203,885 |
| Credits with the National Housing System (1) | - | 1,232,404 | 1,232,404 | - | 1,195,996 | 1,195,996 |
| Outstanding Payments and Receipts | 150,297 | - | 150,297 | 1,714 | - | 1,714 |
| Others | 7,233 | - | 7,233 | 6,175 | - | 6,175 |
| Interbranch Accounts | 3,440 | - | 3,440 | 65,764 | - | 65,764 |
| Foreign Exchange Portfolio | 1,121,258 | 415 | 1,121,673 | 888,210 | - | 888,210 |
| Income Receivable | 147,381 | - | 147,381 | 72,201 | - | 72,201 |
| Guarantee Deposit | 2 | - | 2 | - | - | - |
| Payments to Reimburse | - | 724,040 | 724,040 | - | 677,718 | 677,718 |
| Securities and Receivables (2) | 55,349 | - | 55,349 | 57,572 | - | 57,572 |
| Credits Linked to Acquired Operations | 2,278,870 | 249,915 | 2,528,785 | 2,314,527 | 244,623 | 2,559,150 |
| with Recorurse (Note 09 (a)) | 22,895 | 1,054 | 23,949 | 41,247 | 6,491 | 47,738 |
| Others | 58,076 | - | 58,076 | 23,271 | - | 23,271 |
| **Total** | **3,844,801** | **2,207,828** | **6,052,629** | **3,470,681** | **2,124,828** | **5,595,509** |

| | | | | | | Consolidated |
|---|---|---|---|---|---|---|
| | Up to 12 Months | Over 12 Months | Total as of 06/30/2022 | Up to 12 Months | Over 12 Months | Total on 12/31/2021 |
| Interbank Accounts | 2,504,888 | 1,232,404 | 3,737,292 | 2,167,238 | 1,195,996 | 3,363,234 |
| Credits with the National Housing System (1) | - | 1,232,404 | 1,232,404 | - | 1,195,996 | 1,195,996 |
| Outstanding Payments and Receipts | 2,497,655 | - | 2,497,655 | 2,161,063 | - | 2,161,063 |
| Others | 7,233 | - | 7,233 | 6,175 | - | 6,175 |
| Interbranch Accounts | 3,440 | - | 3,440 | 65,764 | - | 65,764 |
| Foreign Exchange Portfolio | 1,121,258 | 415 | 1,121,673 | 888,210 | - | 888,210 |
| Income Receivable | 168,336 | - | 168,336 | 102,863 | - | 102,863 |
| Trading and Intermediation of Values | 10,694 | - | 10,694 | 19,401 | - | 19,401 |
| Guarantee Deposit | - | 731,051 | 731,051 | - | 684,292 | 684,292 |
| Reimbursable Payments | 55,572 | - | 55,572 | 57,925 | - | 57,925 |
| Securities and Receivables (2) | 2,317,524 | 249,915 | 2,567,439 | 2,355,853 | 244,623 | 2,600,476 |
| Credits Linked to Operations with Recourse (Note 09 (a)) | 22,895 | 1,054 | 23,949 | 41,247 | 6,491 | 47,738 |
| Others | 58,076 | - | 58,076 | 24,152 | - | 24,152 |
| **Total** | **6,262,683** | **2,214,839** | **8,477,522** | **5,722,653** | **2,131,402** | **7,854,055** |

**(1)** Credits with the National Housing System are composed of:
(a) R$132,457 (12/31/2021 - R$143,876), 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$1,097,034 (12/31/2021 - R$1,049,256), refers to principal and interest installments over acquired loan portfolios to which Banrisul will be entitled to at the time of novation and that are indexed according to the original contracts, i.e., TR + 6.17% p.a. for loans using own funding and TR + 3.12% p.a. for loans with FGTS funding.
(c) R$2,913 (12/31/2021 - R$2,864), 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 June 30, 2022, the receivables were stated at the acquisition cost including interest accrued at the rate used to determine the purchase price, amounting to R$1,229,491 (12/31/2021 - R$1,193,132). The face value is R$1,252,873 (12/31/2021 - R$1,221,358). 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 June 30, 2022, these judicial deposits, referring to court orders assigned to Banrisul, whose release depends on the final decision of the rescission lawsuit, amount to R$196,979 (12/31/2021 - R$190,457) 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$55,526 (12/31/2021 - R$56,268) 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 9.37% 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$47,261 (12/31/2021 – R$47,350);
(c) Debit and Credit Cards: receivables from cardholders when using Banricompras and cards from Visa and MasterCard issued by Banrisul. As of June 30, 2022, totaled R$2,217,888 (12/31/2021 - R$2,254,780) 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$35,748 (12/31/2021 - R$38,280) in the Consolidated.

# NOTE 11 – DEFERRED TAXES

Banrisul has deferred tax assets and deferred income tax and social contribution on net income (CSLL), 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 12/31/2021 | Constitution | Realization | Balance as of 06/30/2022 |
| Allowance for Loan Losses | 1,485,946 | 171,882 | (220,209) | 1,437,619 |
| Provision for Labor Risks | 572,441 | 231,926 | (51,780) | 752,587 |
| Provision for Tax Risks | 198,081 | 15,227 | - | 213,308 |
| Provision for Civil Risks | 96,219 | 15,853 | (27,081) | 84,991 |
| Fair Value Adjustments | 35,001 | 143,321 | (19,697) | 158,625 |
| Post Employment Benefits | 363,005 | 32,653 | - | 395,658 |
| Other Temporary Provisions | 258,270 | 57,147 | (34,263) | 281,154 |
| Tax Loss | - | 161,397 | | 161,397 |
| **Total Tax Assets** | **3,008,963** | **829,406** | **(353,030)** | **3,485,339** |
| Unregistered Credits | (26) | - | - | (26) |
| **Total Deferred Tax Assets Recorded** | **3,008,937** | **829,406** | **(353,030)** | **3,485,313** |
| Deferred Tax Liabilities | (399,905) | (169,230) | 39,038 | (530,097) |
| **Deferred Tax Assets Net of Deferred Tax Liabilities** | **2,609,032** | **660,176** | **(313,992)** | **2,955,216** |

| | | | | Consolidated |
|---|---|---|---|---|
| | Balance as of 12/31/2021 | Constitution | Realization | Balance as of 06/30/2022 |
| Allowance for Loan Losses | 1,487,290 | 172,570 | (221,262) | 1,438,598 |
| Provision for Labor Risks | 573,524 | 231,990 | (51,941) | 753,573 |
| Provision for Tax Risks | 198,140 | 15,234 | (1) | 213,373 |
| Provision for Civil Risks | 97,521 | 16,070 | (27,443) | 86,148 |
| Fair Value Adjustments | 35,001 | 143,321 | (19,697) | 158,625 |
| Post Employment Benefits | 364,686 | 32,782 | - | 397,468 |
| Other Temporary Provisions | 259,864 | 60,028 | (36,755) | 283,137 |
| Tax Loss | - | 161,397 | - | 161,397 |
| **Total Tax Assets** | **3,016,026** | **833,392** | **(357,099)** | **3,492,319** |
| Unregistered Credits | (26) | - | - | (26) |
| **Total Deferred Tax Assets Recorded** | **3,016,000** | **833,392** | **(357,099)** | **3,492,293** |
| Deferred Tax Liabilities | (401,295) | (170,139) | 40,435 | (530,999) |
| **Deferred Tax Assets Net of Deferred Tax Liabilities** | **2,614,705** | **663,253** | **(316,664)** | **2,961,294** |

The expectation of realizing these assets is as follows:

| | | | | Parent Company | Consolidated |
|---|---|---|---|---|---|
| Year | Income tax | Social Contribution on Profit (CSLL) | Total | Registered Totals | Registered Totals |
| 2022 | 137,510 | 110,008 | 247,518 | 247,518 | 250,380 |
| 2023 | 301,959 | 241,568 | 543,527 | 543,527 | 545,796 |
| 2024 | 326,720 | 261,376 | 588,096 | 588,096 | 589,289 |
| 2025 | 330,903 | 264,722 | 595,625 | 595,625 | 595,764 |
| 2026 | 292,673 | 234,139 | 526,812 | 526,812 | 527,066 |
| 2027 to 2029 | 450,099 | 360,078 | 810,177 | 810,177 | 810,349 |
| 2030 to 2031 | 96,421 | 77,137 | 173,558 | 173,558 | 173,649 |
| As of 2032 | 14 | 12 | 26 | - | - |
| **Total as of 06/30/2022** | **1,936,299** | **1,549,040** | **3,485,339** | **3,485,313** | **3,492,293** |
| **Total as of 12/31/2021** | **1,671,646** | **1,337,317** | **3,008,963** | **3,008,937** | **3,016,000** |

The total present value of deferred tax assets is R$2,450,158 and in Consolidated R$2,456,090 calculated according to the expected realization of income tax and social contribution deferred by the average funding rate, projected for the corresponding periods.

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

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| Excess Depreciation | 7,998 | 7,797 | 7,998 | 7,797 |
| Own Securities Available for Sale | 636 | - | 1,222 | - |
| Adjustment of MTM Subordinated Debt – Hedge Accouting | 157,949 | 30,341 | 158,059 | 31,540 |
| Renegotiated Operations Law No, 12,715/12 | 271,883 | 269,415 | 271,883 | 269,415 |
| Actuarial Surplus | 91,631 | 92,352 | 91,837 | 92,543 |
| **Total** | **530,097** | **399,905** | **530,999** | **401,295** |

# NOTE 12 - OTHER ASSETS

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | Total as of 06/30/2022 | Total as of 12/31/2021 | Total as of 06/30/2022 | Total as of 12/31/2021 |
| Advances to Employees | 41,947 | 15,598 | 42,225 | 15,861 |
| Post-employment Benefit (Note 27) | 196,067 | 198,580 | 196,671 | 199,143 |
| Other Receivables - Domestic | 160,561 | 138,828 | 160,441 | 129,404 |
| Assets for Sale | 131,561 | 144,695 | 131,668 | 144,802 |
| Prepaid Expenses | 157,968 | 190,353 | 160,164 | 191,622 |
| Other | 3,617 | 131,078 | 5,302 | 19,638 |
| **Total** | **691,721** | **819,132** | **696,471** | **700,470** |

# NOTE 13 - INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES AND GOODWILL

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |
| **Investments in Domestic Subsidiaries and associates** | **2,497,551** | **2,247,949** | **164,575** | **146,031** |
| Investments in Subsidiaries | 2,332,976 | 2,101,918 | - | - |
| Investments in Associates | 164,575 | 146,031 | 164,575 | 146,031 |
| **Goodwill from Investment Acquisitions [1]** | **-** | **624** | **-** | **624** |
| **Total** | **2,497,551** | **2,248,573** | **164,575** | **146,655** |

(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 06/30/2022 | Participation in Capital (%) 06/30/2022 | Investment Value 06/30/2022 | Net Income 1H2022 | Equity Results 1H2022 |
| **Subsidiaries** | **2,339,065** | | **2,332,976** | **288,211** | **275,922** |
| Banrisul Armazéns Gerais S.A. | 66,526 | 99.50 | 66,192 | 4,440 | 4,418 |
| Banrisul S.A. Corretora de Valores Mobiliários e Câmbio | 98,488 | 98.98 | 97,487 | 5,105 | 5,047 |
| Banrisul S.A. Administradora de Consórcios | 351,761 | 99.68 | 350,646 | 28,653 | 28,562 |
| Banrisul Cartões S.A. | 1,690,247 | 99.78 | 1,686,607 | 180,906 | 180,516 |
| Banrisul Seguridade Participações S.A. | 132,043 | 100.00 | 132,044 | 69,107 | 57,379 |
| **Associates** | **329,310** | | **164,575** | **69,459** | **34,712** |
| Bem Promotora de Vendas e Serviços S.A. | 51,415 | 49.90 | 25,655 | 11,303 | 5,640 |
| Banrisul Icatu Participações S.A. | 277,895 | 49.99 | 138,920 | 58,156 | 29,072 |

| | | | | | Consolidated |
|---|---|---|---|---|---|
| | Equity 06/30/2022 | Participation in Capital (%) 06/30/2022 | Investment 06/30/2022 | Net Income 1H2022 | Equity Results 1H2022 |
| **Associates** | **329,310** | | **164,575** | **69,459** | **34,712** |
| Bem Promotora de Vendas e Serviços S.A. | 51,415 | 49.90 | 25,655 | 11,303 | 5,640 |
| Banrisul Icatu Participações S.A. | 277,895 | 49.99 | 138,920 | 58,156 | 29,072 |

| | Equity 12/31/2021 | Participation in Capital (%) 12/31/2021 | Investment Value 12/31/2021 | Net Income 1H2021 | Parent Company Equity Results 1H2021 |
|---|---|---|---|---|---|
| **Subsidiaries** | **2,107,535** | | **2,101,918** | **202,209** | **202,419** |
| Banrisul Armazéns Gerais S.A. | 63,437 | 99.50 | 63,118 | 3,845 | 4,443 |
| Banrisul S.A. Corretora de Valores Mobiliários e Câmbio | 94,595 | 98.98 | 93,634 | 4,007 | 3,962 |
| Banrisul S.A. Administradora de Consórcios | 342,806 | 99.68 | 341,720 | 24,909 | 24,830 |
| Banrisul Cartões S.A. | 1,509,496 | 99.78 | 1,506,245 | 122,576 | 122,312 |
| Banrisul Seguridade Participações S.A. | 97,201 | 100.00 | 97,201 | 46,872 | 46,872 |
| **Associates** | **292,205** | | **146,031** | **40,495** | **20,104** |
| Bem Promotora de Vendas e Serviços S.A. | 46,280 | 49.90 | 23,093 | 17,107 | 8,536 |
| Banrisul Icatu Participações S.A. | 245,925 | 49.99 | 122,938 | 23,388 | 11,691 |
| VG8JV Tecnologia S.A.[1] | - | - | - | - | (123) |

(1) The company ended its activity on April 22, 2021.

| | Equity 12/31/2021 | Participation in Capital (%) 12/31/2021 | Investment Value 12/31/2021 | Net Income 1H2021 | Consolidated Equity Results 1H2021 |
|---|---|---|---|---|---|
| **Associates** | **292,205** | | **146,031** | **40,495** | **19,202** |
| Bem Promotora de Vendas e Serviços S.A. | 46,280 | 49,90 | 23,093 | 17,107 | 8,536 |
| Banrisul Icatu Participações S.A. | 245,925 | 49,99 | 122,938 | 23,388 | 11,691 |
| VG8JV Tecnologia S.A.[1] | - | - | - | - | (1,025) |

(1) The company ended its activity on April 22, 2021.

# NOTE 14 - PROPERTY AND EQUIPMENT

| | Property in Use | Equipment in Inventory | Facilities | Equipment in Use | Data Processing System | Others | Parent Company Total |
|---|---|---|---|---|---|---|---|
| **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** |
| Acquisitions | - | 2,758 | 4,032 | 3,328 | 3,065 | 115 | 13,298 |
| Disposals - Cost | - | - | (477) | (302) | (21) | - | (800) |
| Disposals - Accumulated Depreciation | - | - | 256 | 290 | 21 | - | 567 |
| Depreciation | (672) | - | (2,634) | (2,909) | (7,912) | (417) | (14,544) |
| Net Transfers - Cost | - | (1,612) | (6) | 1,520 | 114 | (16) | - |
| Net Transfers - Accumulated Depreciation | - | - | 1 | 5 | (15) | 9 | - |
| **Net Change** | **(672)** | **1,146** | **1,172** | **1,932** | **(4,748)** | **(309)** | **(1,479)** |
| **As of June 30, 2022** | | | | | | | |
| Original Cost | 182,801 | 4,822 | 241,581 | 158,583 | 372,971 | 24,102 | 984,860 |
| Accumulated Depreciation | (95,429) | - | (137,225) | (89,934) | (272,749) | (19,370) | (614,707) |
| **Net Balance as of June 30, 2022** | **87,372** | **4,822** | **104,356** | **68,649** | **100,222** | **4,732** | **370,153** |

| | Property in Use | Equipment in Inventory | Facilities | Equipment in Use | Data Processing System | Others | Consolidated Total |
|---|---|---|---|---|---|---|---|
| **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** |
| Acquisitions | 43 | 17,347 | 4,171 | 3,539 | 3,065 | 126 | 28,291 |
| Disposals - Cost | (108) | - | (477) | (306) | (29) | - | (920) |
| Disposals - Accumulated Depreciation | - | - | 256 | 293 | 24 | - | 573 |
| Depreciation | (768) | - | (2,877) | (3,068) | (16,929) | (445) | (24,087) |
| Net Transfers - Cost | - | (15,821) | (6) | 1,520 | 14,323 | (16) | - |
| Net Transfers - Accumulated Depreciation | - | - | 1 | 5 | (15) | 9 | - |
| **Net Change** | **(833)** | **1,526** | **1,068** | **1,983** | **439** | **(326)** | **3,857** |
| **As of June 30, 2022** | | | | | | | |
| Original Cost | 199,556 | 36,014 | 250,469 | 165,353 | 479,889 | 26,646 | 1,157,927 |
| Accumulated Depreciation | (100,323) | - | (142,537) | (95,415) | (317,364) | (21,564) | (677,203) |
| **Net Balance as of June 30, 2022** | **99,233** | **36,014** | **107,932** | **69,938** | **162,525** | **5,082** | **480,724** |

# NOTE 15 - INTANGIBLE ASSETS

| | Software Use Rights | Right from Acquisition of Payroll operations (1) | Others | Total |
|---|---|---|---|---|
| | | | | Parent Company |
| **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** |
| Acquisitions | 8,385 | 53,751 | - | 62,136 |
| Disposals – Write Offs | - | (874) | - | (874) |
| Disposals – Amortization Write Offs | - | 874 | - | 874 |
| Amortization | (10,906) | (87,639) | - | (98,545) |
| **Net Change** | **(2,521)** | **(33,888)** | **-** | **(36,409)** |
| **As of June 30, 2022** | | | | |
| Original Cost | 214,970 | 1,604,211 | 1,708 | 1,820,889 |
| Accumulated Depreciation | (130,923) | (984,503) | (658) | (1,116,084) |
| **Net Balance as of June 30, 2022** | **84,047** | **619,708** | **1,050** | **704,805** |

| | Software Use Rights | Right from Acquisition of Payroll operations (1) | Others | Total |
|---|---|---|---|---|
| | | | | Consolidated |
| **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** |
| Acquisitions | 8,385 | 53,751 | - | 62,136 |
| Disposals – Write Offs | - | (874) | (19) | (893) |
| Disposals – Amortization Write Offs | - | 874 | - | 874 |
| Amortization | (10,921) | (87,639) | - | (98,560) |
| **Net Change** | **(2,536)** | **(33,888)** | **(19)** | **(36,443)** |
| **As of June 30, 2022** | | | | |
| Original Cost | 217,160 | 1,604,211 | 1,925 | 1,823,296 |
| Accumulated Depreciation | (133,058) | (984,503) | (875) | (1,118,436) |
| **Net Balance as of June 30, 2022** | **84,102** | **619,708** | **1,050** | **704,860** |

(1) The net balance of R$619,708 (12/31/2021 - R$653,596) is comprised of:

a) R$528,045 (12/31/2021 - R$595,455) 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 2021, as defined in the contract, there was a price adjustment in the amount of R$48,781 which makes up the total balance that will be deferred for the remainder of the contract term.No indications that these assets are impaired were identified;

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. The contract continues in the process to be renewed.

c) R$79,265 (12/31/2021 - R$44,538) 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$12,398 (12/31/2021 - R$13,603) 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 | 06/30/2022 | 12/31/2021 |
|---|---|---|---|---|---|---|
| | | | | | | Parent Company |
| **Deposits** | | | | | | |
| Demand Deposits (1) | 3,793,315 | - | - | - | 3,793,315 | 4,687,506 |
| Savings Deposits (1) | 11,610,670 | - | - | - | 11,610,670 | 11,565,559 |
| Interbank Deposits | - | 511,508 | - | - | 511,508 | 1,392,662 |
| Time Deposits (2) | - | 4,986,344 | 5,315,808 | 39,000,678 | 49,302,830 | 47,385,962 |
| Other Deposits | 14,983 | - | - | - | 14,983 | 14,158 |
| **Total** | **15,418,968** | **5,497,852** | **5,315,808** | **39,000,678** | **65,233,306** | **65,045,847** |
| **Repurchase Agreements (Repos)** | | | | | | |

| | Without Maturity | Up to 3 Months | 3 to 12 Months | Over 12 Months | 06/30/2022 | 12/31/2021 |
|---|---|---|---|---|---|---|
| Own Portfolio (3) | - | 15,554,269 | - | - | 15,554,269 | 10,774,902 |
| **Total** | **-** | **15,554,269** | **-** | **-** | **15,554,269** | **10,774,902** |
| **Funds from Acceptance and Issuance of Securities** | | | | | | |
| Funds from Real Estate, Mortgage, Credit and Similar Bonds | - | 378,277 | 1,116,606 | 1,040,891 | 2,535,774 | 2,036,940 |
| **Total** | **-** | **378,277** | **1,116,606** | **1,040,891** | **2,535,774** | **2,036,940** |

| | | | | | | Consolidated |
|---|---|---|---|---|---|---|
| | Without Maturity | Up to 3 Months | 3 to 12 Months | Over 12 Months | 06/30/2022 | 12/31/2021 |
| **Deposits** | | | | | | |
| Demand Deposits (1) | 3,783,817 | - | - | - | 3,783,817 | 4,675,682 |
| Savings Deposits (1) | 11,610,670 | - | - | - | 11,610,670 | 11,565,559 |
| Interbank Deposits | - | 511,508 | - | - | 511,508 | 1,392,662 |
| Time Deposits (2) | - | 4,986,344 | 4,715,605 | 39,000,678 | 48,702,627 | 46,626,153 |
| Other Deposits | 16,412 | - | - | - | 16,412 | 17,324 |
| **Total** | **15,410,899** | **5,497,852** | **4,715,605** | **39,000,678** | **64,625,034** | **64,277,380** |
| **Repurchase Agreements (Repos)** | | | | | | |
| Own Portfolio (3) | - | 15,483,400 | - | - | 15,483,400 | 10,721,736 |
| **Total** | **-** | **15,483,400** | **-** | **-** | **15,483,400** | **10,721,736** |
| **Funds from Acceptance and Issuance of Securities** | | | | | | |
| Funds from Real Estate, Mortgage, Credit and Similar Bonds | - | 378,277 | 774,584 | 1,040,891 | 2,193,752 | 1,738,001 |
| **Total** | **-** | **378,277** | **774,584** | **1,040,891** | **2,193,752** | **1,738,001** |

(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 99.06% and 0.94% of the total portfolio, respectively. The average funding rate for floating-rate deposits corresponds to 82.42% (12/31/2021 – 81.39%) of CDI, and for fixed-rate deposits, to 6.48% (12/31/2021 – 3.69%) p.a. Of total time deposits, 68.50% (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 | 06/30/2022 | 12/31/2021 |
| **Borrowings(1)** | | | | | |
| Foreign Borrowings | 543,328 | 706,931 | - | 1,250,259 | 1,021,299 |
| **Total** | **543,328** | **706,931** | **-** | **1,250,259** | **1,021,299** |
| **Onlendings(2)** | | | | | |
| Domestic Onlendings – Official Institutions | 680,103 | 172,084 | 482,863 | 1,335,050 | 1,394,823 |
| Foreign Onlendings | 3,026 | 25,841 | 2,618 | 31,485 | - |
| **Total** | **683,129** | **197,925** | **485,481** | **1,366,535** | **1,394,823** |

(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 1.17% and 5.07% (12/31/2021 – 1.10% and 2.63%) 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 February 2035, and are subject to from interest from 0.90% to 8.00% (12/31/2021 – 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 15.38% (12/31/2021 – 15.02%) 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 06/30/2022 | Up 12 Months | Over 12 Months | Total 12/31/2021 |
| Interfinancial Relations | 355,886 | - | 355,886 | 46,592 | - | 46,592 |
| Interdependence Relations | 573,814 | - | 573,814 | 291,845 | - | 291,845 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Foreign Exchange Portfolio | 99,722 | - | 99,722 | 47,964 | - | 47,964 |
| Securities Trading and Brokerage | 1,492 | - | 1,492 | - | - | - |
| Financial and Development Funds | 3,580,922 | - | 3,580,922 | 2,601,475 | - | 2,601,475 |
| Subordinated Debts (1) | 85,603 | 1,166,870 | 1,252,473 | 3,130,149 | 1,559,639 | 4,689,788 |
| Creditors for Resources to be Released | 211,645 | - | 211,645 | 194,784 | - | 194,784 |
| Payable Card Transactions | 1,447,661 | - | 1,447,661 | 1,391,157 | - | 1,391,157 |
| Acquisition Payable Obligations | 685,621 | - | 685,621 | 730,199 | - | 730,199 |
| Provision for guarantees provided and Guarantees (Note 26 (b)) | 11,256 | - | 11,256 | 18,738 | - | 18,738 |
| Others | 38,949 | 5,666 | 44,615 | 34,742 | 6,548 | 41,290 |
| **Total** | **7,092,571** | **1,172,536** | **8,265,107** | **8,487,645** | **1,566,187** | **10,053,832** |

| | | | | | | **Consolidated** |
|---|---|---|---|---|---|---|
| | **Up 12 Months** | **Over 12 Months** | **Total 06/30/2021** | **Up 12 Months** | **Over 12 Months** | **Total 12/31/2021** |
| Interfinancial Relations | 355,886 | - | 355,886 | 46,592 | - | 46,592 |
| Interdependence Relations | 573,631 | - | 573,631 | 290,408 | - | 290,408 |
| Foreign Exchange Portfolio | 99,722 | - | 99,722 | 47,964 | - | 47,964 |
| Securities Trading and Brokerage | 12,209 | - | 12,209 | 19,245 | - | 19,245 |
| Financial and Development Funds | 3,580,922 | - | 3,580,922 | 2,601,475 | - | 2,601,475 |
| Subordinated Debts (1) | 85,603 | 1,166,870 | 1,252,473 | 3,130,149 | 1,559,639 | 4,689,788 |
| Creditors for Resources to be Released | 212,049 | - | 212,049 | 196,228 | - | 196,228 |
| Payable Card Transactions | 1,320,555 | - | 1,320,555 | 1,263,580 | - | 1,263,580 |
| Acquisition Payable Obligations | 1,985,601 | - | 1,985,601 | 2,118,722 | - | 2,118,722 |
| Provision for guarantees provided and Guarantees (Note 26 (b)) | 11,256 | - | 11,256 | 18,738 | - | 18,738 |
| Others | 39,101 | 5,666 | 44,767 | 55,875 | 6,548 | 62,423 |
| **Total** | **8,276,535** | **1,172,536** | **9,449,071** | **9,788,976** | **1,566,187** | **11,355,163** |

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

# NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT 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 12/31/2021** | **664,309** | **1,272,092** | **213,821** | **158,306** | **2,308,528** |
| Recognition and Inflation Adjustment | 108,268 | 515,393 | 35,229 | 2,493 | 661,383 |
| Reversal of Provision | - | - | (24,405) | (158,929) | (183,334) |
| Payment | (34) | (115,068) | (35,776) | - | (150,878) |
| **Closing Balance at 06/30/2022** | **772,543** | **1,672,417** | **188,869** | **1,870** | **2,635,699** |
| Guaranteed Debtors Deposits at 06/30/2022 | 110,786 | 550,678 | 62,576 | - | 724,040 |

| | | | | | 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 | 82,990 | 181,625 | 65,982 | 523 | 331,120 |
| Reversal of Provision | (419) | - | - | - | (419) |
| Payment | (10,102) | (73,506) | (41,477) | - | (125,085) |
| **Closing Balance at 06/30/2021** | **647,695** | **1,145,748** | **262,404** | **157,085** | **2,212,932** |
| Guaranteed Debtors Deposits at 06/30/2021 | 81,608 | 490,560 | 86,532 | - | 658,700 |

| | | | | | Consolidated |
|---|---|---|---|---|---|
| | Tax | Labor | Civil | Other | Total |
| **Opening Balance at 12/31/2021** | **664,483** | **1,275,278** | **217,463** | **158,306** | **2,315,530** |
| Recognition and Inflation Adjustment | 108,290 | 515,471 | 35,573 | 2,493 | 661,827 |
| Provision Reversal | - | (366) | (25,058) | (158,929) | (184,353) |
| Payment | (38) | (115,068) | (35,923) | - | (151,029) |
| **Closing Balance at 06/30/2022** | **772,735** | **1,675,315** | **192,055** | **1,870** | **2,641,975** |
| Guaranteed Deposits at 06/30/2022 | 110,920 | 556,266 | 63,865 | - | 731,051 |

| | | | | | 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 | 83,018 | 181,942 | 66,373 | 523 | 331,856 |
| Provision Reversal | (419) | (235) | - | - | (654) |
| Payment | (10,102) | (73,556) | (41,510) | - | (125,168) |
| **Closing Balance at 06/30/2021** | **647,852** | **1,148,930** | **265,121** | **157,085** | **2,218,988** |
| Guaranteed Deposits at 06/30/2021 | 81,738 | 497,119 | 87,702 | - | 666,559 |

**Tax Contingencies**

Provisions for tax contingencies relate primarily to liabilities related to taxes whose legality or constitutionality is being challenged at the administrative or judicial levels and the likelihood of loss is considered probable, being recognized at the full amount under dispute. For lawsuits collateralized by escrow deposits, the provisioned amounts and respective escrow deposits are not adjusted for inflation. When legal permits are issued as the result of a favorable outcome, the provisioned amounts and respective escrow deposits are adjusted for inflation and withdrawn.

The main tax contingencies refers to: **(i)** income tax and social contribution on the deduction of expenses arising from the settlement of the actuarial deficit of Fundação Banrisul de Seguridade Social (Banrisul Social Security Foundation), challenged by the Brazilian Internal Revenue Service for the years 1998 to 2005, in which Banrisul, through its legal counsel, has been discussing the matter in court and recorded a provision for contingencies in the amount of the estimated loss and respective loss of suit registered in this period in the amount of R$749,024 (12/31/2021 – R$641,449); and **(ii)** other contingencies related to federal and municipal taxes classified by our legal counsel as probable loss in the amount of R$6,551 (12/31/2021 - R$6,290).

There are also some tax contingencies whose likelihood of loss, based on their nature, is considered as possible, in the amount of R$74,062 (12/31/2021 - R$ 45,274), and in the Consolidated - R$75,404 (12/31/2021 - R$46,463). 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$313,231 (12/31/2021 - R$305,949), 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$296,263 (12/31/2021 - R$ 289,379), and as of probable loss, the amount of R$16,968 (12/31/2021 - R$16,570), which is duly provisioned.

**Labor Contingencies**

Refer to lawsuits filed mainly by active employees, former employees, employees of contractors, Associations, Unions and Prosecutors Office, relating to alleged violation of labor rights.

In the first half of 2022, a provision of R$358,864 was made for collective labor lawsuits, whose probability of loss has been classified as probable, arising from the contingency activity of class actions, whose conclusion took place in 1H22. Management considers the provision constituted sufficient and continues to monitor the evolution of judicial decisions in lawsuits of this nature, constantly evaluating the risk classification and quantification, whenever necessary.

Besides the contingencies above, this account records provision for labor claims filed against Banrisul, in accordance with the Provisioning Policy for Individual Labor Claims implemented during the second half of 2020, in which, the provisioning for claims whose likelihood of loss is considered probable. Of the aforementioned provision, R$449,309 (12/31/2021 - R$420,424) - consolidated R$452,627 (12/31/2021 - R$423,648) - have been deposited in an escrow account. Additionally, R$101,369 (12/31/2021 - R$101,464) - consolidated R$103,639 (12/31/2021 - R$103,453) - 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$798,504 (12/31/2021 - R$778,565) - consolidated R$800,644 (12/31/2021- R$781,555) - 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$62,576 (12/31/2021 - R$65,895) - consolidated R$63,865 (12/31/2021 - R$67,119) - has been deposited in court.

There is also the amount of R$800,555 (12/31/2021 - R$1,048,401) - consolidated R$802,742 (12/31/2021 - R$1,049,886) - 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, in March 2022 there was a provision for losses in the amount of R$159,360. In April 2022, with a final decision handed down by the STJ, which recognized the statute of limitations for the fines imposed, with the exception of a tiny portion, whose conviction remained, there was a reversal of the provision in 158,929, with the amount of R$1,870 remaining provisioned (12/31 /2021- R$158,306).

## NOTE 20 - OTHER LIABILITIES

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 06/30/2022 | 12/31/2021 | 06/30/2022 | 12/31/2021 |

| | | | | |
|---|---|---|---|---|
| Collection of taxes and mandatory contributions | 186,043 | 26,770 | 186,043 | 26,770 |
| Social and Statutory Obligations | 104,465 | 71,458 | 104,703 | 71,686 |
| Provision of Personnel | 202,399 | 205,262 | 186,623 | 188,870 |
| Obligations for Official Covenants and Payment Services | 151,434 | 123,278 | 155,354 | 127,331 |
| Various Creditors in the Country | 94,419 | 94,653 | 265,276 | 202,887 |
| Actuarial Liabilities - Post-Employment Benefit [1] | 986,733 | 908,146 | 992,058 | 913,091 |
| Provisions for Outgoing Payments | 242,795 | 236,491 | 272,483 | 270,027 |
| Anticipated Income | 145,543 | 152,451 | 145,533 | 152,404 |
| Others | 4,575 | 4,432 | 5,325 | 5,202 |
| **Total** | **2,118,406** | **1,822,941** | **2,313,398** | **1,958,268** |

(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 June 30, 2022 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 12/31/2021 | 201,225,359 | 98.13 | 751,479 | 54.73 | - | - | 201,976,838 | 49.39 |
| Shares Conversion and Transfers | - | | - | | - | | - | |
| Shareholding as of 06/30/2022 | 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 12/31/2021 | 58 | - | 30 | - | 3,405 | - | 3,493 | - |
| Shares Conversion and Transfers | - | | - | | - | | - | |
| Shareholding as of 06/30/2022 | 58 | - | 30 | - | 3,405 | - | 3,493 | - |
| **Free Float** | | | | | | | | |
| 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 |
| Shares Conversion and Transfers | - | | - | - | - | | - | |
| Shareholding as of 06/30/2022 | 3,839,424 | 1.87 | 621,582 | 45.27 | 202,533,140 | 100.00 | 206,994,146 | 50.61 |
| **Outstanding Shares as of 12/31/2021** | **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 06/30/2022** | **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$290,520 relating to interest on equity in 1H2022 (1H2021 - R$192,131), 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$130,734 (1H2021 - R$86,459).

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

On April 27, 2022, at the Annual Shareholders’ Meeting, the proposal for the distribution of additional dividends for fiscal year 2022 in the percentage equivalent to 25% of the Net Income deducted from the Legal Reserve was approved, totaling 50%.

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

| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
|---|---:|---:|
| **Net Income in the Period** | **391,916** | **544,161** |
| Adjustment | | |
| Legal Reserve | (19,596) | (27,208) |
| **Dividend Calculation Basis** | **372,320** | **516,953** |
| Mandatory Minimum Dividend 25% | 93,080 | 129,238 |
| Additional Dividend 25% (15% in 2021) | 93,080 | 77,543 |
| Interest on Equity Paid Complementary | 86,848 | - |
| **Total Dividends** | **273,008** | **206,781** |
| **A) Interest on Equity Paid** | **273,008** | **180,502** |
| Common Shares (R$710.36307 per thousand shares) | 145,671 | 96,337 |
| Preferred A Shares (R$710.36307 per thousand shares) | 975 | 645 |
| Preferred B Shares (R$710.36307 per thousand shares) | 143,874 | 95,149 |
| Withholding Income Tax on Interest on Equity | (17,512) | (11,629) |
| **B) Provisioned Dividends** | **-** | **26,279** |
| Common Shares (R$64.25599 per thousand shares) | - | 13,177 |
| Preferred A Shares (R$64.25599 per thousand shares) | - | 88 |
| Preferred B Shares (R$64.25599 per thousand shares) | - | 13,014 |
| **Total Interest on Equity and Dividends (A+B)** | **273,008** | **206,781** |

# NOTE 22 - OTHER OPERATING INCOME

## (a) Income from Services Rendered and Bank Fees

| | Parent Company | | | Consolidated |
|---|---|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| Assets Management Fees | 26,325 | 21,775 | 39,561 | 33,928 |
| Income from bill colection and custody services | 34,247 | 30,350 | 34,239 | 30,343 |
| Income from Management of Sales Poll Groups | - | - | 45,192 | 53,264 |
| Income from Operations Brokerage | - | - | 2,878 | 4,568 |
| Banrisul Cartões Service Revenues | - | - | 357,709 | 286,649 |
| Check Returns | 5,322 | 5,439 | 5,322 | 5,439 |
| Account Debits | 24,123 | 30,213 | 24,123 | 30,213 |
| Collection Services | 24,649 | 24,436 | 24,649 | 24,436 |
| Insurance Commissions | 196 | 47,218 | 124,499 | 130,000 |
| Bank Fees for Checking Accounts | 288,085 | 290,286 | 288,085 | 290,286 |
| Credit Card | 26,453 | 32,580 | 26,453 | 32,580 |
| Other Income | 27,238 | 25,869 | 38,228 | 39,142 |
| **Total** | **456,638** | **508,166** | **1,010,938** | **960,848** |

## (b) Other Income

| | Parent Company | | | Consolidated |
|---|---|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| Recovery of Charges and Expenses | 85,487 | 70,659 | 12,637 | 15,256 |
| Reversal of Operating Provisions | 189,782 | 13,880 | 190,801 | 14,115 |
| Interbank Rates | 10,975 | 13,127 | 10,975 | 13,127 |
| Credit Receivables Securities | 7,044 | 6,214 | 7,044 | 6,214 |
| Other Revenues From Cards | 68,795 | 58,212 | 68,795 | 58,212 |
| Reversal of Provisions for Outgoing Payments | 4,600 | 8,643 | 7,415 | 9,397 |
| Receivables Advance Acquisition Revenue | - | - | 12,261 | 9,878 |
| Portability Income from Credit Operations | 4,343 | 26,955 | 4,343 | 26,955 |
| Income from POS Rentals | - | - | 30,571 | 26,179 |
| Update on Judicial Deposits | 21,367 | 6,240 | 21,515 | 6,285 |
| Write-off of Investment Abroad | 103,832 | - | 103,832 | - |
| Income Bonus Actions Demutualization of CIP | 18,986 | - | 18,986 | - |
| Other | 34,443 | 10,487 | 34,956 | 24,667 |
| **Total** | **549,654** | **214,417** | **524,131** | **210,285** |

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

# NOTE 23 - OTHER OPERATING EXPENSES

## (a) Personnel expenses

| | Parent Company | | | Consolidated |
|---|---|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| Salary | 534,047 | 520,946 | 545,639 | 528,161 |
| Benefits | 176,209 | 163,122 | 177,424 | 164,173 |
| Social charges | 231,622 | 217,418 | 233,481 | 219,110 |
| Trainings | 1,195 | 1,468 | 1,202 | 1,471 |
| **Total** | **943,073** | **902,954** | **957,746** | **912,915** |

## (b) Other Administrative Expenses

| | Parent Company | | | Consolidated |
|---|---|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| Communications | 28,325 | 30,302 | 28,896 | 30,765 |
| Data processing | 67,102 | 55,047 | 75,065 | 66,146 |

| | | | | |
|---|---|---|---|---|
| Surveillance, Security and Transportation of Values | 67,854 | 61,019 | 67,854 | 61,019 |
| Amortization and Depreciation | 113,713 | 111,510 | 123,271 | 119,522 |
| Rentals and Condominiums | 75,336 | 68,532 | 75,151 | 68,831 |
| Supplies | 5,504 | 5,982 | 7,696 | 8,483 |
| Third Party Services (1) | 282,214 | 263,427 | 290,709 | 275,158 |
| Specialized Technical Services | 85,242 | 60,576 | 87,570 | 61,900 |
| Promotions and Advertising (2) | 45,469 | 40,421 | 55,845 | 50,771 |
| Maintenance | 30,552 | 34,572 | 32,219 | 34,909 |
| Water, Energy and Gas | 20,828 | 17,528 | 21,290 | 17,910 |
| Financial System Services | 15,939 | 15,304 | 17,670 | 16,813 |
| Others | 35,355 | 32,319 | 38,989 | 33,077 |
| **Total** | **873,433** | **796,539** | **922,225** | **845,304** |

(1) Of the amount of R$282,214 (1H2021- R$263,427), R$139,715 (1H2021 – RS116,374) 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$15,191 (1H2021- R$15,071), and in the Consolidated R$19,020 (1H2021- R$19,661), of institutional advertising expenses of R$28,869 (1H2021 – R$23,731) and in Consolidated of R$28,999 (1H2021- R$23,800) as sponsorship of sport events and teams.

### (c) Other Expenses

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| Discounts Granted on Debt Restructurings | 21,281 | 19,918 | 21,281 | 19,918 |
| Expenses on Labor Provisions (Note 19) | 515,393 | 181,625 | 515,471 | 181,942 |
| Expenses on Provisions for Civil Contingencies (Note 19) | 35,229 | 65,982 | 35,573 | 66,373 |
| Expenses on Collection of Federal Taxes | 3,004 | 995 | 3,004 | 995 |
| Expenses on Provisions for Tax Contingencies (CS / IR) (Note 19) | 108,268 | 82,990 | 108,290 | 83,018 |
| Inflation Adjustment on Foreign Exchange Fines – Central Bank (Note 19) | 2,493 | 523 | 2,493 | 523 |
| Expenses on Cards | 6,198 | 4,387 | 6,198 | 4,387 |
| Expenses with Provisions for Guarantees Provided by Banrisul | 90 | 19 | 90 | 19 |
| Credit Operations Portability Expenses | 27,624 | 33,323 | 27,624 | 33,323 |
| Fees from INSS Covenant | 84,820 | 67,240 | 84,820 | 67,240 |
| Banrisul Advantage Membership Program Bonus | 10,874 | 4,402 | 10,874 | 4,402 |
| Expenses with Banrisul Branded Cards | - | - | 23,168 | 17,137 |
| Costs with Payroll Loan Agreements | 3,093 | 2,851 | 3,093 | 2,851 |
| Inflation Adjustment on Financing Release | 6,333 | 1,565 | 6,333 | 1,565 |
| Others | 61,140 | 40,138 | 76,699 | 53,644 |
| **Total** | **885,840** | **505,958** | **925,011** | **537,337** |

# NOTE 24 - INCOME TAX AND SOCIAL CONTRIBUTION

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

| | Parent Company | | Consolidated | |
|---|---|---|---|---|
| | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| **Income for the Period before Taxes and Profit Sharing** | **174,920** | **665,698** | **324,187** | **771,083** |
| Income Tax (IRPJ) - Rate 25% | (43,730) | (166,424) | (81,047) | (192,771) |
| Social Contribution Tax (CSLL) - Rate 9% | - | - | (35,389) | (24,888) |
| Social Contribution Tax (CSLL) – Rate (1) | - | - | (1,298) | (1,018) |
| Social Contribution Tax (CSLL) – Rate (2) | (34,984) | (133,140) | - | (97,552) |
| **Total Income and Social Contribution Taxes calculated at Current Rate** | **(78,714)** | **(299,564)** | **(117,734)** | **(316,229)** |
| Effect of the Rate Differential on Deferred CSLL | - | 25,163 | - | 25,163 |
| Exchange Variation on Divestment Abroad | 46,725 | - | 46,725 | - |
| Profit Sharing | 46,681 | 29,425 | 46,681 | 29,425 |
| Interest on Equity | 130,734 | 86,459 | 130,734 | 86,459 |
| Equity Result | 139,116 | 99,476 | 15,620 | 9,043 |
| Other Exclusions, Net of Additions | 35,544 | 2,677 | 48,915 | 4,535 |
| **Total Income and Social Contribution Taxes** | **320,086** | **(56,364)** | **170,941** | **(161,604)** |
| Current | - | (169,355) | (149,408) | (275,104) |
| Deferred | 320,086 | 112,991 | 320,349 | 113,500 |

(1) Social Contribution Tax (CSLL) – Rate of 15% from January until June, 2021, rate of 20% from July, 2021 and December, 2021 and rate of 15% from January 2022.

(2) ) Social Contribution Tax (CSLL) – Rate of 20% from January until June, 2021, rate of 25% from July, 2021 and December, 2021 and rate of 20% from January 2022.

# 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.

| | Parent Company and Consolidated | |
|---|---|---|
| | **01/01 to 06/30/2022** | **01/01 to 06/30/2021** |
| **Net Income Attributable to Controlling Shareholders – R$ Thousand** | **391,916** | **544,161** |
| Common Shares | 196,498 | 272,810 |
| Preferred A Shares | 1,343 | 1,905 |
| Preferred B Shares | 194,075 | 269,446 |
| **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 | 1,373,091 |
| Weighted Average Number of Outstanding Preferred B Shares | 202,536,545 | 202,536,545 |
| **Basic and Diluted earnings per Share – R$** | | |
| Commom Shares | 0.96 | 1.33 |
| Preferred A Shares | 0.98 | 1.39 |
| Preferred B Shares | 0.96 | 1.33 |

# 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 June 30, 2022, 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$13,037,535 (12/31/2021 - R$12,035,888), of which R$10,112,837 (12/31/2021 - 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$161,088 (12/31/2021 - R$185,625), generate fee income and have recourse to the beneficiaries in case they have to be honored. Provisions for possible losses amounting to R$11,256 (12/31/2021 - R$18,738) have been made.

**(c)** Banrisul has confirmed import and export credits for R$89,274 (12/31/2021 - R$93,787) and recourse exposure from credit assignments for R$5,039 (12/31/2021 - R$4,308).

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

| | Parent Company and Consolidated | |
|---|---|---|
| | **06/30/2022** | **12/31/2021** |
| Investment Funds (1) | 14,911,113 | 13,283,419 |
| Feeder Funds | 119,816 | 100,606 |
| Equity Funds | 246,304 | 335,830 |
| Individual Retirement Programmed Funds | 10,734 | 10,731 |
| Fund to Guarantee the Liquidity of Rio Grande do Sul State Debt Securities | 10,011,143 | 6,034,960 |
| Managed Portfolios | 490,979 | 464,244 |
| **Total** | **25,790,089** | **20,229,790** |

(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 166 buyers' pools (169 in 12/31/2021), including real estate, motorcycles and vehicles, comprising active 78,518 pool members (75,312 in 12/31/2021).

**(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 lease agreements as of June 30, 2022 were R$318,224, of which R$105,385 mature in up to one year, R$200,602 from one to five-year term and R$12,237 beyond five-year term. In the period, lease payments recognized as expenses amounted to R$69,603.

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

Banrisul is the sponsor of Fundação Banrisul ("FBSS") and Cabergs, ensuring the provision of retirement benefits and medical care to its employees.

Fundação Banrisul is an independent entity that seeks to offer pension benefit plans to its participants, employees from its sponsors and their beneficiaries, through specific contributions established in their respective plans and regulations.

Banrisul's Social Security Policy, operated through Fundação Banrisul de Seguridade Social, and established in January 29, 1963, in accordance with the rules then in force, is legally grounded on article 202 of the Federal Constitution of October 5, 1988, Supplementary Laws No. 108 and No. 109 of May 29, 2001 and other legal provisions in force, issued by regulators of Social Security associated with the Ministry of Finance, the National Supervisory Office of Supplementary Pension (Previc) and the National Council on Supplementary Pension (CNPC), the articles of incorporation of Fundação Banrisul and the relevant regulations of the Benefit Plans and in accordance with CMN Resolutions No 4,994/22. As per article 08 of the CMN Resolution No. 4,994/22, the Chief Investment Officer, the technically qualified portfolio manager, is to be designated by the Deliberative Committee of the Pension Fund, in the quality of the main officer responsible for managing, allocating, supervising and monitoring the plans resources and by making available information related to the sources and uses of these resources.

The Benefit Plans which put into practice Banrisul's Private Pension Policy are grounded on the respective regulations of the Plans, which set forth all rights and obligations of the Participants, Sponsors, Actuarial Funding Plan, legal deadlines, way of payment of monthly contributions and benefits, length of minimum contribution and other parameters. All regulations are approved by the legal internal management bodies, by the Sponsor(s) and by the Federal Supervision and Regulation bodies, pursuant to the legislation currently in force, In accordance with CNPC Resolution No. 30/2018, the Executive Council of Banrisul Foundation has appointed the Administrator Responsible for the Benefit Plan – ARPB.

The set of assumptions 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. 373/2022.

### (a) Key Assumptions

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

| Economic Assumptions - 06/30/2022 | PBI Plan (% p.a) | Settled Plan (% p.a) | FBPREV Plan (% p.a) | FBPREV II Plan (% p.a) | FBPREV III Plan (% p.a) | Health Plan (% p.a) [1] PAM | POD | PROMED | Retirement Award (% p.a) |
|---|---|---|---|---|---|---|---|---|---|
| Real Actuarial Discount Rate | 5.79 | 5.87 | 5.84 | 5.88 | 5.82 | According to Plan [2] | 5.88 | 5.99 | 5.70 |
| Expected Real Return on Assets | 5.79 | 5.87 | 5.84 | 5.88 | 5.82 | According to Plan [2] | 5.88 | 5.99 | 5.70 |
| 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 | 5.26 | 5.26 | 5.26 | 5.26 | 5.26 | 5.26 | 5.26 | 5.26 | 5.26 |
| 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.

| Economic Assumptions - 12/31/2021 | PBI Plan (% p.a) | Settled Plan (% p.a) | FBPREV Plan (% p.a) | FBPREV II Plan (% p.a) | FBPREV III Plan (% p.a) | Health Plan (% p.a) [1] PAM | POD | (% p.a) | Retirement Award (% 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.

Demographic assumptions as of June 30, 2022 remain the same information disclosed as of December 31, 2021 as follows:

| 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 |

**(1)** Health Plans with post-employment benefits in PAM - Medical and Hospital Assistance Plan, POD - Dental Plan and PROMED - Medication Aid Program.

**(2)** According to the Pension Plan to which the beneficiaries are registered.

The assumptions relating to mortality experience are set based on the actuarial experience, adjusted according to the demographic profile of Banrisul employees.

The current value of obligations for the defined benefit pension plan is obtained from actuarial calculations, which use a set of financial, economic and biometric assumptions. The discount rate is among the assumptions used in determining the net cost (income) for these plans. Any changes in these assumptions will affect the carrying value of the obligations of pension plans.

Banrisul determines the appropriate discount rate at the end of each year, in observance of CVM Rule No. 695/12 and CMN Resolution No. 4877/20, 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 June 27, 2022.

Pursuant to CNPC Resolution No. 30/2018, combined with PREVIC Instruction No. 33/2020 and PREVIC Ordinance No. 373/2022, 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** | **Jun22** | **Dec21** | **Jun22** | **Dec21** | **Jun22** | **Dec21** | **Jun22** | **Dec21** | **Jun22** | **Dec21** | **Jun22** | **Dec21** |
| Cash | 0.04 | 0.04 | - | 0.01 | 0.01 | 0.01 | - | 0.01 | 0.01 | 0.01 | 0.04 | 0.02 |
| Fixed Income | 80.28 | 80.92 | 73.31 | 72.09 | 77.86 | 73.80 | 73.8 | 70.55 | 83.61 | 81.27 | 97.87 | 98.06 |
| Equity | 8.26 | 10.09 | 6.38 | 8.02 | 3.04 | 4.64 | 4.35 | 6.33 | 7.6 | 9.30 | 2.09 | 1.92 |
| Real Estate | 5.05 | 4.43 | 3.34 | 3.05 | - | - | 1.49 | 1.41 | 4.37 | 3.85 | - | - |
| Other | 6.37 | 4.52 | 16.97 | 16.83 | 19.09 | 21.55 | 20.36 | 21.70 | 4.41 | 5.57 | - | - |
| **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$7,332 (12/31/2021 - R$7,825) and rented real state with a fair value of R$136,289 (12/31/2021 - R$136,289).

**(e) Actuarial Reviews**

The net actuarial liability/(asset) breakdown summary for the periods ended June 30, 2022 and December 31, 2021, prepared based on the actuarial report as of June 30, 2022 and December 31, 2021, respectively, and in accordance with CPC 33 (R1), is shown below:

| **Liabilities/(Assets) Recorded in the Balance Sheet with Benefits of:** | **06/30/2021** | **12/31/2021** |
|---|---|---|
| Pension Plans | | |
| Benefit Plan I (PBI) | 526,566 | 455,009 |
| Settled Plan (PBS) | 260,854 | 258,236 |
| FBPREV Plan (FBPREV) | (2) | - |
| FBPREV II Plan (FBPREV II) | (53) | (71) |
| FBPREV III Plan (FBPREV III) | 54,534 | 53,159 |
| Health Plan (PAM, POD and PROMED) | (196,616) | (199,072) |
| Retirement Award | 150,104 | 146,687 |
| **Total** | **795,387** | **713,948** |

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 06/30/2022 | Benefit Plan I | Settled Plan | FBPREV Plan | FBPREV II Plan | FBPREV III Plan | Health Plan | Retirement Award |
|---|---|---|---|---|---|---|---|
| Actuarial Liabilities Assessed in the Actuarial Report | 1,488,639 | 1,472,403 | 16,256 | 183,333 | 380,998 | 196,616 | 150,104 |
| Fair Value of Plan Assets | (962,073) | (1,211,549) | (22,303) | (217,361) | (326,464) | (563,526) | - |
| **Deficit/(Surplus)** | **526,566** | **260,854** | **(6,047)** | **(34,028)** | **54,534** | **(366,910)** | **150,104** |
| Effect of Asset Limit | - | - | 6,045 | 33,975 | - | 170,294 | - |
| **Net Actuarial Liabilities/Assets** | **526,566** | **260,854** | **(2)** | **(53)** | **54,534** | **(196,616)** | **150,104** |

| 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** |

| Changes in Present Value of Actuarial Liabilities as of 06/30/2022 | Benefit Plan I | Settled Plan | FBPREV Plan | FBPREV II Plan | FBPREV III Plan | Health Plan | Retirement Award |
|---|---|---|---|---|---|---|---|
| **Present Value of Actuarial Liabilities as of January 1st** | **1,486,513** | **1,464,479** | **15,920** | **182,808** | **381,458** | **199,072** | **146,687** |
| Net Cost of Current Service | 32 | - | 261 | (106) | (5) | (309) | 2,903 |
| Contributions from Plan Participants in the Period | 20,231 | 1,574 | 754 | 297 | 63 | - | - |
| Interest on Actuarial Liabilities | 74,866 | 75,767 | 807 | 9,463 | 19,294 | 10,442 | 6,783 |
| Benefits Paid in the Period | (85,755) | (47,090) | (448) | (7,253) | (19,538) | (5,280) | (2,137) |
| (Gain)/Loss on Actuarial Liabilities | (7,248) | (22,327) | (1,038) | (1,876) | (274) | (7,309) | (4,132) |
| **Present Value of Actuarial Liabilities at end of Period (Restated)** | **1,488,639** | **1,472,403** | **16,256** | **183,333** | **380,998** | **196,616** | **150,104** |

| 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 the Fair Value of Plan Assets as of 06/30/2022 | Benefit Plan I | Settled Plan | FBPREV Plan | FBPREV II Plan | FBPREV III Plan | Health Plan | Retirement Award |
|---|---|---|---|---|---|---|---|
| **Fair Value of the Plan Assets as of January 1st** | **(1,031,504)** | **(1,206,243)** | **(20,121)** | **(215,382)** | **(328,299)** | **(530,942)** | **-** |
| Benefits Paid from Plan Assets in the Period | 85,755 | 47,090 | 448 | 7,253 | 19,538 | - | |
| Contributions from Plan Participants in the Period | (20,231) | (1,574) | (754) | (297) | (63) | - | - |
| Contributions from the Sponsor in the Period | (10,845) | (1,550) | (717) | (292) | (62) | - | - |
| Expected Return on Assets | (51,491) | (61,981) | (1,060) | (11,249) | (16,472) | (28,518) | - |
| (Gain)/Loss on Fair Value of the Plan Assets | 66,243 | 12,709 | (99) | 2,606 | (1,106) | (4,066) | - |
| **Fair Value of the Plan Assets at end of Period** | **(962,073)** | **(1,211,549)** | **(22,303)** | **(217,361)** | **(326,464)** | **(563,526)** | **-** |

| 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)** | **-** |

| Net Actuarial Liabilities (Assets) of the Plan as of 06/30/2022 | Benefit Plan I | Settled Plan | FBPREV Plan | FBPREV II Plan | FBPREV III Plan | Health Plan | Retirement Award |
|---|---|---|---|---|---|---|---|
| **Net Actuarial Liabilities (Assets) at End of Previous Year** | **455,009** | **258,236** | **-** | **(71)** | **53,159** | **(199,072)** | **146,687** |
| **Expense/(Revenue) Recognized in Income for the Year** | 23,407 | 13,786 | 232 | (141) | 2,817 | (11,252) | 9,686 |
| (Gains)/Losses Recognized in Comprehensive Income | 58,995 | (9,618) | 483 | 451 | (1,380) | 18,988 | (4,132) |
| Contributions from the Sponsor | (10,845) | (1,550) | (717) | (292) | (62) | (5,280) | - |
| Benefits Paid Directly by the Sponsor | - | - | - | - | - | - | (2,137) |
| **Net Actuarial Liabilities (Assets) at the of Current Year** | **526,566** | **260,854** | **(2)** | **(53)** | **54,534** | **(196,616)** | **150,104** |

| 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** |

| Result for the Year of the first half of 2022 | Benefit Plan I | Settled Plan | FBPREV Plan | FBPREV II Plan | FBPREV III Plan | Health Plan | Retirement Award |
|---|---|---|---|---|---|---|---|
| Net Cost of Current Services | 32 | - | 261 | (106) | (5) | (309) | 2,903 |
| Cost of Interest on Actuarial Liabilities | 74,866 | 75,767 | 807 | 9,463 | 19,294 | 10,442 | 6,783 |
| Expected Return on Plan Assets | (51,491) | (61,981) | (1,060) | (11,249) | (16,472) | (28,518) | - |
| Interest on Effect of Asset Limit and Additional Liabilities | - | - | 224 | 1,751 | - | 7,133 | - |
| **Total Expense (Income) Recognized in Result for the Year** | **23,407** | **13,786** | **232** | **(141)** | **2,817** | **(11,252)** | **9,686** |

| 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** |

| Other Comprehensive Income in the first half of 2022 | Benefit Plan I | Settled Plan | FBPREV Plan | FBPREV II Plan | FBPREV III Plan | Health Plan | Retirement Award |
|---|---|---|---|---|---|---|---|
| (Gains)/Loss on Plan Assets | 66,243 | 12,709 | (99) | 2,606 | (1,106) | (4,066) | - |
| (Gains)/Loss on Actuarial Liabilities | (7,248) | (22,327) | (1,038) | (1,876) | (274) | (7,309) | (4,132) |
| (Gains)/Loss on Effect of Asset Limit and Additional Liabilities | - | - | 1,620 | (279) | - | 30,363 | - |
| **(Gains)/Loss Recognized in Other Comprehensive Income** | **58,995** | **(9,618)** | **483** | **451** | **(1,380)** | **18,988** | **(4,132)** |

| 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)** |

| 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 | 20 | - | 215 | (118) | (5) | 1,001 | 2,668 |
| Cost of Interest on Actuarial Liabilities | 78,235 | 78,848 | 858 | 10,085 | 20,082 | 10,700 | 7,085 |
| Expected Return on Plan Assets | (49,879) | (64,424) | (1,224) | (12,066) | (17,062) | (31,544) | - |
| Interest on Effect of Asset Limit and Additional Liabilities | - | - | 345 | 1,945 | - | 9,532 | - |
| **Estimated Actuarial Expense (Income)** | **28,376** | **14,424** | **194** | **(154)** | **3,015** | **(10,311)** | **9,753** |

| 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 | 13,221 | 1,654 | 274 | 294 | 6 | 5,619 | - |
| Contributions Paid by Plan Participants | 27,720 | 1,654 | 274 | 294 | 6 | - | - |
| Benefits Paid on Plan Assets | 100,169 | 57,087 | 787 | 7,350 | 18,482 | 5,619 | - |
| Benefits Paid Directly by the Sponsor | - | - | - | - | - | - | 20,808 |

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 | 100,169 | 57,087 | 787 | 7,350 | 18,482 | 5,619 | 20,808 |
| 2023 | 199,521 | 120,286 | 1,174 | 14,625 | 36,734 | 11,495 | 27,419 |
| 2024 | 194,799 | 119,770 | 1,153 | 14,332 | 35,839 | 11,910 | 13,582 |
| 2025 | 189,932 | 119,004 | 1,162 | 14,083 | 34,898 | 12,371 | 14,749 |
| 2026 | 184,626 | 117,980 | 1,144 | 13,820 | 33,910 | 12,847 | 13,933 |
| 2027 to 2031 | 836,448 | 567,954 | 5,738 | 65,869 | 153,329 | 83,349 | 49,307 |

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** |
| 06/30/2022 | 8.41 | 10.58 | 9.32 | 10.82 | 8.89 | According to Pension Plan [1] | 10.96 | 13.44 | 6.87 |
| 12/31/2021 | 9.67 | 12.35 | 11.08 | 12.85 | 10.42 | According to Pension Plan [1] | 12.45 | 17.27 | 8.51 |

**(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** |

### (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) - 06/30/2022 | | Impact in R$ Thousand |
|---|---|---|
| **Assumption Description** | **Hypothesis** | **Effect on Present Value of Actuarial Liabilities** |
| Discount Rate | Increase of 0.5 p.p. | (58,206) |
| Discount Rate | Decrease of 0.5 p.p. | 62,672 |
| Mortality Table | Increase of 10% | (42,277) |
| Mortality Table | Decrease of 10% | 47,041 |

| Settled Plan (PBS) - 06/30/2022 | | Impact in R$ Thousand |
|---|---|---|
| **Assumption Description** | **Hypothesis** | **Effect on Present Value of Actuarial Liabilities** |
| Discount Rate | Increase of 0.5 p.p. | (71,559) |
| Discount Rate | Decrease of 0.5 p.p. | 78,332 |
| Mortality Table | Increase of 10% | (42,258) |
| Mortality Table | Decrease of 10% | 48,295 |

| FBPREV Plan (FBPREV) - 06/30/2022 | | Impact in R$ Thousand |
|---|---|---|
| **Assumption Description** | **Hypothesis** | **Effect on Present Value of Actuarial Liabilities** |
| Discount Rate | Increase of 0.5 p.p. | (699) |
| Discount Rate | Decrease of 0.5 p.p. | 762 |
| Mortality Table | Increase of 10% | (889) |
| Mortality Table | Decrease of 10% | 896 |

| FBPREV II Plan (FBPREV II) - 06/30/2022 | | Impact in R$ Thousand |
|---|---|---|
| **Assumption Description** | **Hypothesis** | **Effect on Present Value of Actuarial Liabilities** |
| Discount Rate | Increase of 0.5 p.p. | (9,222) |
| Discount Rate | Decrease of 0.5 p.p. | 9,992 |
| Mortality Table | Increase of 10% | (2,970) |
| Mortality Table | Decrease of 10% | 3,483 |

| FBPREV III Plan (FBPREV III) - 06/30/2022 | | Impact in R$ Thousand |
|---|---|---|
| **Assumption Description** | **Hypothesis** | **Effect on Present Value of Actuarial Liabilities** |
| Discount Rate | Increase of 0.5 p.p. | (15,621) |
| Discount Rate | Decrease of 0.5 p.p. | 16,916 |
| Mortality Table | Increase of 10% | (9,411) |
| Mortality Table | Decrease of 10% | 10,325 |

| Health Plan - 06/30/2022 | | Impact in R$ Thousand |
|---|---|---|
| **Assumption Description** | **Hypothesis** | **Effect on Present Value of Actuarial Liabilities** |
| Discount Rate | Increase of 0.5 p.p. | (9,791) |
| Discount Rate | Decrease of 0.5 p.p. | 10,971 |
| Mortality Table | Increase of 10% | (3,932) |
| Mortality Table | Decrease of 10% | 4,326 |

| Retirement Award - 06/30/2022 | | Impact in R$ Thousand |
|---|---|---|
| **Assumption Description** | **Hypothesis** | **Effect on Present Value of Actuarial Liabilities** |
| Discount Rate | Increase of 0.5 p.p. | (4,848) |
| Discount Rate | Decrease of 0.5 p.p. | 5,239 |
| Mortality Table | Increase of 10% | (345) |
| Mortality Table | Decrease of 10% | 360 |

# 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, social, environmental and climate 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, social, environmental and climate 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.

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 predicted on statistical models. 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.

**(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 and Interest Rate Risk in the Banking Portfolio**

Banrisul 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 include 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.

Banrisul 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 for calculating the exposure of operations with a risk factor for pre-determined interest rates, VaR is a measure of the maximum expected loss in monetary value under normal market conditions in a given time horizon of ten days, with a probability level of 99%, used to measure the exposures subject to market risk, For the calculation of exposure in other indexes, the Maturity Ladder approach 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 on June 30, 2022.
**Scenario 2**: Possible situation, Assumptions: a deterioration of 25% in market risk variables, taking into account prevailing conditions on June 30, 2022.
**Scenario 3**: Remote situation, Assumptions: a deterioration of 50% in market risk variables, taking into account prevailing conditions on June 30, 2022.

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

For Foreign Exchange Risk, the rate of R$5.2380/USD1.00 as of June 30, 2022. (PTAX - Central Bank of Brazil) was used.

Sensitivity analysis 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 Analysis: Trading Portfolio**

| Scenarios | | Risk Factors | | | Total |
|---|---|---|---|---|---|
| | | Interest Rate | Exchange Rate | Equity | |
| 1 | 1% | 1,610 | 433 | 150 | **2,193** |
| 2 | 25% | 912 | 10,820 | 3,739 | **15,471** |
| 3 | 50% | 30 | 21,639 | 7,478 | **29,147** |

**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 74.0% of all expected loss for the three scenarios. We observed that the expected loss in Scenario 2 was 7 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 (62.3%), in the total amount of R$29,147.

**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 USD 300 million (300 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$5.2272 on June 30, 2022 (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 June 30, 2022.

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 June 30, 2022.

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 June 30, 2022 independently.

**Trading and Banking Portfolio**

| Operation | Portfolio | Risk | Scenario I | Scenario II | Scenario III |
|---|---|---|---|---|---|
| **Swap** | Trading | Increase in U.S. Dollar Coupon | (4.161) | (95.827) | (177.160) |
| | | **Line Item Being Hedged** | | | |
| **Debt 1** | Banking | Increase in U.S. Dollar Coupon | 4.161 | 95.828 | 177.161 |
| | | **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 consistents with the its business strategies for financial instruments and other exposures whose achievement of parameters stablished 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.

The liquidity risk measurement and control activities are carried out through the calculation of several indicators, in different time horizons, both in historical scenarios and in projected scenarios, comparing the results with the limits present in the institution's internal policies and with the limits established in the Risk Appetite Statement. The processes and techniques used in the measurement are periodically evaluated and revised, so that their relevance and adherence are always aligned with the adequate reporting of the risk inherent to the financial instruments involved. The liquidity risk management processes are in line with the guidelines of the Institutional Liquidity Risk Management Policy and with the institution's Risk Appetite Statement, whose documents are reviewed annually or less frequently, if necessary.

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, environmental and climate risks and other relevant risks considered by the Institution.

The Leverage Ratio - RA is another indicator required by the regulator, as it aims to guide the leverage of the banking sector, improving the ability of financial institutions to absorb shocks from the financial system itself or from other sectors of the economy, resulting in an environment of stability financial. This indicator is the result of the division of Level I of the PR by the Total Exposure, calculated according to the current regulation.

CMN Resolution No. 4,615/17 determines that institutions in Segment S1 and Segment S2 must permanently comply with a minimum requirement of 3% for the Leverage Ratio. In this case, the higher the index, the better the institution's conditions in terms of leverage. The Leverage Ratio calculated for Banrisul as of June 30, 2022 was 6.38%.

Banrisul assesses and monitors its sufficiency and need for capital in order to keep its volume of capital compatible with the risks incurred by the Prudential Conglomerate, In this sense, on the amount calculated for the total RWA, the Minimum Required Capitals are calculated, and compared with the CP, CN1 and PR values, projected and realized, also considering the additional capital, calculated for the same period, Comparing the required capital ratios with those calculated for Banrisul, the margins are calculated for the three capital levels, and 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 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. 4,950/21, the calculation of Regulatory Capital and Assets Weighted by Risk that make up the DLO Operating Limits Statement, is based on the Prudential Conglomerate and includes Banco do Estado do Rio Grande do Sul S.A., Banrisul S.A. Administradora de Consórcios, Banrisul S.A. Corretora de Valores Mobiliários e Câmbio and Banrisul 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 shares in which the entities of this conglomerate, in any form, assume or retain substantially risks and benefits, as provided current regulations, since they are part of the scope of consolidation of the Prudential Conglomerate.

The following table summarizes the composition of Reference Equity, Risk Weighted Assets (RWA) and the Basel Index of the Prudential Conglomerate:

| **Conglomerate Prudential** | **06/30/2022** | **12/31/2021** |
|---|---|---|
| **Reference Equity** | **8,401,177** | **9,021,832** |
| **Tier I** | **7,148,703** | **7,366,852** |
| **Core Capital** | **7,148,703** | **7,366,852** |
| Equity | 5,208,058 | 5,205,891 |
| Capital Reserve and Earnings Revaluation | 4,069,642 | 3,965,326 |
| Deduction from Core Capital - Except for prudential adjustments | (307,645) | (122,955) |
| Prudential Adjustments | (2,172,685) | (1,681,410) |
| Positive Adjustments to the Market Value of Derivatives Recorded in Liabilities | 351,333 | - |
| **Tier II** | **1,252,474** | **1,654,980** |
| Tier II Eligible Instruments | 1,252,474 | 1,654,980 |
| **RWA - Risk Weighted Assets** | **50,157,151** | **48,966,064** |
| $RWA_{CPAD}$ (Credit Risk) | 38,836,765 | 35,920,003 |
| $RWA_{MPAD}$ (Market Risk) | 2,081,167 | 3,325,767 |
| $RWA_{JUR1}$ (Interest Rate Risk) | 20,585 | 9,156 |
| $RWA_{JUR3}$ (Interest Rate Risk) | 127 | 679 |
| $RWA_{ACS}$ (Equity Risk) | 29,913 | 25,282 |
| $RWA_{CAM}$ (Exchange Risk) | 2,030,542 | 3,290,650 |

| | | |
|---|---|---|
| $RWA_{OPAD}$ (Operational Risk) | 9,239,219 | 9,720,294 |
| Banking Portfolio (IRRBB) | 401,737 | 292,777 |
| **Reference Equity Margin – considering Banking Portfolio afther Aditional of Core Capital** | 2,983,745 | **3,832,448** |
| **Capital Ratio** | | |
| Basel Ratio | 16.75% | 18.42% |
| Tier I Ratio | 14.25% | 15.04% |
| Core Capital Ratio | 14.25% | 15.04% |
| Permanent Assets Ratio | 10.05% | 8.59% |
| Leverage Ratio | 6.38% | 6.88% |

CMN Resolution No, 4783/20 establishes the percentages that RWA is subject for the purposes of calculating the required amount of Principal Capital Additional - $ACP_{Conservation}$. Banrisul is subject to this surcharge, only. Thus, the percentages applied, according to the regulator's schedule, in the next periods can be seen in the table below:

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

(1) According to CMN Resolution No, 4,958/21, these additions are limited to these maximum percentages (%) in relation to $RWA_{TOTAL}$, In the event of an increase, the percentage must be disclosed by BACEN with at least 12 months in advance.

The Basel Ratio (BR) represents the ratio between Reference Equity and Risk Weighted Assets. Under current regulations, the Basel Ratio demonstrates the company's solvency. For June 2022, the minimum required capital limits are 8.00% for Basel Ratio (Reference Equity), 6.00% for Tier I Ratio and 4.50% for the Core Capital Index. The additional required capital is 2.50%, totaling 10.50% for Basel Ratio, 8.50% for Tier I and 7.0% for Core Capital.

The Reference Equity reached R$8,401,177 in June 2022, decreasing R$620,655 from December 2021.

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 calculated by 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$401,737 as of June 2022, increasing R$108,960 in relation to the capital allocation of R$292,777 as of March 2022.

To calculate the Reference Equity using $R_{BAN}$/IRRBB, the following is considered: total of Reference Equity, RWA, Factor F (8.00% from January 2019), interest rate risk of the bank, and the additional core capital (minimum of 2.5% from April 2022).

On June 30, 2022, the Basel Ratio of the Prudential Conglomerate was 16.75%, higher than the minimum required by BACEN. Tier 1 ratio and Core Capital were 14.25% 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 Brazilian FASB 05 (R1) (CPC 05(R1)) and CMN Resolution No. 4,818/20.

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 CMN Resolution No. 4818/20. 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 Geração de Energia Elétrica (CEEE G), 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) | |
| | 06/30/2022 | 12/31/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| **State of Rio Grande do Sul Government** | **(10,445,559)** | **(6,896,827)** | **(485,200)** | **(45,010)** |
| Other Assets | 4,435 | 31 | - | - |
| Demand Deposits | (438,569) | (1,021,381) | - | - |
| Repurchase Agreements (Repos) (1) | (10,011,143) | (5,863,743) | (483,957) | (43,779) |
| Other Liabilities | (282) | (11,734) | (1,243) | (1,231) |
| **Subsidiaries and Investment Fund** | **(1,824,559)** | **(1,755,485)** | **8,559** | **40,062** |
| Other Financial Assets | 10,316 | 9,949 | - | 7 |
| Other Assets | 18,624 | 16,131 | 73,156 | 55,893 |
| Demand Deposits | (9,498) | (96,243) | - | - |
| Time Deposits | (600,203) | (424,045) | (35,810) | (5,443) |
| Repurchase Agreements (Repos) | (70,868) | (191,063) | (3,501) | (589) |
| Funds from Acceptance and Issuance of Securities | (342,022) | (290,464) | (19,345) | (3,994) |
| Other Financial Liabilities (2) | (812,909) | (762,639) | - | - |
| Other Liabilities | (17,999) | (17,111) | (5,941) | (5,812) |
| **Fundação Banrisul de Seguridade Social** | **(1,312)** | **(1,245)** | **(8,064)** | **(8,010)** |
| Other Liabilities | (1,312) | (1,245) | (8,064) | (8,010) |
| **Total** | **(12,271,429)** | **(8,653,557)** | **(484,705)** | **(12,958)** |

(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) | |
| | 06/30/2022 | 12/31/2021 | 01/01 to 06/30/2022 | 01/01 to 06/30/2021 |
| **State of Rio Grande do Sul Government** | **(10,445,533)** | **(6,896,667)** | **(485,183)** | **(44,992)** |
| Other Assets | 4,461 | 191 | 17 | 18 |
| Demand Deposits | (438,569) | (1,021,381) | - | - |
| Repurchase Agreements (Repos) (1) | (10,011,143) | (5,863,743) | (483,957) | (43,779) |
| Other Liabilities | (282) | (11,734) | (1,243) | (1,231) |
| **Fundação Banrisul de Seguridade Social** | **(1,312)** | **(1,245)** | **(8,064)** | **(8,010)** |
| Other Liabilities | (1,312) | (1,245) | (8,064) | (8,010) |
| **Total** | **(10,446,845)** | **(6,897,912)** | **(493,247)** | **(53,002)** |

(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 06/30/2022 | 01/01 to 06/30/2021 |
|---|---|---|
| **Short Term Benefits** | **10,850** | **9,682** |
| Salaries | 8,299 | 7,418 |
| Social Security | 2,551 | 2,264 |
| **Post-Employment Benefits** | **289** | **242** |
| Supplementary Pension Plans (1) | 289 | 242 |
| **Total** | **11,139** | **9,924** |

(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 June 30, 2022, 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 June 30, 2022:

| | Parent Company | | | Consolidated | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Total | Level 1 | Level 2 | Total |
| **Financial Assets** | | | | | | |
| **Securities** | **7,194,655** | **-** | **7,194,655** | **7,406,270** | **12,537** | **7,418,807** |
| Financial Treasury Letter – LFT | 6,721,328 | - | 6,721,328 | 6,730,151 | - | 6,730,151 |
| National Treasury Letter - LTN | 458,371 | | 458,371 | 458,371 | | 458,371 |
| Shares of Publicly-Held Companies | 14,956 | - | 14,956 | 14,956 | - | 14,956 |
| Bank Deposit Certificates | - | - | - | 1,720 | - | 1,720 |
| Investment Fund Shares | - | - | - | 201,072 | 12,537 | 213,609 |
| **Available-for-Sale Securities** | **-** | **40,116** | **40,116** | **2,143** | **20,498** | **22,641** |
| Investment Fund Shares | - | 40,116 | 40,116 | 2,143 | 20,483 | 22,626 |
| Privatization Certificates | - | - | - | - | 15 | 15 |
| **Total Assets at Fair Value** | **7,194,655** | **40,116** | **7,234,771** | **7,408,413** | **33,035** | **7,441,448** |
| **Financial Liabilities** | | | | | | |
| Derivatives | - | 570,042 | 570,042 | - | 570,042 | 570,042 |
| Subordinated Debt | - | 1,252,473 | 1,252,473 | - | 1,252,473 | 1,252,473 |
| **Total Liabilities at Fair Value** | **-** | **1,822,515** | **1,822,515** | **-** | **1,822,515** | **1,822,515** |

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** | | | | | | |
| **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** |
| **Total Assets at Fair Value** | **8,288,943** | **875,935** | **9,164,878** | **8,574,599** | **867,731** | **9,442,330** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Financial Liabilities** | | | | | | |
| Derivative Financial Instruments | - | 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** |

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 | |
|---|---|---|---|---|
| | 06/30/2022 | | 06/30/2022 | |
| | **Book Value** | **Fair Value** | **Book Value** | **Fair Value** |
| **Financial Assets** | | | | |
| Interbank Lending Market Investments | 6,690,625 | 6,699,291 | 6,690,625 | 6,699,291 |
| Compulsory Deposits of Central Bank of Brazil | 9,738,259 | 9,738,259 | 9,738,259 | 9,738,259 |
| Securities (1) | 31,644,346 | 31,621,772 | 31,655,380 | 31,632,763 |
| Loans, Leases and Other Credit-like Receivables (2) | 44,585,485 | 41,575,397 | 44,585,485 | 41,575,397 |
| Other Financial Assets | 3,797,428 | 3,797,428 | 6,222,321 | 6,222,321 |
| **Total** | **96,456,143** | **93,432,147** | **98,892,070** | **95,868,031** |
| **Financial Liabilities (3)** | | | | |
| Deposits (a) | 65,233,306 | 65,212,180 | 64,625,034 | 64,603,908 |
| Repurchase Agreements (b) | 15,554,269 | 15,554,269 | 15,483,400 | 15,483,400 |
| Funds from Acceptance and Issuance of Securities (c) | 2,535,774 | 2,538,959 | 2,193,752 | 2,196,937 |
| Borrowings (d) | 1,250,259 | 1,250,259 | 1,250,259 | 1,250,259 |
| Onlendings (d) | 1,366,535 | 1,366,535 | 1,366,535 | 1,366,535 |
| Other Financial Liabilities | 8,028,511 | 8,028,511 | 9,212,475 | 9,212,475 |
| **Total** | **93,968,654** | **93,950,713** | **94,131,455** | **94,113,514** |

| | 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** |

**(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. In the first quarter of 2021 and 2022, there were no events treated as non-recurring.

We present below the events considered non-recurring for the period indicated. In the first half of 2022, there were no events treated as non-recurring.

| | **06/30/2021** |
|---|---|
| Adjusted Net Income | 560,818 |
| Ajdjustments | (16,657) |
| Provision for Tax Contingencies [(1)] | (76,036) |
| Tax Effects [(2)] | 34,216 |
| Tax Credits - CSLL Law No 14,183/21 [(3)] | 25,163 |
| **Net Income** | **544,161** |

(1) 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).
(2) Refers to Tax Effects on Provision for Tax Contingencies.
(3) 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.

## c) Effects of the Covid-19 Pandemic on interim financial statements

The scenario generated by the Covid-19 pandemic has improved in the first half of 2022, after 2 years of an environment of uncertainty, turmoil and challenges in the global financial market. In this context, the measures taken by international bodies, governments, as well as the CMN and Bacen, to reduce the negative economic effects of the pandemic were extremely important to contain this global crisis.

Despite the expectation, at the beginning of the pandemic, of a deterioration in the quality of the loan portfolio due to default, this did not materialize due to the adoption of mitigating measures promoted by regulators, governments and by Banrisul. The Institution took a preventive stance in relation to the granting of credit (volume and improvement of digital channels), renegotiation of contracts and robust constitution of credit provision. Thus, the expectation throughout the year is for growth in less restrictive lines of credit and with higher spreads.

In terms of liquidity, it is believed that the search for security positively influences the Institution's liquidity, generating an increase in the raising of funds from clients. In the period, the monitored liquidity risk indicators did not signal the materialization of negative events on the institution's liquidity. In this sense, Banrisul continues to present comfortable levels of liquidity and diversification in its funding structure.

All exposures to interest rate risk in the trading and non-trading portfolios continue to be monitored, with the objective of monitoring and anticipating any impact of fluctuations in interest rates and their possible impacts over different time horizons.

As for the civil and labor provisions, specifically in relation to civil actions, referring to the increase in revisions of credit operations contracts and also of actions that involve difficulties in serving customers were expected, but so far have not been carried out. One of the factors that contributed to customers not filing lawsuits was the repayment of credit operations as part of mitigating measures to reduce the negative economic effects of the pandemic. The same was expected from labor lawsuits which continue to be monitored to identify possible changes related to the topic.

During this period, Banrisul ensured the maintenance of its activities and adopted actions to minimize the exposure of customers and employees to contagion, adapting from credit policies to operational routines. The institution keeps its shareholders and the market duly informed of the conduct adopted in the current scenario.

In relation to operational routines, among the main measures taken by Banrisul in the pandemic period, the following stand out:

- ✓ Adoption of remote work and partial return to face-to-face work, 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.

Banrisul's capital and risk management structure has, among its objectives, ensuring compliance with the operational limits established by the regulator and the Bank. In this scope, in addition to the Institution's activities, national and international economic scenarios are monitored, as well as the evolution of the pandemic caused by Covid-19. Based on these monitoring activities, the impacts of the pandemic have been identified, where the reflexes of the crisis and the effectiveness of the mitigating measures applied are observed. In this way, it is necessary to maintain monitoring of regulatory changes, the market and the evolution of the crisis caused by the coronavirus, so that Banrisul can position itself and continue taking the necessary measures to face possible critical situations.

**d) Effects of the War in Eastern Europe on the Financial Statements**

Banrisul, due to the war that has been taking place in Eastern Europe, informs that has no clients and/or businesses involving the countries in conflict, that it will continue to monitor the economic impacts and so far no impact on Banrisul's operations has been identified.

# REPORTS

## AUDIT COMMITTEE REPORT SUMMARY – JUNE 30, 2022

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. 13,303/2019 (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 January 1st to June 30, 2022. During this period, it held 16 meetings, comprising 69 sessions, duly formalized in minutes, and, in addition, the members dedicated 344 hours for prior analysis of the material.

After reviewing the documents made available to the Committee in the 1st half of 2022, for analysis, 92 requests for additional clarifications were made, of which 80 were punctual, and 12 were recurring demands for periodic monitoring. In addition, 11 recurring demands from the previous semester were followed up in this semester, totaling 23 periodic follow-ups. During the period, the Committee received approximately 4,500 pages of material to support the meetings.

During the first half of 2022, meetings were held with members of the Board of Directors and Fiscal Council, Directors of Banrisul and Subsidiaries, coordinator of the Risk Committee and executives of the Bank and Subsidiaries.

Of note are the meetings with the Inspectors of the Central Bank of Brazil, the Independent Auditors, the executives of the Accounting, Controls and Compliance Units, Financial Controllership, Internal Audit, Inspection and Fraud Treatment, Units of the Information Technology & Innovation Board and the other areas that make up the Institution.

Among the matters addressed, the monitoring of: (i) the restructuring process of the Internal Audit and the reassessment of the stock of notes, in view of the new implemented methodology, especially those of high criticality; (ii)_the implementation of the redesign of the 1st and 2nd lines of defense; (iii) the activities, risks and investments of the information technology areas; (iv) the restructuring of the human resources area; (v) actuarial calculations and results of pension benefit plans in which Banrisul is a sponsor; and (vi) the provisioning process for contingencies, as well as the implementation of a new system for managing lawsuits.

It should be noted that, prior to the disclosure of the quarterly information (ITRs) and the half-yearly balance sheet, the Committee members met with the Independent Auditors to assess aspects of the control environment in generating the figures to be disclosed, as well as the independence of the auditors.

**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 June 30, 2022 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, August 04, 2022.

| | | |
|---|---|---|
| Carlos Biedermann | João Verner Juenemann<br>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 and 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 June 30, 2022. 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 properly presented in all their relevant aspects.

Porto Alegre, August 8, 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

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 individual and consolidated balance sheet as at June 30, 2022 and the related individual and consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the semester 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 June 30, 2022, and its individual and consolidated financial performance and its individual and consolidated cash flows for the semester 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current semester. 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 of an allowance for loan losses involves a degree of 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 risk level, based on 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. For this purpose, the Bank uses internal credit risk classification models for debtors and their related transactions, involving Management’s assumptions and judgments in order to represent its best estimate of the credit risk underlying its portfolio.

The allowance for loan losses was considered a key audit matter due to the complexity of the allowance for loan losses model, the use of estimates, and the degree of judgment by Management in determining the allowances recognized.

How was the matter addressed in our audit?

Our audit procedures included, among others: (a) understanding the provisioning criteria adopted by the Bank for loan transactions and other receivables with loan characteristics; (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) reviewing the allowance recognition criteria and challenging the assumptions used by Management and their compliance with the parameters set by CMN Resolution 2682/99, on a sampling basis, with the involvement of senior members of our team; (d) reviewing the level of the total allowance for the existing portfolios; 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 "Mass" method is used for similar and usual lawsuits of civil and labor nature, having been developed internally by Management.

Due to the materiality in the context of the individual and consolidated financial statements and the complexity, subjectivity and degree of judgment underlying 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 Mass method; (c) confirming the claims with the in-house and outside legal counsel; (d) analyzing on a sampling basis the appropriateness 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.

The evaluation of the information technology environment's processes and controls, associated with the tests previously mentioned, allowed us to consider acceptable 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

Consolidated financial statements

The consolidated financial statements for the semester ended June 30, 2022, which have been prepared in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the BACEN, are being presented as supplemental information, as set out in Art. 77 of CMN Resolution 4966, to the interim consolidated financial statements for the three- and six-month periods ended June 30, prepared in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and were separately presented by the Bank, on which we issued an unmodified independent auditor's report, dated August 8, 2022.

Statements of added value

The individual and consolidated statements of added value ("DVA") for the semester ended June 30, 2022, 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 added value 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 Added Value. In our opinion, these statements of added value 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.

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 semester 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, August 8, 2022

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|---|---|
| **DELOITTE TOUCHE TOHMATSU**<br>**Auditores Independentes Ltda.** | **Carlos Claro**<br>**Engagement Partner** |

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

## Diretoria

CLÁUDIO COUTINHO MENDES
**Presidente**

IRANY DE OLIVEIRA SANT'ANNA JUNIOR
**Vice-Presidente**

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

## Conselho de Administração

JORGE LUIS TONETTO
**Presidente**

CLAUDIO COUTINHO MENDES
**Vice-Presidente**

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
**Conselheiros**

WERNER KÖHLER

**Contador CRC RS 38.534**

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