

# Institutional Presentation 3Q23

Investor Relations Department



# Disclaimer

This presentation contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of Banrisul.

These are merely projections and, as such, are based exclusively on the expectations of Banrisul's management concerning the future of the business and its continued access to capital to fund the Company's business plan.

Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in Banrisul's filed disclosure documents and are, therefore, subject to change without prior notice.





# **Corporate Profile**



Market Value<sup>1</sup>**R\$5.0 bn**Loan Portfolio<sup>1</sup>**R\$52.5 bn**Total Assets<sup>1</sup>**R\$123.5 bn**

**With 95 years**  
**of history,**  
**we are a**  
**Complete**  
**Bank**

**One of the best companies to develop a  
career in Brazil<sup>2</sup>**

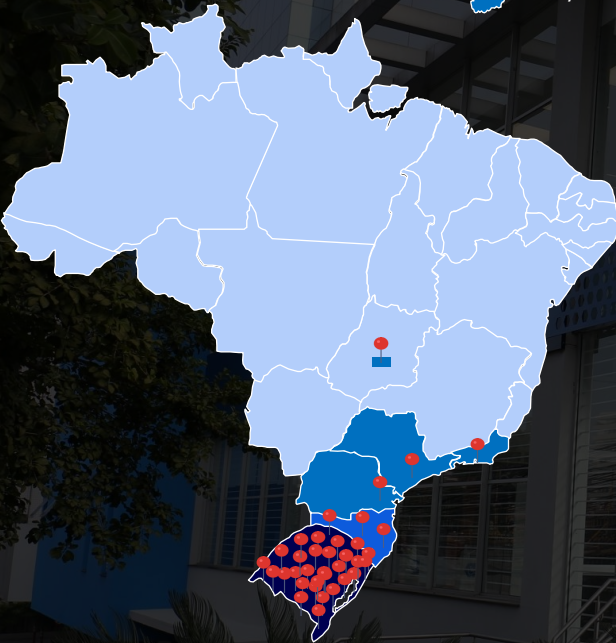
**8,958 employees<sup>1</sup>**  
**4.3 million customers<sup>1</sup>**

**Most remembered bank in the state of RS<sup>3</sup>**  
**6th Best Bank in Brazil<sup>4</sup>**  
**34th Bank in Assets in Latin America**



# Present at

● **5 States + Federal District and abroad**

 Cayman Islands

**Service  
Network**

Coverage of Own Network

**93%** of RS

**99%** of RS GNP

**493** branches

471 in RS

17 in SC

3 other states

1 in DF

1 abroad

**896** correspondents

**1,040** points of service

# Timeline

3Q23



**1993**

Banrisul inaugurated the first ATM room



**1964**

Banrisul inaugurates its current main office, at the Capitão Montanha St, at the heart of Porto Alegre.



**1931**

Banrisul shares were listed in September 1931.



**1928**

On September 12, 1928 Banrisul starts operating, in Treasury Offices in Porto Alegre.



**2007**

Capitalization and secondary emission of preferred shares joining the Level 1 of Corporate Governance.



**2012**

Bem Promotora comes up, a company which acts as payroll loans originator.



**2014**

Rio Grande Seguros e Previdência S.A. was created.



**2021**

1st Banrisul Investor Day



**2020**

Banritech innovation hub is launched and also Banrisul Corretora de Seguros was created.



**2017**

Banrisul launched its digital platform: Banrisul Digital.



**2015**

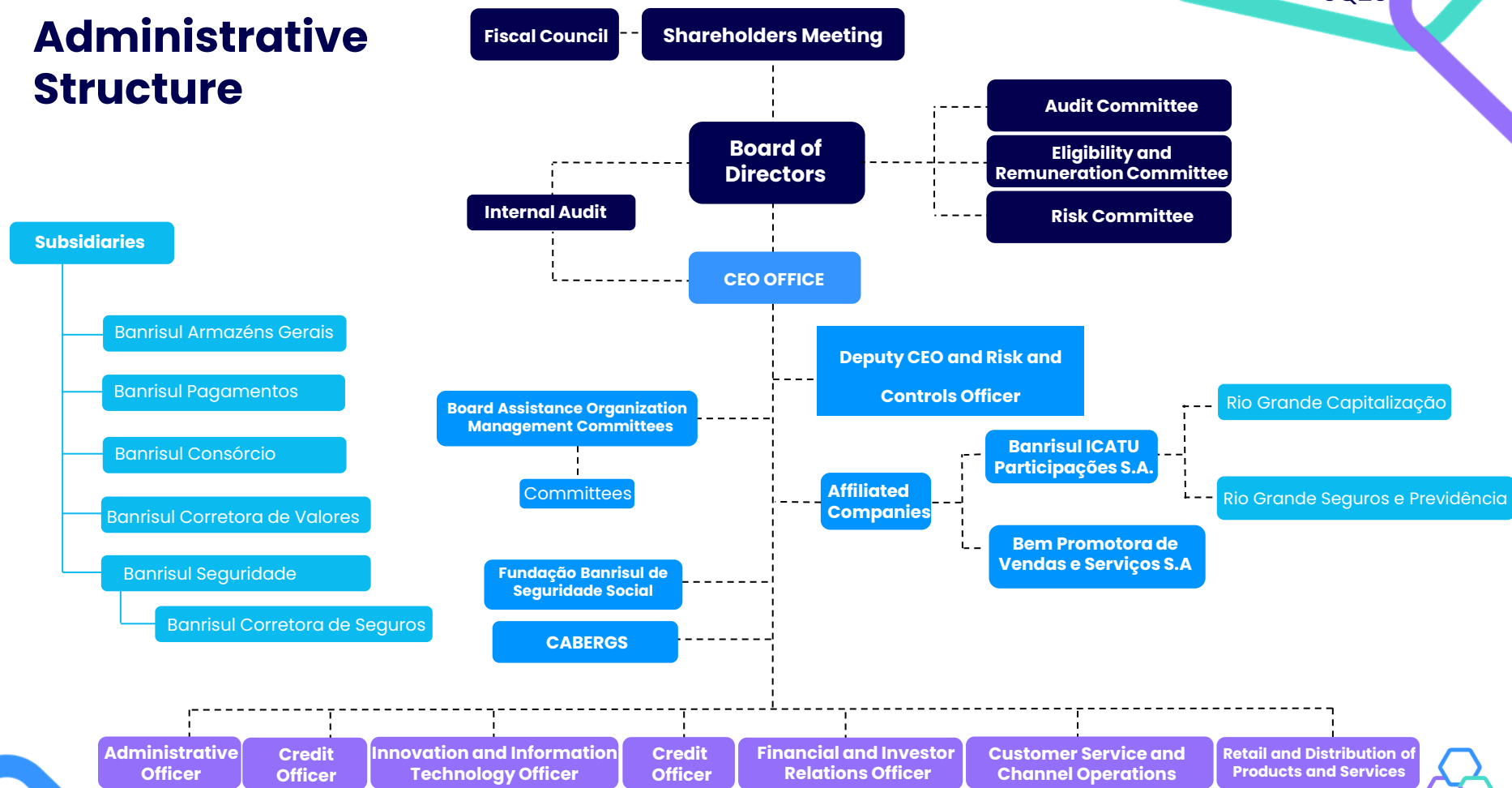
Banrisul launches its new multibrand acquirer company, Vero.



**2022**  
Rebranding



# Administrative Structure



# Management

**Solid governance ensures strategy execution and business sustainability**

Board of Directors:

**Defines strategy**



**11 members**

**4 independents**

**Minorities** 1 PN Shareholders  
1 ON Shareholders

Executive Board:

**Professional and experienced management for strategy execution**

**9 members**

**5 from Career** C



**Fernando Lemos**

CEO



**Irany Sant'Anna**

Deputy CEO and Risk Officer



**Luiz Gonzaga Mota**

CFO and Investor Relations Officer



**Carlos Malafaia**

Innovation, Digital Transformation and IT Officer



**Gaspar Saikoski**

Retail and Distribution of Products and Services Officer



**Fernando Postal**

Development Officer



**Adriana Celestino**

Customer Service and Channels Operations Officer



**Ivanor Duranti**

Credit Officer



**Elizabete Tavares**

Administrative Officer





# Our Companies – Banrisul Group

leadership in promising segments and multiple avenues of growth

## Subsidiaries



**28%**  
market share in RS<sup>1</sup>  
**137.9 thousand**  
accredited  
establishments  
**R\$310.8 million**  
Net income in  
9M23



Marketing of  
Insurance,  
Pension Plans  
and  
Capitalization  
**R\$116 million**  
Net Income in  
9M23



**R\$6.8 bi**  
Letters of  
credit  
**R\$54.3 million**  
Net Income in  
9M23



It acts as a Bonded Warehouse and  
Certified Bonded Warehouse / dry  
dock.



Holding subsidiary of Banrisul  
Seguridade absorbed all operations  
facing this niche in Banrisul.



Intermediary with B3 in spot,  
options, term, future and fixed  
income markets.

## Affiliated



<sup>1</sup> Company estimates, except Banricompras.



# Our Shares

We are listed on B3 under the *tickers*:

**BRSR3** **BRSR5**

100% tag along in  
all of the shares

**BRSR6**

Share with the  
most liquidity

## Dividends and IoC

Quarterly  
Payment of  
IoC



Payout  
2023  
**50%**

**R\$360 mm**

distributed to shareholders in 1H23

## Estrutura Acionária

ON: 1.9%

PNs: 99.6%

**Total:**

**50.6%**

ON: 98.1%

PNs: 0.4%

**Total:**

**49.4%**

**Free Float**



GOVERNO DO ESTADO  
RIO GRANDE DO SUL



**Spread and local  
Base**

**155 Thousand  
shareholders**

97.0% individuals

2.9% national companies

0.1% foreign companies

**68%**

**Local Investors**



# Human Resources

One of the best companies to develop a career in Brazil<sup>1</sup>

Generate  
engagement  
and motivation

Transparent and  
humanized  
management

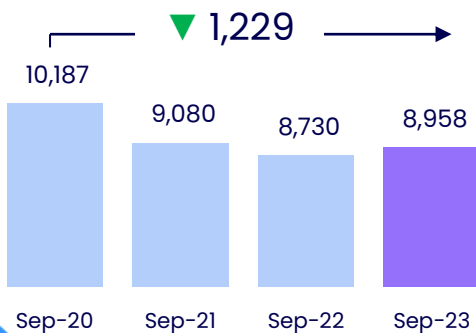
**X-Ray**

**68%** are between 21 and 50 years old

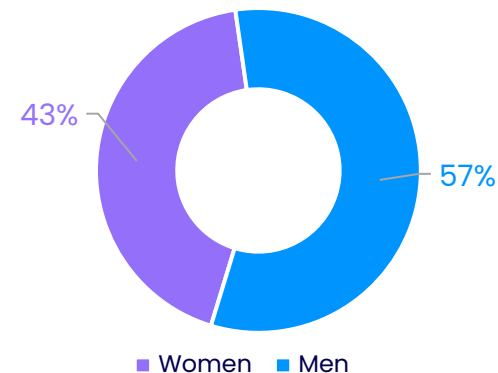
**78%** with college degrees, including masters and PhD.

**39.7%** of women in leadership positions<sup>2</sup>

**Employees**



**Employees by gender**  
(As of Sep/23)



<sup>1</sup> Ranking LinkedIn Top Companies 2022. <sup>2</sup> As a percentage of total leaders.



# Sustainability Agenda

Voluntary  
Commitments

Programa Brasileiro  
GHG Protocol



Golden Stamp  
Inventory GEE



Actions aligned with  
Sustainable  
Development Goals  
of the UN



Pacto Global  
Rede Brasil

Signatory to the  
Global Compact of  
United Nations  
Since 2013



Transition to the use of  
**Clean energy**  
covering  
**100 branches in 2023**

Full transition  
forecasted  
**by 2024**

**100% neutralization**  
of direct and energy emissions of 2022

Purchase of  
**Carbon Credits**



**Renewable Energy  
Certificates**  
IREC

**+ Governance Structure for  
Sustainability**  
Executive and Statutory Committee

**+ GRI Standard Report**  
**+ ESG Strategic Pillar**





# Investment in Innovation

**R\$254.1 million**

Invested in digital transformation  
and IT infrastructure

Continuous  
improvement in the  
customer experience  
on Digital



**Smart  
Virtual  
Assistant**

**Bah** is on since Feb/23

**+ 4.000**  
Customer Services

**88%**  
Solving Index

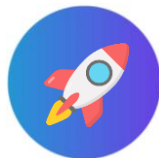
**+ 33 k**  
Interactions

**81%**  
Satisfaction  
Index

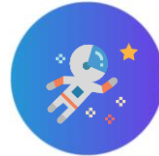
3Q23  
**banri**   
shopping

**Marketplace**  
**+ 40 suppliers**

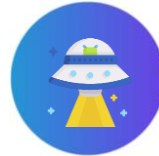
 **banritech**



**60**  
Startups



**147**  
Entrepreneurs



**93**  
Advisors





## **Business Strategy**



# Strategy

## Purpose

Promote the economic and social development of Rio Grande do Sul by being the financial agent and transformer of the life of people

## Vision

To be a solid, profitable and competitive public bank, connected to communities and offering solutions with excellence

## Values

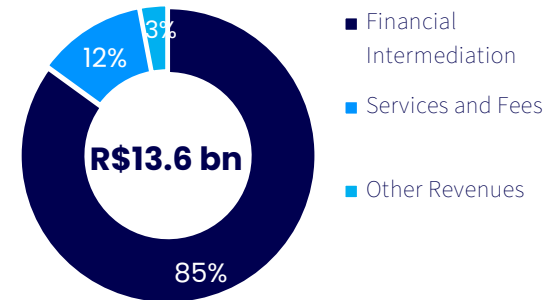
Transparency, ethics, commitment, integration and effectiveness



# Complete range of Products and Services...



Revenue Breakdown<sup>1</sup>



## ... available on scalable digital platform...

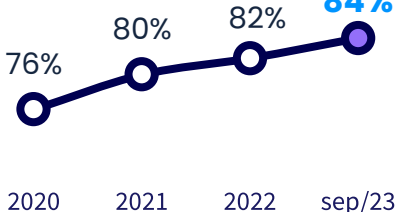
Digital Users  
(In million)



Daily Acesses  
(In million)



Digital Transactions  
(% of Total Transactions)



... serving customers how, where and when they want

<sup>1</sup> In 9M23.

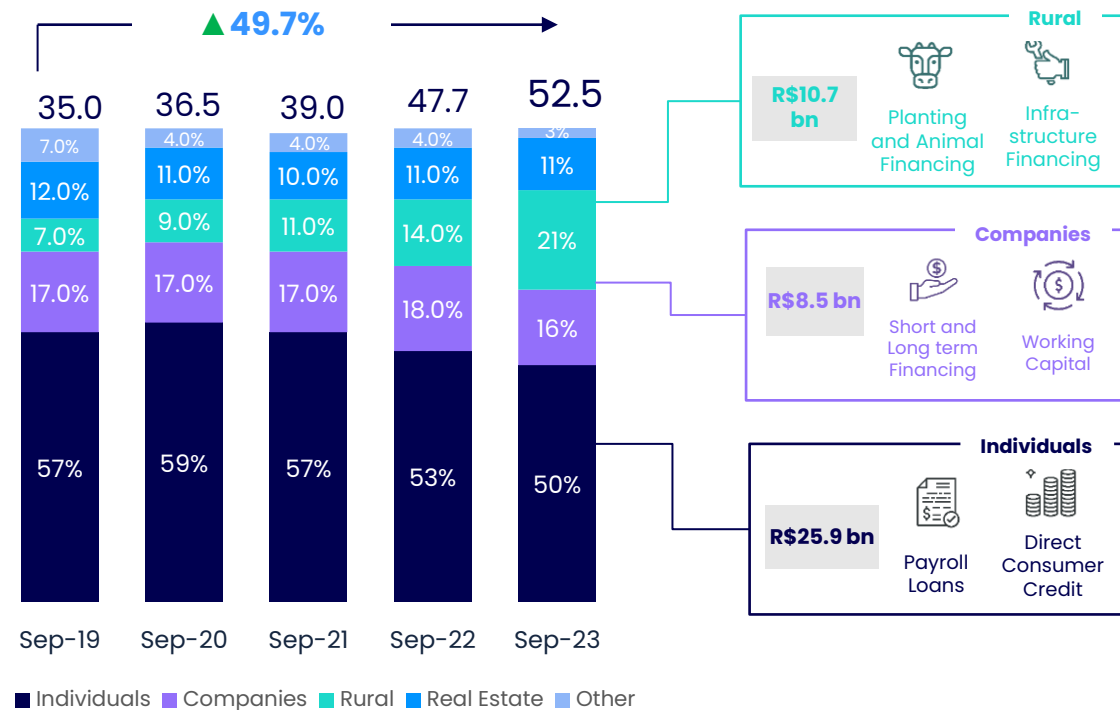




# B. A diversified and fast-growing loan portfolio...

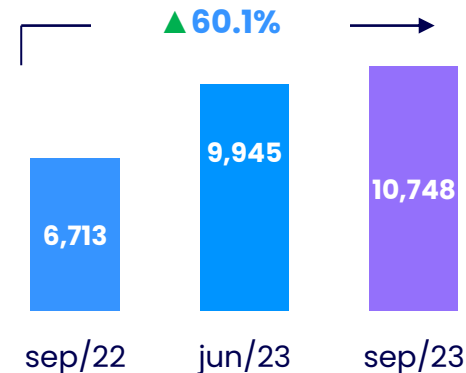
## Credit Portfolio Breakdown

(In R\$ billion)



## Rural Loan Portfolio

R\$ Million



## What set us apart in Rural Credit



**Personalized and excellent service**



**Operational agility**



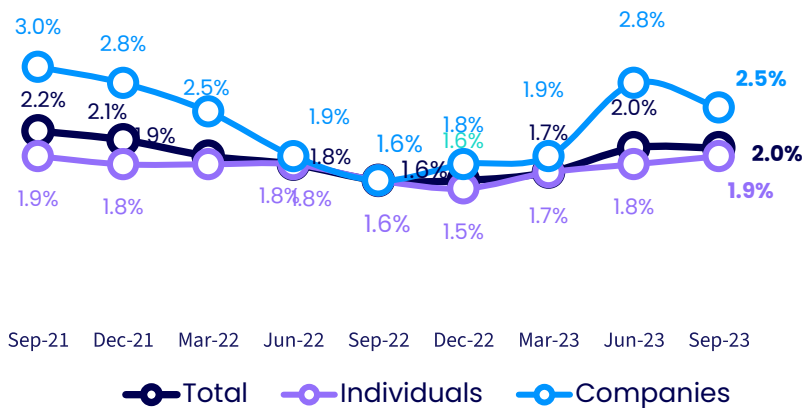
**Complete product offering**



# ...with favorable asset quality dynamics

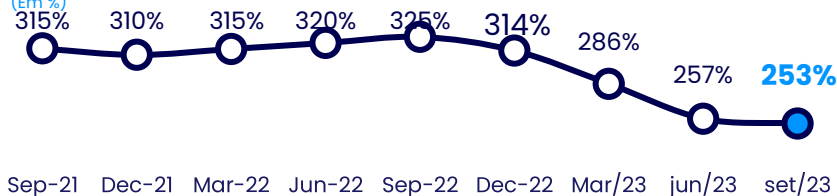
## NPL > 90 days

(Em %)



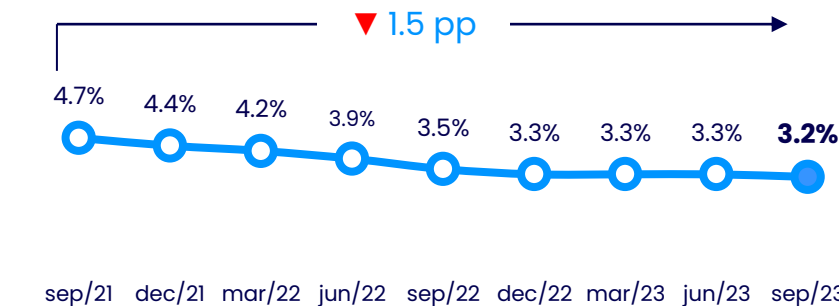
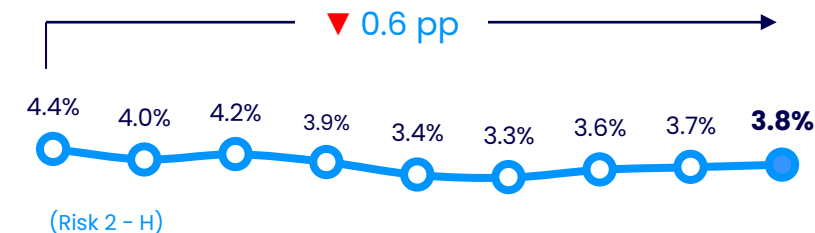
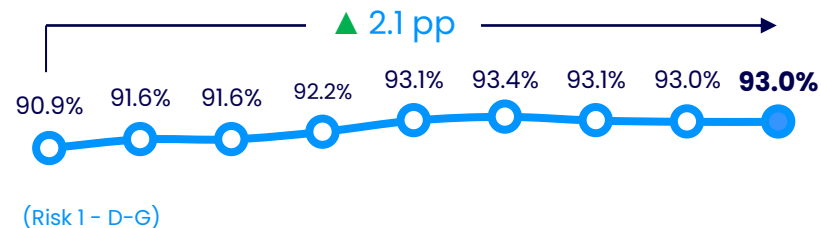
## Coverage Ratio > 90 days

(Em %)



## Loan Portfolio at Normal Risk

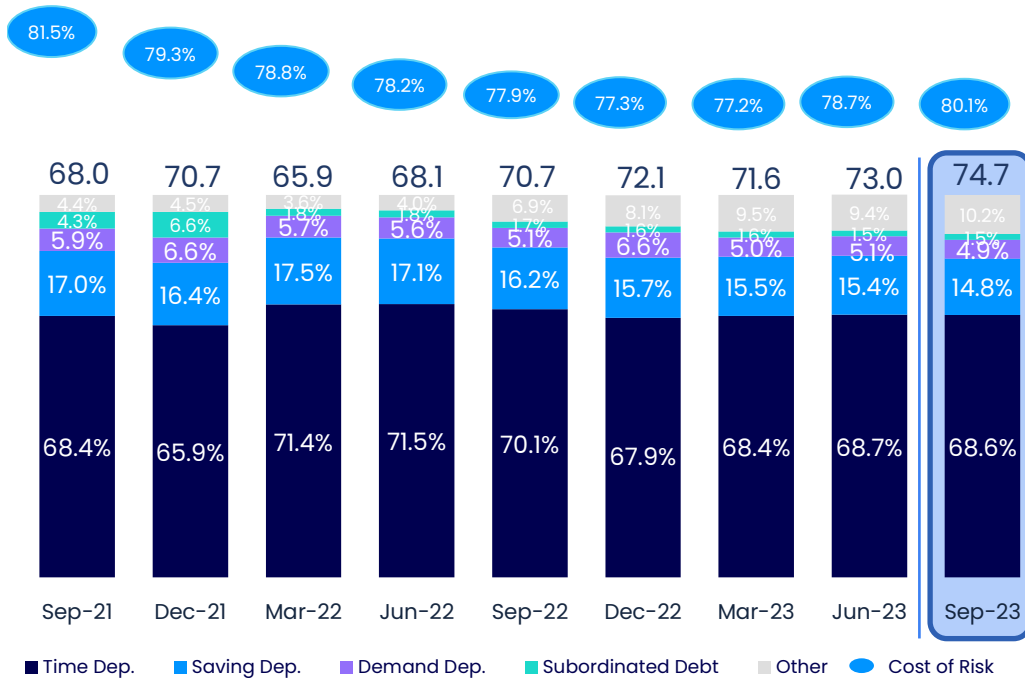
(AA - C Ratings)



# C. Stable and pulverized funding base

## Total deposits and funding costs

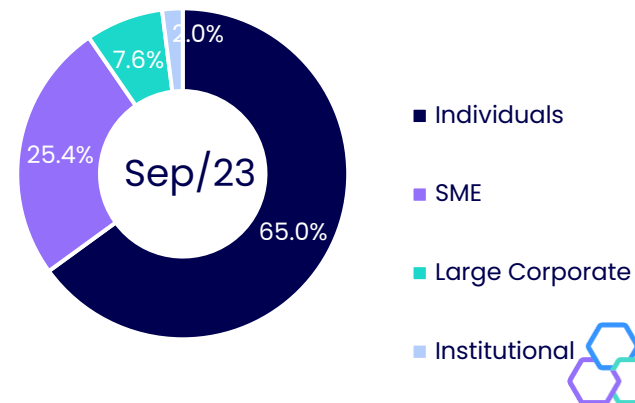
Funding breakdown (%/R\$ bn) and cost of funding (% of Selic Rate)



## Funding Concentration



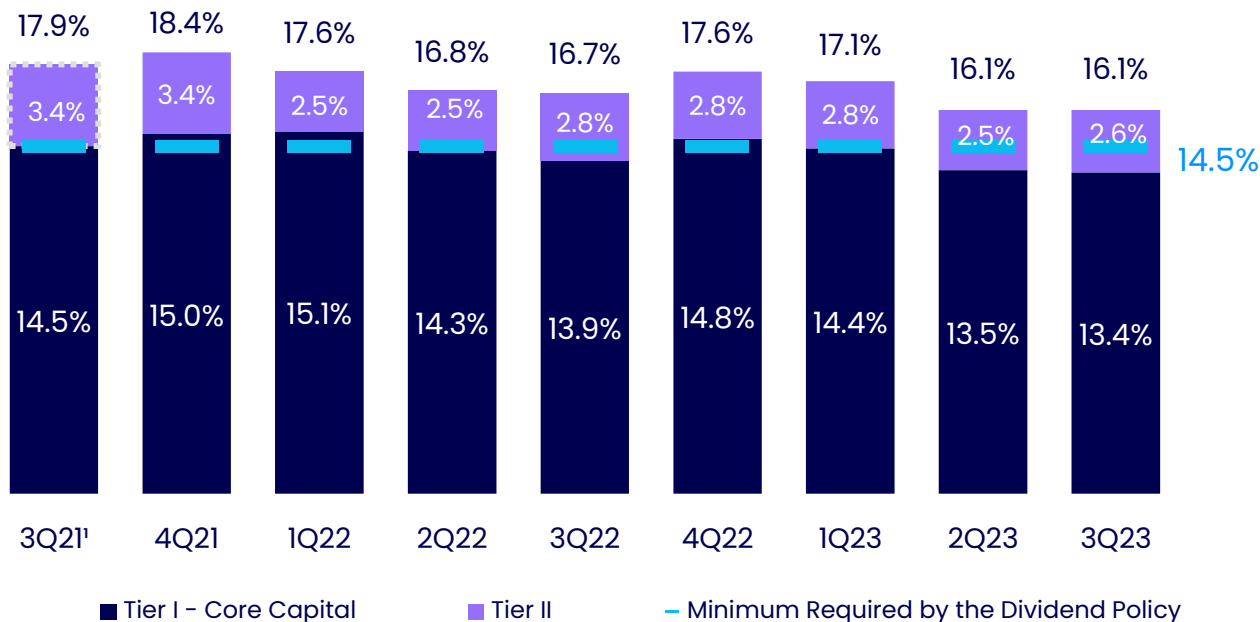
## Funding Breakdown¹



¹ Considers Time Deposits and proceeds from Bank Notes, Mortgage Notes and agribusiness letters of credit.

## D. Strong Capital structure to expand credit

Basel Ratio  
(in %)



Solid capital structure with comfortable levels of liquidity to expand loan book

### Dividend Policy

Maintain **Total Capital Ratio +400 bps** above minimum capital requirement levels in Brazil.

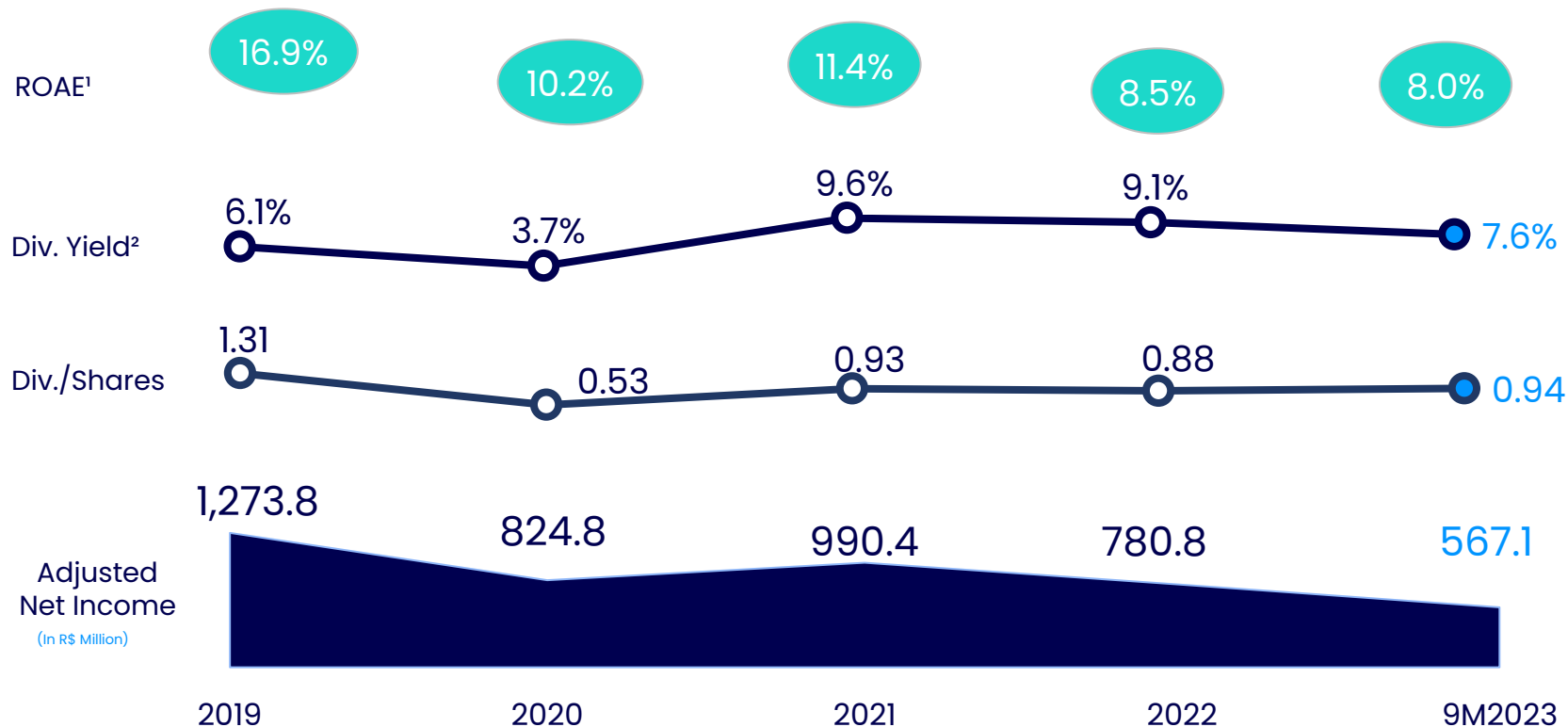
Current Requirement Level: **10.5%**

<sup>1</sup> Proforma considering subordinated notes issued in January 2021, considering the exchange rate at the end of each period.





# Profitability



<sup>1</sup> Net Income / Average Shareholders' Equity. The indicator for the year is obtained by multiplying the division quotient by the number of periods.

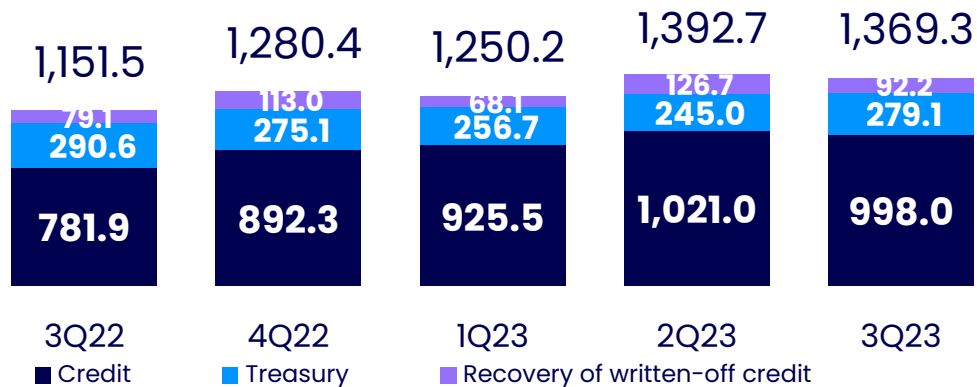
<sup>2</sup> (Div. and IoC of the last 12 months/number of total shares) / Closing price in the last day of the year.



# Net Interest Income

R\$ Million

▲ 18.9%



Net Interest Income  
in  
**growth  
process**

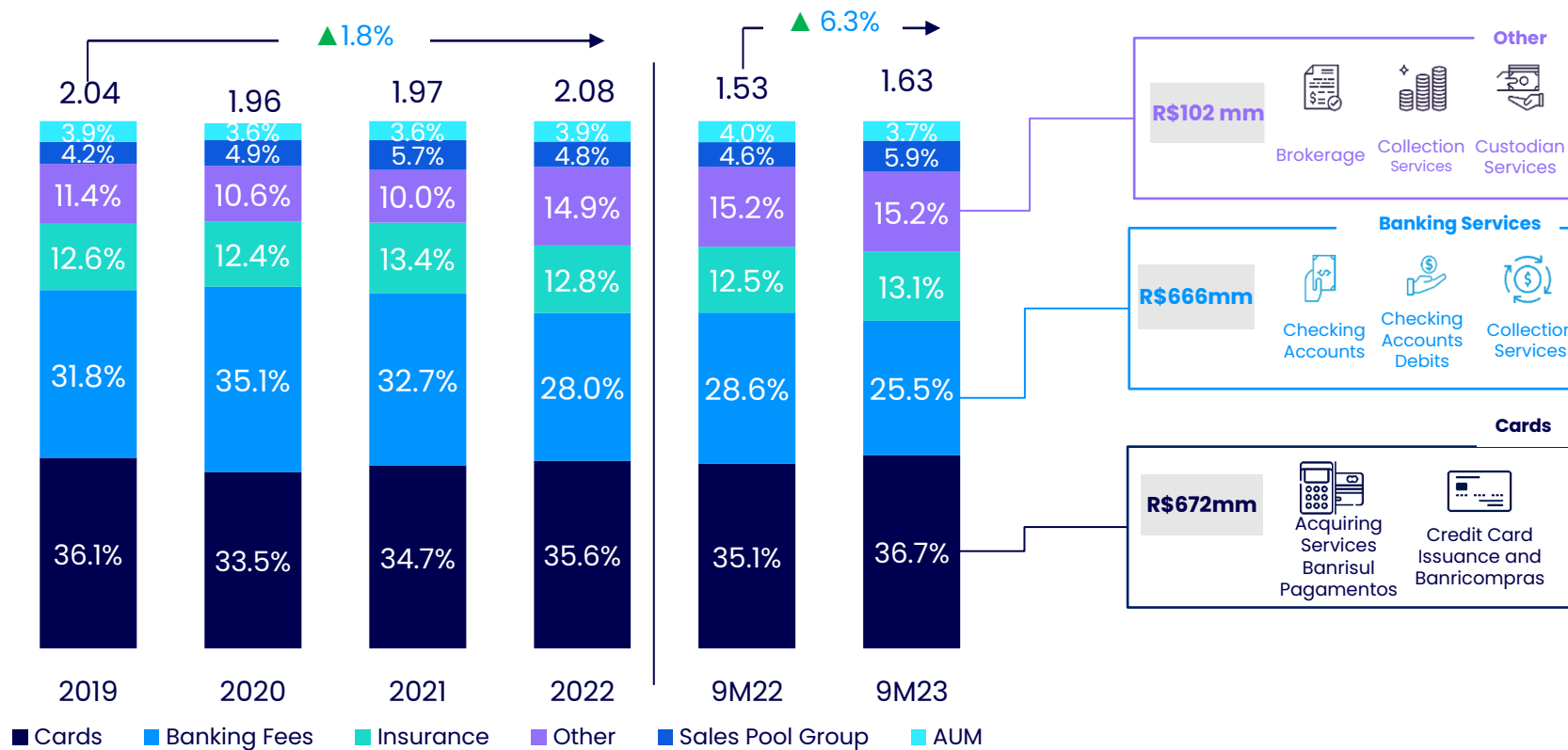
## Net Interest Income Change



# Fee Income

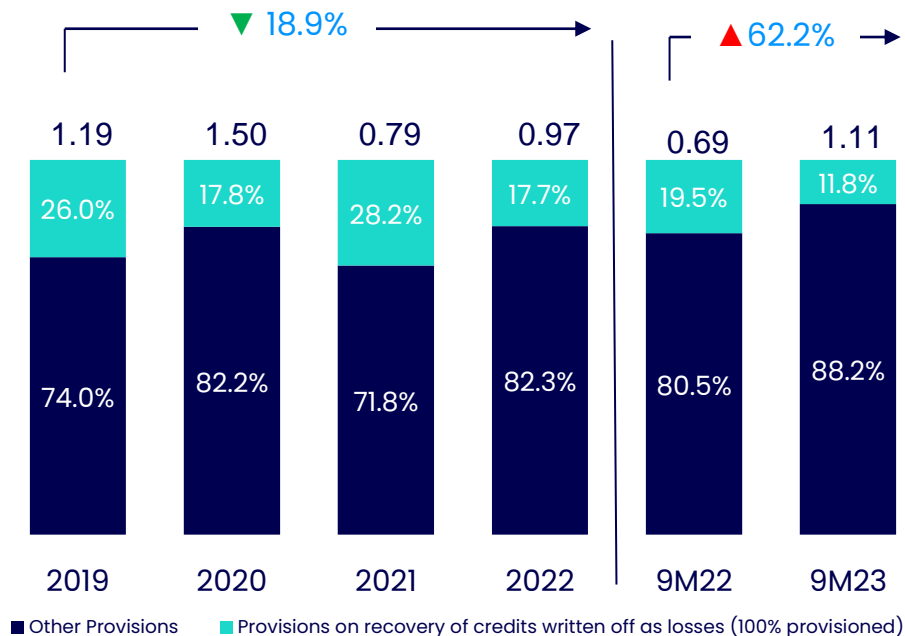
## Income Fee Breakdown

(In R\$ Billion)



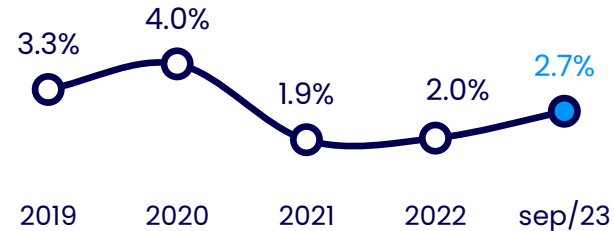
# Loan Loss Provisions and Cost of Risk

Provisions Expenses for Expected Loan Losses  
(In R\$ billion)



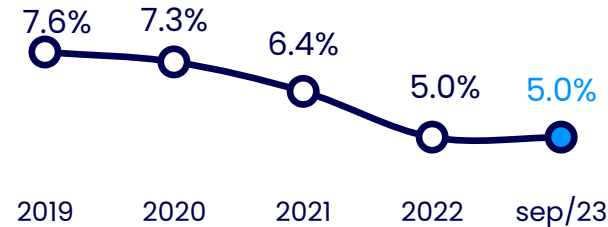
Cost of Risk

(12m Provision Expenses / Loan Portfolio)



Provisioning Index

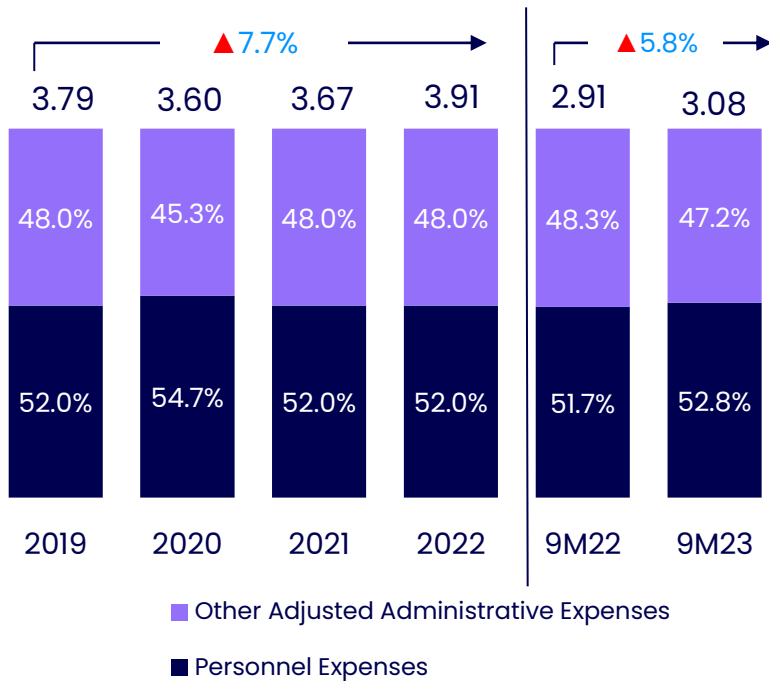
(Total Provisions / Loan Portfolio)





# Efficiency

## Adjusted Administrative Expenses (In R\$ Billion)



## Salary Agreement (23/24)

**4.58%**

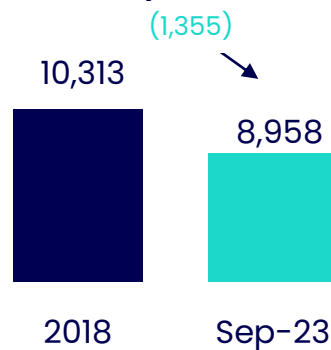
Salaries and Benefits

+ Renewal of workforce

+ Total PDV effect

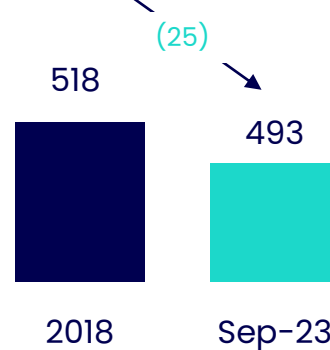
## Headcount

Number of employees



Dismissal Voluntary Plans

## Branches



Branches Restructuring Program





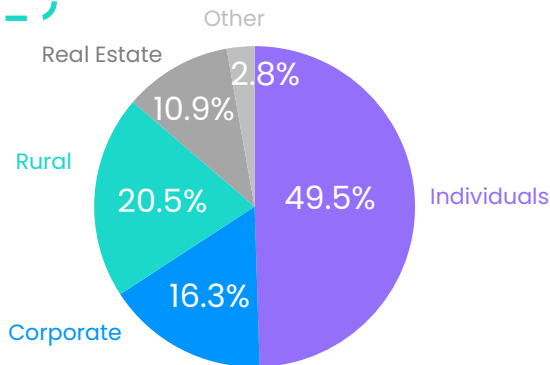
## Appendix



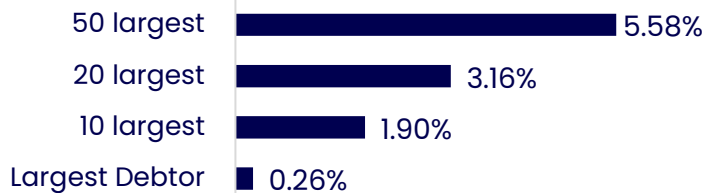
# Credit Portfolio<sup>1</sup>

Credit Portfolio  
(As % of total loan book)

Sep/23  
R\$52.5 bn



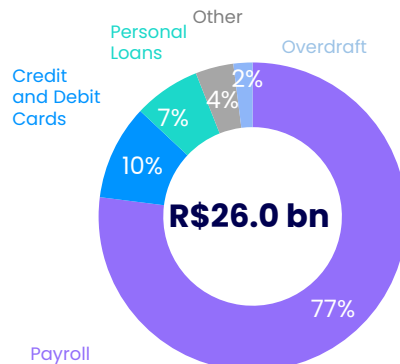
Loan Concentration  
(As % of total loan book)



## Individuals

R\$ Million

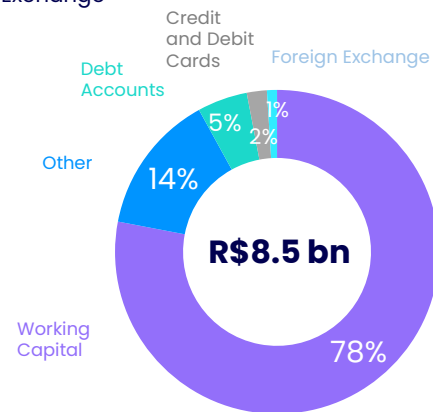
	Balance	y/y	q/q
Payroll	20,039.5	-1.6%	1.1%
Credit and Debit Cards	2,734.2	10.1%	-0.3%
Personal Loans	1,742.0	43.7%	8.3%
Other	952.0	0.9%	-0.9%
Overdraft	499.8	9.6%	-0.7%



## Corporate

R\$ Million

	Balance	y/y	q/q
Working Capital	6,644.0	0.6%	-3.9%
Other	1,203.4	-3.3%	-0.9%
Debt Accounts	434.4	8.9%	4.5%
Credit and Debit Cards	181.1	16.3%	3.2%
Foreign Exchange	75.2	-37.6%	-11.6%



<sup>1</sup> As of September, 2023.



# Payroll Loans

## Our Strategy



Business Initiatives  
**Super Payroll Loan**



New Agreements  
**States and Municipalities**

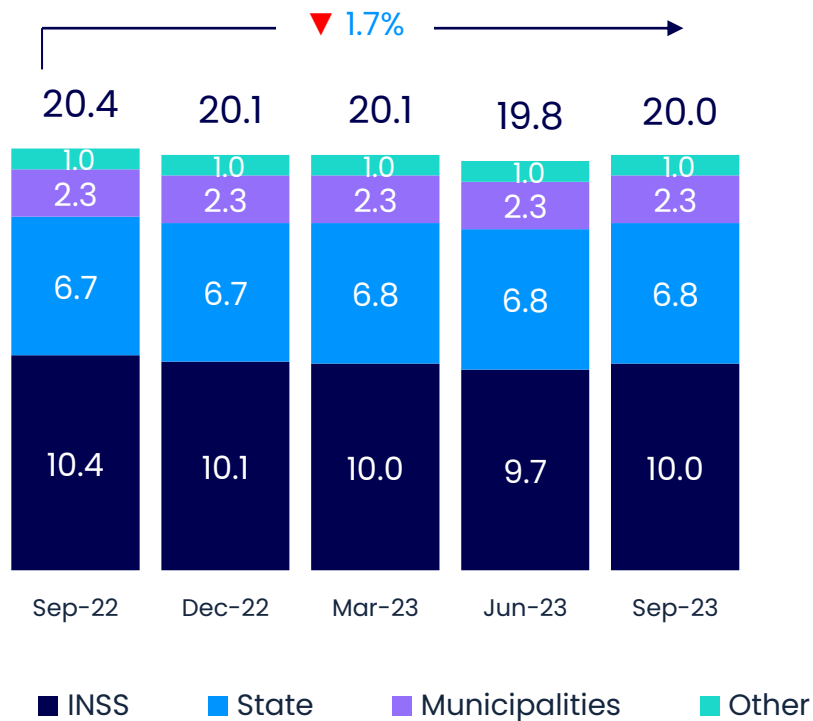


100% Digital Granting



Expand portfolio  
through Correspondents  
Channels

Payroll Loan Portfolio  
(In R\$ Billion)



# Guidance

**2023**  
**Reviewed<sup>4</sup>**

Total Loan Portfolio	9% to 14%
Commercial Loans – Individuals	5% to 10%
Commercial Loans – Companies	7% to 12%
Rural Loans	35% to 40%
Expense with Provisions for Loans/Loans	2% to 3%
<b>Funding<sup>1</sup></b>	6% to 10%
Financial Margin( <b>NII</b> ) <sup>2</sup>	18% to 22%
<b>Administrative Expenses<sup>3</sup></b>	5% to 9%
<b>ROAE</b>	9% to 13%

<sup>1</sup> Financial Margin Variation

<sup>2</sup> Funding: Deposits (excluding Interbank Deposits) + Funds from bank notes and similar, except subordinate notes.

<sup>3</sup> Administrative Expenses excluding fee commissions on banking correspondents.

<sup>4</sup> Guidance was reviewed in 2Q2023.



# Institutional Presentation 3Q23

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[banrisul.com](https://banrisul.com)

INVESTOR RELATIONS

