FINANCIAL STATEMENTS

June 2023

banrisul

PRESS RELEASE

We summarize below Banrisul's performance in the first half and second quarter of 2023.

Business Scenario

The first half of 2023 initiated with concerns regarding a global recession, given the relevant contractionary monetary adjustment carried out in advanced economies and also in Brazil. As we enter the second half of 2023, we have seen signs that interest rates will continue to rise in developed economies, while the growth in economic activity continues to slowdown, a scenario that may increase risk aversion in the markets. In Brazil, after the GDP recorded a 1.9% growth in the first quarter of 2023, greatly due to the extraordinary performance of the agriculture industry, a moderate pace is expected for this sector which, jointly with the lagged effects of the restrictive monetary policy and lower global demand, should result in slower economic growth. In relation to the IPCA, the index increased by 3.16% in the 12 months, until June, and it is expected to end the year at an accumulated increase of around 5%. Given the accommodation of price indexes and the gradual slowdown of the economy, Banrisul believes that the monetary authority is expected to initiate, already in August, a paced reduction process of the Selic, the basic interest rate of the Brazilian economy, which is expected to reach an annual rate of 12% in December. The average loan balance in Brazil, in 12 months until June 2023, grew by 13.5%, in which we highlight the individuals segment. The average default rate in the period was 3.2%, close to the pre-pandemic levels. In Rio Grande do Sul, the total loan balance grew by 16.4% in the same period, and the average default rate was 2.2%, according to regional loan data from the Central Bank of Brazil. It is worth mentioning that the Rio Grande do Sul economy performed at a lower rate than the Brazilian economy in the first quarter of the year, severely impacted by the drought in the region.

Aiming to expand its area of operation and improve customer experience Banrisul announced, in March 2023, that the Banricompras card will be accepted by many authorized commercial establishments across the country. The approval of the acquiring companies that join Banricompras Arrangements as Network Service Providers is expected to start as of October 2023, and the acceptance of the brand through the new companies is expected to intensify in the market as of early 2024. Also within the scope of Banricompras, in June, we launched BanriPay, a virtual card in which payments made through Banricompras will be carried out on the Banrisul App by mobile phone.

To replace the dismissals from the recent Voluntary Dismissal Program - PDV, and bring new talents to the Bank, 204 employees joined the IT areas, and 554 employees were hired for the branch network in 1H2023. We expect that a total of 1,335 new employees will be admitted during this year. Within the scope of the PDV, 326 employees left the Bank in 2Q2023.

Within the scope of the ESG strategy, in the second half of the year, Banrisul will work with a specialized consultancy firm to initiate the actions needed to implement its sustainability agenda, allowing the Bank to prioritize a sustainable business portfolio, among other topics on this agenda. Banrisul believes that progress towards a more sustainable economy, with improvements in socio-environmental and corporate governance projects undergo the integration between capital, public policies, private support, and adhesion of the civil society.

In July, Banrisul hosted the AgroShow, an event in which it announced R$9.3 billion in credit available for the 2022/2023 Crop Plan. The Bank also announced a new record volume of R$11 billion in credit available for the Agribusiness sector in the 2023/2024 Crop Plan.

Economic and Financial Indicators

Main Income Statement Accounts - R$ million	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023/ 1H2022	2Q2023/ 2Q2022	2Q2023/ 1Q2023
Financial Margin	2,642.8	2,236.9	1,392.7	1,250.2	1,115.1	18.1%	24.9%	11.4%
Expenses with Provisions for Loan Losses	678.0	448.7	393.0	284.9	202.3	51.1%	94.3%	37.9%
Income from Services	1,054.4	1,010.9	532.7	521.6	518.6	4.3%	2.7%	2.1%
Administrative Expenses (1)	2,027.9	1,880.0	1,027.3	1,000.6	972.9	7.9%	5.6%	2.7%
Other Operating Revenues / Expenses	(45.5)	76.6	(34.9)	(10.6)	78.5	-159.4%	-144.5%	230.2%
Civil, Tax, and Labor Provisions	(204.2)	(477.5)	(85.1)	(119.1)	(305.9)	-57.2%	-72.2%	-28.5%
Net Income	439.6	392.0	226.5	213.1	227.8	12.1%	-0.6%	6.3%

Main Balance Sheet Accounts – R$ Million	Jun 2023	Jun 2022	Jun 2023	Mar 2023	Dec 2022	Jun 2023/ Jun 2022	Jun 2023/ Dec 2022	Jun 2023/ Mar 2023
Total Assets	116,736.3	110,673.0	116,736.3	113,569.8	113,166.2	5.5%	3.2%	2.8%
Securities (2)	31,298.5	31,438.4	31,298.5	30,474.3	31,559.5	-0.4%	-0.8%	2.7%
Total Loan Portfolio	51,501.0	44,585.5	51,501.0	50,087.7	49,121.9	15.5%	4.8%	2.8%
Provision for Loan Losses	2,628.5	2,542.9	2,628.5	2,481.9	2,439.8	3.4%	7.7%	5.9%
Past Due Loans > 90 Days	1,021.7	795.3	1,021.7	868.7	777.9	28.5%	31.3%	17.6%
Funds Raised and Managed	90,085.3	83,850.2	90,085.3	87,812.4	87,922.6	7.4%	2.5%	2.6%
Equity	9,428.4	8,970.4	9,428.4	9,478.1	9,420.1	5.1%	0.1%	-0.5%
Prudential Conglomerate Reference Equity	8,833.7	8,401.2	8,833.7	9,195.3	9,291.8	5.1%	-4.9%	-3.9%

Stock Market Information - R$ Million	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023/ 1H2022	2Q2023/ 2Q2022	2Q2023/ 1Q2023
Interest on Equity / Dividends (3)	290.0	290.5	140.0	150.0	154.0	-0.2%	-9.1%	-6.7%
Market Capitalization	6,134.6	3,664.4	6,134.6	4,089.7	3,664.4	67.4%	67.4%	50.0%
Book Value per Share	23.05	21.93	23.05	23.18	21.93	5.1%	5.1%	-0.5%
Average Price per Share (R$)	10.69	9.77	11.98	9.45	9.89	9.4%	21.1%	26.8%
Earnings per Share (R$)	1.07	0.96	0.55	0.52	0.56	12.0%	-0.6%	6.4%

Financial Indexes	1H2023	1H2022	2Q2023	1Q2023	2Q2022
Adjusted ROAA (p.a.) (4)	0.8%	0.7%	0.8%	0.8%	0.9%
Adjusted ROAE (p.a.) (5)	9.3%	8.7%	9.6%	9.0%	10.1%
Adjusted Efficiency Ratio (6)	60.0%	63.3%	60.0%	62.9%	63.3%
Interest Margin on Interest-Earning Assets	5.30%	4.79%	5.53%	5.09%	4.69%
Default Rate > 90 Days (7)	1.98%	1.78%	1.98%	1.73%	1.78%
Coverage Ratio 90 days (8)	257.3%	319.7%	257.3%	285.7%	319.7%
Provisioning Index (9)	5.1%	5.7%	5.1%	5.0%	5.7%
Basel Ratio (Prudential Conglomerate)	16.1%	16.8%	16.1%	17.1%	16.8%

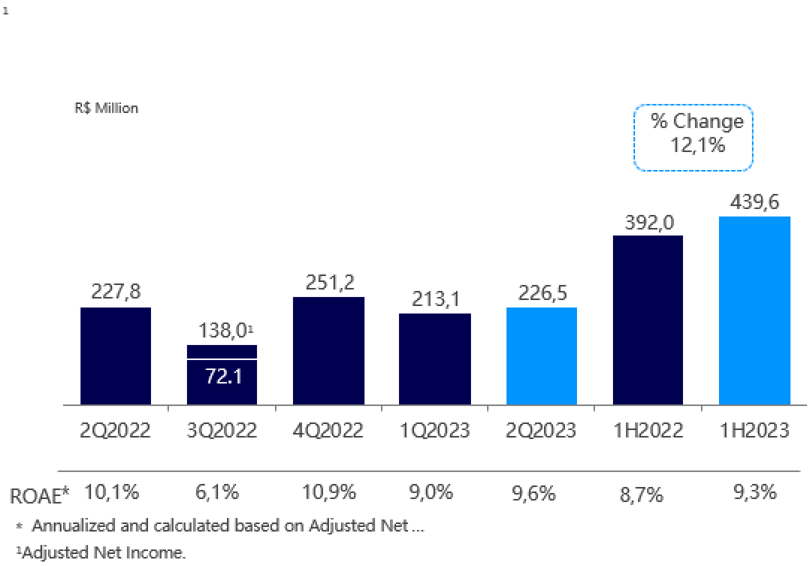
Structural Indicators	Jun 2023	Jun 2022	Jun 2023	Mar 2023	Jun 2022
Branches	495	496	495	495	496
Service Stations	128	138	128	129	138
Electronic Service Stations	427	410	427	430	410
Employees	8,975	8,789	8,975	8,804	8,789

Economic Indicators	1H2023	1H2022	2Q2023	1Q2023	2Q2022
Selic Rate (YTD)	6.50%	5.42%	3.15%	3.25%	2.91%
Exchange Rate Variation (%)	-7.64%	-6.14%	-5.14%	-2.63%	10.56%
IGP-M (General Market Price Index)	-4.46%	8.17%	-4.65%	0.20%	2.54%
IPCA (Extended Consumer Price Index)	2.87%	5.49%	0.76%	2.09%	2.22%

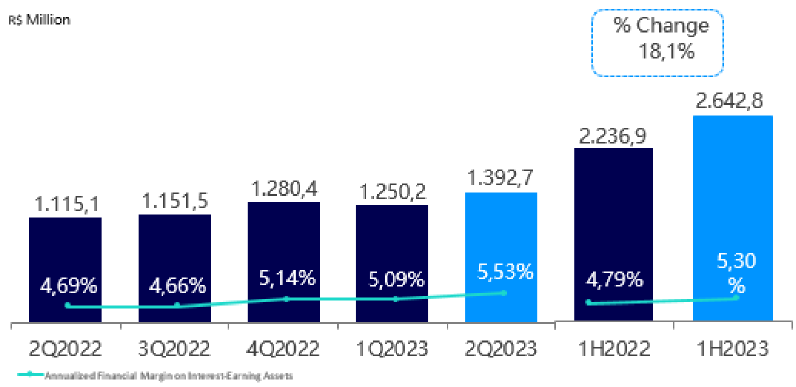
(1) Includes adjusted personnel expenses and other administrative expenses. (2) Includes derivatives, interbank, deposits, and cash equivalents and deduces repurchase obligations. (3) Interest on equity and dividends paid credited and/or provisioned (before retention of income tax). (4) Net income over average total assets. (5) Net income over average equity. (6) Personnel expenses + other administrative expenses / financial margin + income from services and fees + (other operating income – other operating expenses - civil, tax, and labor expenses). Considers LTM income and expenses. (7) Past due loans > 90 days / loan portfolio. (8) Provisions for loan losses / past due loans > 90 days. (9) Provisions for loan losses / loan portfolio.

Financial Highlights

Net income reached **R$439.6 million** in 1H2023, up by 12.1% or R$47.6 million from the net income in 1H2022, reflecting: (i) the increase in financial margin, (ii) the increase in provision expenses for loan losses, (iii) higher service revenue, (iv) higher administrative expenses, (v) lower expenses with labor, tax and civil provisions, (vi) an unfavorable result in other operating revenues and expenses, and (vii) the subsequent tax effect and the Profit Sharing Program (PPR).



Compared to 1Q2023, net income in 2Q2023 increased by 6.3% or R$13.4 million, mainly due to: (i) the increase in financial margin, (ii) the increase in provision expenses for loan losses, (iii) higher service revenue, (iv) higher administrative expenses, (v) an unfavorable result in other operating revenues and expenses, (vi) lower expenses with labor, tax and civil provisions, and (vii) subsequent tax effect and the PPR.



The **financial margin** in 1H2023 totaled **R$2,642.8 million**, up by 18.1% or R$406.0 million from 1H2022, mainly reflecting the substantial increase in interest income given the increase in interest expenses, in a scenario with a rising Selic Rate and higher loan volumes. Compared to 1Q2023, the financial margin in 2Q2023 increased by 11.4% or R$142.5 million, a trend that reflects the R$85.6 million increase in interest income and the R$56.9 million decrease in interest expenses.

The **financial margin on interest-earning assets** reported in 1H2023 increased by 0.51 p.p. over 1H2022, and was 0.44 p.p. higher in 2Q2023 versus 1Q2023.

Expenses with provision for loan losses came to R$678.0 million in 1H2023, up by 51.1% or R$229.2 million over 1H2022, and in 2Q2023, this line increased by 37.9% or R$108.1 million over 1Q2023, mainly due to the rolling over of the loan portfolio according to the credit rating levels and the rise in overdue loan operations, in a context in which loan operations increased.

Income from services in 1H2023 increased by 4.3% or R$43.4 million over 1H2022 and was 2.1% or R$11.1 million higher in the comparison between 2Q2023 and 1Q2023, mainly reflecting the rise in revenues from Banrisul Pagamentos and insurance brokerage commissions, offset by the reduction in revenues from current account fees.

Breakdown of Income from Services - R$ Million

	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023/ 1H2022	2Q2023/ 2Q2022	2Q2023/ 1Q2023
Banrisul Pagamentos	390.2	357.7	199.6	190.6	187.6	9.1%	6.4%	4.7%
Insurance Brokerage Commissions	142.9	124.5	73.6	69.3	64.7	14.8%	13.8%	6.1%
Current Account Fees	276.4	288.1	136.4	140.1	149.7	-4.0%	-8.9%	-2.6%
Consortium Management Fees	61.9	45.2	31.7	30.2	17.0	37.1%	86.6%	5.0%
Other Revenues (1)	182.8	195.5	91.4	91.4	99.7	-6.5%	-8.3%	0.0%
Total	**1,054.4**	**1,010.9**	**532.7**	**521.6**	**518.6**	**4.3%**	**2.7%**	**2.1%**

(1) Includes mainly debit account income, collection services, credit card, fund management, collection, and custody services.

Administrative expenses, comprised by personnel expenses and other administrative expenses, increased by 7.9% in 1H2023 over 1H2022, and by 2.7% in the comparison between 2Q2023 and 1Q2023. Personnel expenses increased by 11.6% in the comparison period between 1H2023 and 1H2022, influenced by the collective bargaining agreement and hiring of new employees; while other administrative expenses increased by 4.0% in the period, mainly influenced by the increase in expenses with specialized technical services, depreciation and amortization, and by advertising, promotions, and marketing. In the comparison between 2Q2023 and 1Q2023, personnel expenses increased by 6.0%, influenced by the effect of vacations and hiring of new employees; other administrative expenses remained flat in the period, mainly due to lower expenses with third-party services and specialized technical services, and the increase in maintenance and asset conservation expenses.

Breakdown of Administrative Expenses - R$ Million

	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023 / 1H2022	2Q2023/ 2Q2022	2Q2023/ 1Q2023
Personnel Expenses	1,068.9	957.7	550.1	518.9	496.9	11.6%	10.7%	6.0%
Other Administrative Expenses	959.0	922.2	477.2	481.8	476.0	4.0%	0.3%	-0.9%
Amortization and Depreciation	133.9	123.3	68.1	65.8	61.4	8.6%	10.8%	3.4%
Water, Energy and Gas	17.3	21.3	7.4	9.9	8.2	-18.7%	-9.0%	-24.7%
Rentals and Condominiums	78.7	75.2	38.9	39.8	38.1	4.7%	2.2%	-2.4%
Data Processing	78.2	75.1	37.6	40.6	35.4	4.2%	6.3%	-7.3%
Promotions and Advertising	65.6	55.8	33.2	32.4	29.2	17.5%	13.9%	2.6%
Third-Party Services	278.6	290.7	137.1	141.4	153.2	-4.2%	-10.5%	-3.1%
Specialized Technical Services	105.4	87.6	51.0	54.4	51.7	20.4%	-1.4%	-6.3%
Surveillance, Security, and Transportation of	66.3	67.9	32.1	34.1	34.4	-2.3%	-6.6%	-5.8%
Other (1)	135.0	125.5	71.8	63.4	64.4	7.6%	11.4%	13.4%
Total	**2,027.9**	**1,880.0**	**1,027.3**	**1,000.6**	**972.9**	**7.9%**	**5.6%**	**2.7%**

(1) Includes mainly communications, materials, maintenance, and asset conservation expenses, and services of the financial system.

The **efficiency ratio** in the last twelve months, in June 2023, reached 60.0% compared to 63.3% for the twelve-month period ended in June 2022, reflecting the 9.7% increase in financial margin, the 5.2% increase in service revenues, the drop in other operating expenses, net of other operating income, and lower expenses with civil, tax, and labor provisions, against the 7.2% increase in adjusted administrative expenses.

Operational Highlights

Total assets reached R$116,736.3 million in June 2023, increasing by 5.5% over June 2022, by 3.2% compared to December 2022, and by 2.8% over March 2023. 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$45,144.1 million in June 2023, and minus repo operations, treasury investments were relatively stable compared to June and December 2022. Compared to March 2023, these investments increased by 2.7% or R$824.2 million, mainly reflecting the growth in funds raised and the 2.8% growth in loan operations.

Loan operations reached R$51,501.0 million in June 2023, up by 15.5% or R$6,915.5 million over June 2022, mainly influenced by the expansion in rural and commercial loans. Compared to December 2022 and March 2023, the reported growth was by 4.8% or R$2,379.1 million and by 2.8% or R$1,413.3 million, respectively, mainly influenced by the expansion in rural loans.

Statement of the Loan Portfolio - R$ Million

	Jun 2023	Total Loan (%)	Mar 2023	Dec 2022	Jun 2022	Jun 2023/ Jun 2022	Jun 2023/ Dec 2022	Jun 2023/ Mar 2023
Foreign Exchange	1,003.0	1.9%	1,171.3	1,014.3	1,029.1	-2.5%	-1.1%	-14.4%
Commercial	34,435.4	66.9%	34,568.1	34,411.9	32,540.6	5.8%	0.1%	-0.4%
Individuals	25,630.5	49.8%	25,734.7	25,517.5	24,674.0	3.9%	0.4%	-0.4%
Payroll Loans (1)	19,815.1	38.5%	20,102.8	20,092.3	19,715.6	0.5%	-1.4%	-1.4%
Others	5,815.5	11.3%	5,631.9	5,425.2	4,958.4	17.3%	7.2%	3.3%
Corporate Clients	8,804.9	17.1%	8,833.4	8,894.4	7,866.6	11.9%	-1.0%	-0.3%
Working Capital	6,915.0	13.4%	6,911.5	6,999.4	5,948.4	16.2%	-1.2%	0.1%
Others	1,889.9	3.7%	1,921.9	1,895.0	1,918.2	-1.5%	-0.3%	-1.7%
Long-Term Financing	530.4	1.0%	520.3	547.1	644.5	-17.7%	-3.0%	2.0%
Real Estate	5,454.5	10.6%	5,246.5	5,139.7	4,831.9	12.9%	6.1%	4.0%
Rural	9,944.5	19.3%	8,452.1	7,879.5	5,422.6	83.4%	26.2%	17.7%
Other (2)	133.2	0.3%	129.4	129.4	116.7	14.1%	2.9%	2.9%
Total	**51,501.0**	**100.0%**	**50,087.7**	**49,121.9**	**44,585.5**	**15.5%**	**4.8%**	**2.8%**

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

The **90-day delinquency rate** reached 1.98% in June 2023, increasing by 0.20 p.p. in twelve months, 0.40 p.p. in six months, and by 0.25 p.p. in three months. The balance of loan operations overdue for more than 90 days increased by 28.5% in twelve months, 31.3% in six months, and 17.6% in three months. The balance of provisions for loan losses increased by 3.4% in twelve months, 7.7% in six months, and 5.9% in three months, reflecting the rolling over of the portfolio according to rating levels and the increase in overdue loans, in a scenario with higher loan operations.

Loan Quality Indicators (%)

	Jun 2023	Mar 2023	Dec 2022	Jun 2022
Loan Portfolio Normal Risk / Total Loan	93.0%	93.1%	93.4%	92.2%
Loan Portfolio Risks 1 and 2 / Total Loan	7.0%	6.9%	6.6%	7.8%
Default Rate > 90 Days	1.98%	1.73%	1.58%	1.78%
Cover Ratio > 90 Days (1)	257.3%	285.7%	313.6%	319.7%
Provisioning Ratio (2)	5.1%	5.0%	5.0%	5.7%

(1) Provisions for expected loan losses / past due loans > 90 days.
(2) Provisions for expected loan losses / loan portfolio.

Funds raised and managed, consisting of deposits, proceeds from bank notes, subordinated debt, and managed third-party funds, reached R$90,085.3 million in June 2023, up by R$6,235.1 million in twelve months, influenced by the rise in deposits, bank notes, and funds managed, and was offset by the decrease in subordinated debt. In relation to December 2022, funds raised and under management increased by R$2,162.7 million, mainly influenced by the growth in managed funds and bank notes. In the last three months, funds raised and under management grew by R$2,272.9 million, mainly influenced by the increase in managed funds and deposits.

Funds Raised and Managed - R$ Million

	Jun 2023	Mar 2023	Dec 2022	Jun 2022	Jun 2023/ Jun 2022	Jun 2023/ Dec 2022	Jun 2023/ Mar 2023
Total Deposits	67,829.2	66,759.6	67,615.9	64,625.0	5.0%	0.3%	1.6%
Proceeds from Bank Notes (1)	4,111.3	3,734.2	3,271.5	2,193.8	87.4%	25.7%	10.1%
Subordinated Debt (2)	1,082.0	1,145.6	1,170.4	1,252.5	-13.6%	-7.6%	-5.6%
Total Funds Raised	**73,022.5**	**71,639.4**	**72,057.8**	**68,071.3**	**7.3%**	**1.3%**	**1.9%**
Funds Managed	17,062.8	16,173.0	15,864.8	15,778.9	8.1%	7.6%	5.5%
Total Funds Raised and Managed	**90,085.3**	**87,812.4**	**87,922.6**	**83,850.2**	**7.4%**	**2.5%**	**2.6%**

(1) Bank notes, subordinated bank notes and real estate and agribusiness letters of credit.
(2) Refers to the subordinated foreign fundraising.

Equity reached R$9,428.4 million in June 2023, up by 5.1% or R$458.0 million over June 2022, mainly due to the recognition of results, payments of interest on equity and provisioning for dividends, re-measuring of actuarial liabilities of post-employment benefits (CPC 33 - R1), as well as FX variation adjustments and the reclassification of FX variations with the write-offs of foreign investments. Compared to December 2022 and March 2023, equity was relatively stable, reflecting the recognition of results, payments of interest on equity, FX variation of investments abroad, and the acquisition of treasury shares.

In terms of **own taxes and contributions**, Banrisul collected and provisioned R$383.6 million in 1H2023. Withheld and transferred taxes, levied directly on financial intermediation and other payments, totaled R$613.5 million in the period.

Guidance

The Bank revised its expectations for the growth of its loan portfolio. The growth of its commercial loans portfolio for individuals and corporate clients was attenuated, adopting greater caution amidst a scenario with greater competition and higher interest rates. On the other hand, rural loans continue to expand, boosted by the launch of the Safra Plan, with an expected allocation of R$11 billion in funds for different financing products, which justifies the revision of at higher levels, partially offsetting the adjustment in our commercial portfolios.

In terms of financial margin, we made a slight adjustment in expected growth, reducing it to a lower range due to the mix from the new growth projections for the loan portfolio, maintaining the portfolio's repricing process stable given the imminence of the interest rate cutting cycle as of the second half of the year.

The expected variations in provision of expenses for loan losses over the balance of the loan portfolio were re-dimensioned, albeit moderately, aiming to adapt it according to the risk levels observed during the first six months of the year.

As for funding, the Bank revised the expected intervals based on the observed growth pace year-to-date, still within the context of a scenario with high inflation and increased withdrawals of deposits.

Regarding administrative expenses, Banrisul has been maintaining its expenses under control, which is why the initial projections for 2023 were reestablished to lower limits.

Due to the dynamics of the aforementioned factors, the return on average equity was adjusted, in which we expected this ratio to be 9%-13% at the end of 2023.

Banrisul Outlook	**Year of 2023**	
	Projected (3)	**Suggested**
Total Loan Portfolio	10% to 15%	9% to 14%
Commercial Loans - Individual Clients	7% to 12%	5% to 10%
Non-direct Lending – Companies	10% to 15%	7% to 12%
Rural Loans	24% to 29%	35% to 40%
Financial Margin	19% to 23%	18% to 22%
Provision Expenses / Loan Portfolio	1.5% to 2.5%	2% to 3%
Funding (1)	8% to 12%	6% to 10%
Administrative Expenses (2)	6% to 10%	5% to 9%
Return on Average Equity	11% to 15%	9% to 13%

(1) Funding: Deposits (excluding Interbank Deposits) + Resources from bank notes and similar, except subordinate.
(2) Administrative Expenses excluded fee commissions on banking correspondents.
(3) Disclosed in 4Q2022.

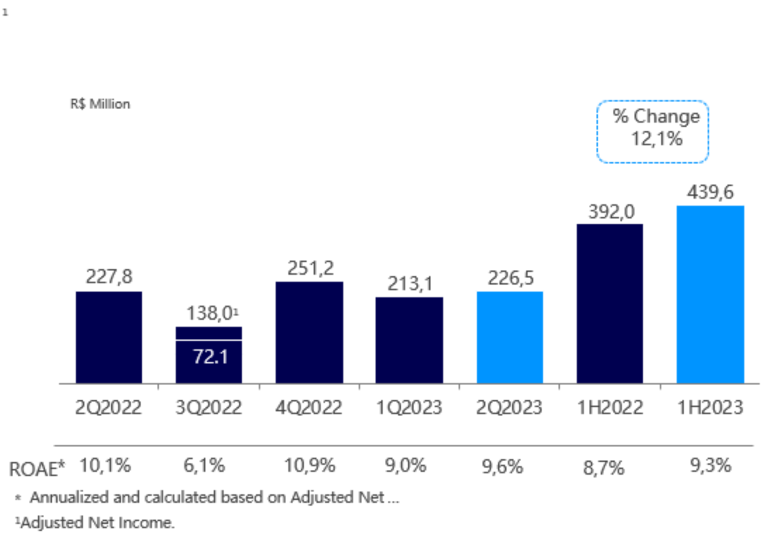
Such information reflects the wishes and expectations of the Company's management. The words “anticipates”, “wants”, “expects”, “anticipates”, intends to “plans”, “predicts”, “projects”, “aims” and the like identify that, mainly, they involve known and unknown risks. Known risks include uncertainties not limited to the impact of price and product competitiveness, acceptance of products on the market, product transitions from the Company and its competitors, regulatory approval, currency fluctuations, changes in product mix, and other risks described 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 14, 2023.

PERFORMANCE ANALYSIS

We present the Performance Analysis of Banco do Estado do Rio Grande do Sul S.A. for the first half and second quarter of 2023.

Net Income



In 1H2023, net income reached R$439.6 million, up by 12.1% or R$47.6 million from the net income in 1H2022, reflecting: (i) the increase in financial margin, by R$406.0 million, (ii) the increase in provision expenses for loan losses, by R$229.2 million, (iii) higher service revenue, by R$43.4 million, (iv) higher administrative expenses, by R$148.0 million, (v) lower expenses with labor, tax and civil provisions, by R$273.3 million, (vi) an unfavorable result in other operating revenues and expenses, in the amount of R$122.1 million, and (vii) the subsequent tax effect and the Profit Sharing Program (PPR).

In 2Q2023, net income totaled R$226.5 million, remaining relatively stable in relation to 2Q2022, reflecting mainly: (i) the increase in financial margin, (ii) the increase in provision expenses for loan losses, (iii) higher service revenue, (iv) higher administrative expenses, (v) an unfavorable result in other operating revenues and expenses, (vi) higher expenses with labor, tax and civil provisions, and (vii) subsequent tax effect and the PPR.

Compared to the net income in 1Q2023, this line in 2Q2023 increased by 6.3% or R$13.4 million, mainly due to: (i) the increase in financial margin, by R$142.5 million, (ii) the increase in provision expenses for loan losses, by R$108.1 million, (iii) higher service revenue, by R$11.1 million, (iv) higher administrative expenses, by R$26.7 million, (v) an unfavorable result in other operating revenues and expenses, in the amount of R$24.4 million, (vi) lower expenses with labor, tax and civil provisions, by R$34.0 million, and (vii) the subsequent tax effect and the PPR.

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 the 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 effectively received. The average balances of short-term interbank investments and funds invested or raised in the interbank market correspond to the redemption amount, excluding 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 reporting 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.

The margin on interest-earning assets increased by 0.51 p.p. between 1H2023 and 1H2022, reaching 5.30% in 1H2023. The average interest-earning assets increased by 6.6% and onerous liabilities increased by 7.6%.

The exchange variation, especially due to loan transactions (foreign exchange and foreign currency financing), derivative financial instruments, subordinated debt, international transfers, and the rise 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 a) loan transactions, accounting for 46.9% of these assets, increasing by 4.6 p.p. between 1H2023 and 1H2022; and b) securities transactions, accounting for 42.8% of these assets, declining by 3.7 p.p. in the period. In relation to onerous liabilities, we highlight the following: a) term deposits, accounting for 55.2% of these liabilities in 1H2023, decreasing by 2.0 p.p. from 1H2022; b) open market funding, accounting for 14.4% of onerous liabilities, decreasing by 2.1 p.p. in the period; and c) savings deposits, accounting for 12.5% of onerous liabilities, decreasing by 1.5 p.p. in the period.

Analytical Financial Margin - R$ Million and %

	1H2023			1H2022			2022			2021		
	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	**99,660.3**	**7,449.4**	**7.47%**	**93,483.8**	**5,713.7**	**6.11%**	**96,298.8**	**12,992.5**	**13.49%**	**87,482.6**	**8,212.2**	**9.39%**
Loan Transactions (1)	46,740.8	4,303.1	9.21%	39,506.4	3,457.1	8.75%	41,657.3	7,381.3	17.72%	34,901.2	5,808.2	16.64%
Securities (2)	42,635.8	2,768.3	6.49%	43,443.7	2,329.6	5.36%	43,872.1	5,182.0	11.81%	42,795.3	1,941.0	4.54%
Derivative Financial Instruments (3)	(644.3)	(267.0)	41.44%	120.3	(578.3)	-480.82%	64.8	(725.2)	-1,119.84%	852.0	63.0	7.39%
Compulsory Deposits	9,923.1	609.4	6.14%	9,199.8	468.0	5.09%	9,514.8	1,075.5	11.30%	7,768.8	338.1	4.35%
Others	1,004.9	35.6	3.54%	1,213.6	37.3	3.08%	1,190.0	78.9	6.63%	1,165.2	62.0	5.32%
Non-Interest-Earning Assets	**14,077.3**	-	-	**12,522.9**	-	-	**13,620.7**	-	-	**11,688.3**	-	-
Total Assets	**113,737.6**	**7,449.4**	**6.55%**	**106,006.7**	**5,713.7**	**5.39%**	**109,919.5**	**12,992.5**	**11.82%**	**99,170.9**	**8,212.2**	**8.28%**
Onerous Liabilities	**89,102.8**	**(4,806.6)**	**5.39%**	**82,791.6**	**(3,476.8)**	**4.20%**	**85,292.7**	**(8,323.7)**	**9.76%**	**77,073.1**	**(3,366.6)**	**4.37%**
Interbank Deposits	2,923.8	(120.1)	4.11%	635.6	(10.5)	1.64%	1,284.9	(76.2)	5.93%	1,195.8	(19.4)	1.62%
Savings Deposits	11,177.3	(435.4)	3.90%	11,556.2	(401.1)	3.47%	11,494.7	(854.6)	7.43%	11,334.9	(389.3)	3.43%
Term Deposits	49,199.5	(2,749.3)	5.59%	47,338.6	(2,240.1)	4.73%	48,258.8	(5,042.0)	10.45%	46,000.6	(1,836.0)	3.99%
Open Market Funding	12,790.1	(844.9)	6.61%	13,669.0	(769.4)	5.63%	13,734.7	(1,723.2)	12.55%	8,278.5	(429.4)	5.19%
Proceeds from Bank Notes (4)	3,700.1	(224.3)	6.06%	1,889.5	(95.5)	5.05%	2,348.2	(266.8)	11.36%	1,847.8	(72.9)	3.95%
Subordinated Debt	1,135.8	38.9	-3.42%	2,185.0	417.6	-19.11%	1,713.5	447.7	-26.12%	4,487.5	(377.1)	8.40%
Obligations arising from Domestic Loans and Transfers	2,539.3	(70.9)	2.79%	1,379.4	(28.9)	2.09%	1,747.1	(82.4)	4.72%	1,397.1	(50.4)	3.60%
Obligations arising from International Loans and Transfers	1,003.0	(23.4)	2.34%	1,047.1	(140.4)	13.40%	1,104.0	(169.3)	15.34%	557.9	(91.2)	16.35%
Financial and Development Funds	4,633.8	(377.1)	8.14%	3,091.1	(208.7)	6.75%	3,606.8	(556.7)	15.44%	1,973.1	(100.8)	5.11%
Non-Onerous Liabilities	**15,128.3**	-	-	**14,158.4**	-	-	**15,546.5**	-	-	**13,397.7**	-	-
Equity	**9,506.5**	-	-	**9,056.7**	-	-	**9,080.3**	-	-	**8,700.0**	-	-
Liabilities and Equity	**113,737.6**	**(4,806.6)**	**4.23%**	**106,006.7**	**(3,476.8)**	**3.28%**	**109,919.5**	**(8,323.7)**	**7.57%**	**99,170.9**	**(3,366.6)**	**3.39%**
Spread			**2.32%**			**2.11%**			**4.25%**			**4.89%**
Financial Margin		**2,642.8**	**2.65%**		**2,236.9**	**2.39%**		**4,668.8**	**4.85%**		**4,845.6**	**5.54%**
Annualized Financial Margin			**5.30%**			**4.79%**						

(1) Includes advances on foreign exchange contracts, leasing operations, and other credits characterized as loans. The leasing operations are shown by the net present value of lease agreements.
(2) Includes short-term interbank investments.
(3) Refers to long or short swap positions – subordinated debt hedge accounting and operations of DI Futures Contracts.
(4) Includes bank notes, subordinated financial bills, real estate letters of credit, and agribusiness letters of credit.

Variations in interest income and expenses: volume and rates

The financial margin in 1H2023, totaling R$2,642.8 million, grew by 18.1% or R$406.0 million over 1H2022, reflecting the increase in interest income, which had a substantially higher volume than the rise in interest expenses. Revenue growth is related to the increase in the average volume of interest-earning assets, especially in loan operations and financial derivative instruments, and the rise in average rates, mainly for treasury investments, influenced by the increase in the Selic Rate and a higher volume for loan operations. This growth in expenses was mainly due to the higher average rates of onerous liabilities, impacted by the rise in the effective Selic Rate, from 5.42% in 1H2022 to 6.50% in 1H2023, and the increase in term deposits and subordinated debt, and the increase in average volume, mainly for subordinated debt and proceeds from bank notes.

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

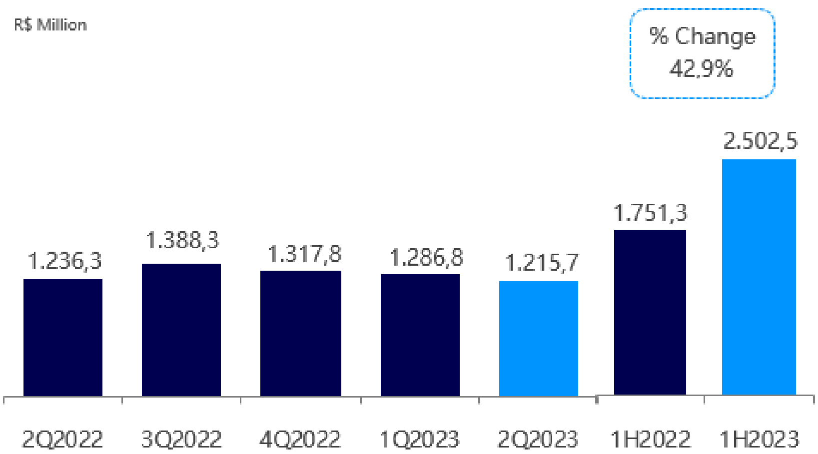
The following table presents the allocation of variations in interest income and expenses by the change in average volume of interesting-earning assets and onerous liabilities and the variation in the average interest rate over these assets and liabilities, comparing (i) 1H2023 vs. 1H2022, and (ii) 2022 vs. 2021.

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

	1H2023/1H2022			2022/2021		
	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 Loans	658.7	187.3	846.0	1,178.9	394.3	1,573.1
Securities	(42.4)	481.2	438.8	50.0	3,191.0	3,241.1
Derivative Financial Instruments (1)	265.9	45.4	311.3	(112.3)	(675.9)	(788.2)
Compulsory Deposits	38.9	102.5	141.4	90.9	646.4	737.4
Others	(6.9)	5.2	(1.8)	1.3	15.6	17.0
Total (a)	**914.1**	**821.6**	**1,735.7**	**1,208.9**	**3,571.4**	**4,780.3**
Onerous Liabilities						
Interbank Deposits	(77.4)	(32.2)	(109.6)	(1.6)	(55.2)	(56.8)
Savings Deposits	12.6	(46.9)	(34.3)	(5.6)	(459.7)	(465.3)
Term Deposits	(90.9)	(418.3)	(509.2)	(94.4)	(3,111.6)	(3,206.0)
Open Market Funding	44.4	(120.0)	(75.5)	(410.4)	(883.4)	(1,293.8)
Proceeds from Bank Notes (2)	(106.6)	(22.2)	(128.8)	(24.4)	(169.5)	(193.9)
Subordinated Debt (1)	(139.8)	(239.0)	(378.8)	402.7	422.1	824.8
Obligations arising from Domestic Loans and Transfers	(30.1)	(11.9)	(42.0)	(14.4)	(17.7)	(32.1)
Obligations arising from International Loans and Transfers	6.2	110.7	116.9	(83.4)	5.3	(78.1)
Financial and Development Funds	(119.3)	(49.1)	(168.4)	(132.5)	(323.4)	(455.9)
Total (b)	**(500.9)**	**(828.8)**	**(1,329.7)**	**(364.0)**	**(4,593.1)**	**(4,957.1)**
Financial Margin (a + b)	**413.2**	**(7.2)**	**406.0**	**844.9**	**(1,021.7)**	**(176.8)**

(1) Banrisul uses derivative financial instruments to mitigate currency fluctuation risks arising from international funding. In this sense, the variations presented shall be analyzed as a whole.
(2) Includes bank notes, subordinated financial bills, real estate letters of credit, and agribusiness letters of credit.

Treasury Results



The result of treasury investments (securities plus derivative financial instruments) in 1H2023 grew by R$751.2 million over 1H2022, reflecting the rise in the securities line, due to a higher Selic Rate, and the result of derivative financial instruments given the exchange rate variation and the mark-to-market of the instruments in the period.

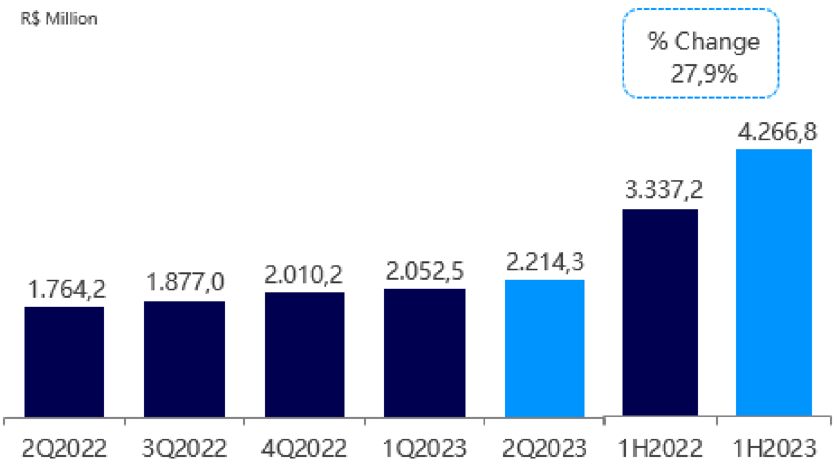
Treasury investments, in 2Q2023, fell by R$20.6 million over 2Q2022, and by R$71.1 million over 1Q2023, reflecting the reduction in the result of derivative financial instruments given the exchange rate variation and the mark-to-market in the period, partially offset by the increase in the result of securities.

Income from Compulsory Investments

Compulsory investments totaled R$643.8 million in 1H2023, up by 27.4% or R$138.5 million over 1H2022. In 2Q2023, compulsory investments totaled R$319.5 million, up by R$42.7 million over 2Q2022. The growth in both comparison periods was mainly due to the higher income from loans linked to term deposits, by 69.7% and 68.4%, respectively, and the increase in compulsory investments, mainly due to the rise in the Selic Rate and a higher balance of compulsory deposits on term deposits.

In the comparison between 2Q2023 and 1Q2023, income from compulsory investments fell by 1.5% or R$4.7 million, mainly due to a lower income from loans linked to term deposits, particularly because of the lower effective Selic Rate and the balance of compulsory deposits on term deposits.

Income from Loan Transactions



In 1H2023, income from loan operations, which includes income from leasing and other loans, increased by 27.9% or R$929.6 million over 1H2022, and in the comparison between 2Q2023 and 2Q2022, income from loan operations increased by 25.5% or R$450.0 million. The growth in both comparisons was mainly influenced by the increase in revenues from commercial and rural loans, benefited mainly by the higher balance and rise in the Selic Rate, which effected the rates of the loan portfolio.

In relation to 1Q2023, income from loan operations increased by 7.9% or R$161.8 million, mainly influenced by higher revenues with the recovery of loans written off as losses, and revenues from commercial and rural loans.

Income from Commercial Loans - Individuals and Corporate Clients

In 1H2023, income from commercial loans increased by 24.1% or R$644.6 million over 1H2022, of which 62.3% originated from individual clients. In the comparison between 2Q2023 and 2Q2022, revenues from commercial loans increased by 21.5% or R$298.5 million, of which 65.8% originated as revenues from commercial loans for individual clients. In relation to 1Q2023, revenues from commercial loans in 2Q2023 grew by 3.2% or R$52.2 million, of which 91.5% came from individual clients.

In 1H2023, revenue from commercial loans for individual clients accounted for 74.3% of total commercial loans, up by 19.4% or R$401.5 million over 1H2022, and in the comparison between 2Q2023 and 2Q2022, this line increased by 18.5% or R$196.4 million. The growth in these comparison periods was mainly driven by higher payroll-deductible loans, and income from credit cards, and consumer loans, impacted by a higher balance, with the first two products also affected by the rise in the average rate. In relation to 1Q2023, income from commercial loans for individual clients increased by 3.9% or R$47.7 million in 2Q2023, mainly influenced by the higher income from individual loans, payroll-deductible loans, and income from overdraft operations.

Revenue from commercial loans for corporate clients accounted for 25.7% of total commercial loans, up by 39.8% or R$243.1 million in 1H2023 over 1H2022. In the comparison between 2Q2023 and 2Q2022, this line increased by 31.2% or R$102.1 million. This increase was especially due to higher income from the working capital line, resulting from a higher balance and higher average rates for this product, in line with the rise in the Selic Rate. Compared to 1Q2023, income from commercial loans for corporate clients increased by 1.0% or R$4.4 million, mainly driven by the growth in income from debit accounts, offset by the reduction in income from working capital lines, which was mainly impacted by the reduction in the effective Selic Rate in the period.

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

	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023 /1H2022	2Q2023 /2Q2022	2Q2023 / 1Q2023
Individuals	**2,466.9**	**2,065.4**	**1,257.3**	**1,209.6**	**1,061.0**	**19.4%**	**18.5%**	**3.9%**
Consumer Loans (Non-Deductible)	32.0	22.9	15.7	16.3	12.6	39.5%	24.4%	-3.5%
Credit Card (1)	160.5	105.4	84.4	76.1	54.0	52.3%	56.2%	10.9%
Overdraft	252.9	219.1	131.6	121.3	109.6	15.4%	20.1%	8.5%
Payroll-Deductible Loans	1,677.5	1,457.4	844.1	833.5	750.1	15.1%	12.5%	1.3%
Personal Loans (Non-Deductible)	279.5	198.1	147.8	131.7	102.3	41.1%	44.6%	12.3%
Others	64.4	62.5	33.7	30.7	32.3	3.1%	4.3%	9.7%
Corporate Clients	**853.8**	**610.7**	**429.1**	**424.7**	**327.0**	**39.8%**	**31.2%**	**1.0%**
Consumer Loans	28.1	19.2	13.7	14.5	10.9	46.5%	26.1%	-5.4%
Credit Card (1)	5.6	3.9	3.2	2.4	2.0	43.2%	62.0%	32.5%
Working Capital	621.2	434.4	307.9	313.3	233.0	43.0%	32.1%	-1.7%
Debit Accounts	145.4	99.4	77.9	67.5	50.9	46.2%	53.1%	15.4%
Foreign Credit	2.3	1.8	1.1	1.2	0.9	25.1%	18.8%	-11.3%
Others	51.2	51.9	25.4	25.8	29.3	-1.4%	-13.6%	-1.9%
Total	**3,320.6**	**2,676.1**	**1,686.4**	**1,634.2**	**1,387.9**	**24.1%**	**21.5%**	**3.2%**

(1) Refers to revolving credit cards.

The average monthly rates of commercial loans increased in 1H2023 over 1H2022, as well as in the quarterly comparisons, with emphasis on the rise in average monthly rates for the credit card product in the individual commercial portfolio, as well as for debit accounts in the corporate commercial portfolio.

The average monthly rates for payroll-deductible loans, the main product of the portfolio of commercial loans for individuals, increased in the comparison periods. The average monthly rates of the commercial loans for individuals were affected by the inventory of fixed transactions and market competition.

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

Average Monthly Rates of Commercial Loans - Individuals and Corporate Clients (% and p.p.)

	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023 /1H202	2Q2023 /	2Q2023 /
Individuals	**1.87%**	**1.67%**	**1.92%**	**1.83%**	**1.68%**	**0.20**	**0.24**	**0.09**
Consumer Loans (Non-Deductible)	1.43%	1.24%	1.46%	1.40%	1.33%	0.19	0.13	0.06
Credit Card (1)	9.77%	8.24%	9.82%	9.72%	8.37%	1.53	1.45	0.10
Overdraft	7.93%	7.90%	7.92%	7.93%	7.91%	0.03	0.01	(0.01)
Payroll-Deductible Loans	1.45%	1.34%	1.47%	1.44%	1.35%	0.11	0.12	0.03
Personal Loans (Non-Deductible)	3.46%	3.49%	3.49%	3.43%	3.41%	(0.03)	0.08	0.06
Others	1.29%	1.31%	1.30%	1.28%	1.35%	(0.02)	(0.05)	0.02
Corporate Clients	**1.66%**	**1.40%**	**1.72%**	**1.60%**	**1.49%**	**0.26**	**0.23**	**0.12**
Consumer Loans	1.40%	1.23%	1.44%	1.36%	1.34%	0.17	0.10	0.08
Credit Card (1)	11.82%	11.96%	12.05%	11.60%	11.90%	(0.14)	0.15	0.45
Working Capital	1.53%	1.33%	1.56%	1.50%	1.42%	0.20	0.14	0.06
Debit Accounts	6.31%	4.65%	6.78%	5.83%	4.70%	1.66	2.08	0.95
Others	0.67%	0.65%	0.68%	0.67%	0.70%	0.02	(0.02)	0.01
Total	**1.81%**	**1.60%**	**1.86%**	**1.77%**	**1.63%**	**0.21**	**0.23**	**0.09**

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

Income from Foreign Exchange Transactions

Income from foreign exchange transactions totaled R$36.4 million in 1H2023, up by 69.7% or R$83.5 million over 1H2022. In the quarterly comparison, income from foreign exchange transactions fell by 83.7% or R$92.2 million in 2Q2023 versus 2Q2022, and by 2.0% or R$0.4 million over 1Q2023. The performance reflects a lower volume of operations and the variation of the Brazilian currency against the dollar in the periods. 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.

Expenses with Market Funding Transactions

Market funding expenses increased by R$1,244.9 million in 1H2023 over the expenses reported in 1H2022, reflecting the growth in expenses with deposits, impacted by the rise in the Selic Rate, which references most of the funding, and was also impacted by the favorable results in subordinated debt in light of the exchange variation and mark-to-market of the obligation, and higher expenses with proceeds from bank notes and repo operations.

In 2Q2023, funding expenses increased by R$148.4 million over 2Q2022, mainly influenced by the higher expenses with deposits and proceeds from bank notes, which were impacted by the higher balance, offset by the decrease in expenses with subordinated debt due to exchange variation and mark-to-market of the obligations.

Compared to 1Q2023, market funding expenses fell by R$58.2 million in 2Q2023, mainly given the higher results for subordinated debt because of the exchange variation and mark to market of the obligation, partially offset by the increase in expenses with repo operations.

Market Funding Expenses - R$ Million

	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023/ 1H2022	2Q2023/ 2Q2022	2Q2023/ 1Q2023
Deposits (1)	3,304.7	2,642.9	1,651.1	1,653.7	1,440.1	25.0%	14.7%	-0.2%
Repurchase Agreements	844.9	769.4	434.4	410.5	446.6	9.8%	-2.7%	5.8%
Proceeds from Bank Notes (2)	224.3	95.5	116.6	107.7	54.2	134.9%	115.3%	8.3%
Subordinated Debt (3)	(38.9)	(417.6)	(63.6)	24.8	49.2	-90.7%	-229.4%	-356.8%
Total	**4,335.1**	**3,090.2**	**2,138.5**	**2,196.7**	**1,990.1**	**40.3%**	**7.5%**	**-2.6%**

(1) Includes expenses related to FGC. In 4Q2022, includes expenses with Rural DI Rate, which were accounted for under loan and transfer expenses. (2) Includes Subordinated Financial Bills. (3) 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. Deposits and funds from acceptance and securities were grouped into funding products under liabilities.

In 2Q2023, the average funding price, of 2.48%, increased over 2Q2022 and declined versus 1Q2023, in line with the performance of the effective Selic Rate. The average cost indicator in relation to the Selic Rate reached 78.72% in 2Q2023, up by 0.48 p.p. from 2Q2022, and by 1.57 p.p. from 1Q2023.

The average cost of term deposits – whose balance accounts for 69.3% of the lines shown in the table below – reached 86.58% of the Selic Rate in 2Q2023, down by 0.45 p.p. from 2Q2022 and increased by 0.82 p.p. from 1Q2023.

Funding Cost - R$ Million and %

	2Q2023			1Q2023			2Q2022		
	Average Balance [1]	Accumulated Expense	Average Cost	Average Balance [1]	Accumulated Expense	Average Cost	Average Balance [1]	Accumulated Expenses	Average Cost
Term Deposits	49,501.0	(1,348.3)	2.72%	48,833.4	(1,361.3)	2.79%	47,757.4	(1,210.3)	2.53%
Savings Deposits	11,150.4	(214.9)	1.93%	11,189.5	(220.5)	1.97%	11,561.4	(210.5)	1.82%
Demand Deposits	3,697.0	-	0.00%	3,935.0	-	0.00%	3,762.3	-	0.00%
Interbank Deposits	3,094.7	(67.9)	2.19%	2,779.3	(52.2)	1.88%	510.5	(0.2)	0.03%
Other Deposits	16.5	(0.1)	0.48%	16.7	(0.0)	0.20%	17.2	(0.0)	0.26%
Financial Bills [2]	1,238.2	(42.8)	3.45%	1,119.6	(40.3)	3.60%	698.1	(21.3)	3.05%
Real Estate Letters of Credit	1,205.7	(33.5)	2.78%	1,148.1	(33.3)	2.90%	726.4	(18.8)	2.58%
Agribusiness Letters of Credit	1,478.8	(40.3)	2.73%	1,218.3	(34.1)	2.80%	550.4	(14.2)	2.57%
FGC Contribution Expenses	-	(20.0)	-	-	(19.6)	-	-	(19.1)	-
Total Average Balance / Total Expense	**71,382.3**	**(1,767.7)**	**2.48%**	**70,239.9**	**(1,761.4)**	**2.51%**	**65,583.9**	**(1,494.3)**	**2.28%**
Selic Rate			**3.15%**			**3.25%**			**2.91%**
Average Cost / Selic Rate			**78.72%**			**77.15%**			**78.24%**
Term Deposit Cost / Selic Rate			**86.58%**			**85.76%**			**87.03%**

(1) Average balances based on the final balances for the months composing the analyzed periods. (2) Includes Subordinated Financial Bills.

Loan, Assignment, and Transfer Expenses

In 1H2023, loan assignment and transfer expenses increased by R$84.8 million over the expenses reported in 1H2022, mainly reflecting the higher expenses with the reserve fund for court deposits, in line with the rise in the Selic Rate and higher balance, offset by the decrease in expenses with transfers in foreign currency due to the exchange variation in the period.

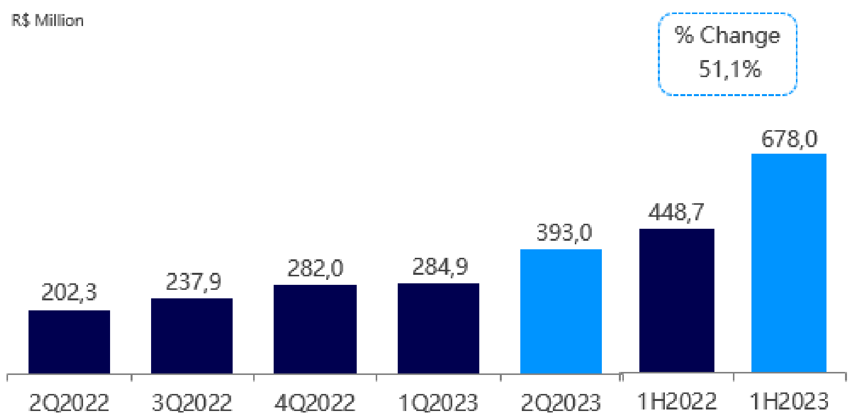
In the comparison between 2Q2023 and 2Q2022, expenses with loans, assignments and transfers increased by R$46.1 million, influenced by the drop in transfer expenses in foreign currency, which was impacted by the exchange rate variation in the period, and by the growth in expenses with the reserve fund for court deposits. In relation to 1Q2023, expenses with loans, assignments and transfers remained stable in 2Q2023.

Loan and Transfer Expenses - R$ Million

	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023 /1H2022	2Q2023 / 2Q2022	2Q2023 / 1Q2023
Reserve Fund for Court Deposits	377.1	208.7	188.7	188.4	125.7	80.7%	50.1%	0.2%
Foreign Currency Transfer	23.4	140.4	11.9	11.6	137.7	-83.3%	-91.4%	2.5%
Other [1]	70.9	37.5	35.7	35.1	19.1	88.8%	87.2%	1.7%
Total	**471.4**	**386.6**	**236.3**	**235.1**	**282.5**	**21.9%**	**-16.3%**	**0.5%**

(1) Includes, in particular, onlendings from BNDES and FINAME. Until September 2022, included expenses with the Rural DI Rate, which, as of 4Q2022, are recorded under expenses with market fundraising.

Expenses with Provisions for Loan Losses



Expenses with allowance for loan losses totaled R$678.0 million in 1H2023, increasing by 51.1% or R$229.2 million over 1H2022. In 2Q2023, this line totaled R$393.0 million, up by 94.3% or R$190.7 million over 2Q2022 and by 37.9% or R$108.1 million over 1Q2023. The results for these expenses in both comparison periods was mainly due to the rolling over of the loan portfolio according to the credit rating levels, the increase in overdue loans, and the growth in loan operations.

Income from Services

In 1H2023, income from services increased by 4.3% or R$43.4 million over 1H2022, in which we highlight the rise in revenues from Banrisul Pagamentos, revenues from insurance brokerage commissions, and income from consortium management fees, partially offset by the reduction in revenues from current account fees.

In 2Q2023, income from services increased by 2.7% or R$14.1 million over 2Q2022, and by 2.1% or 11.1 million from 1Q2023, in which we highlight the rise in revenues from Banrisul Pagamentos, insurance brokerage commissions, and consortium management fees, partially offset by the reduction in revenues from current account fees.

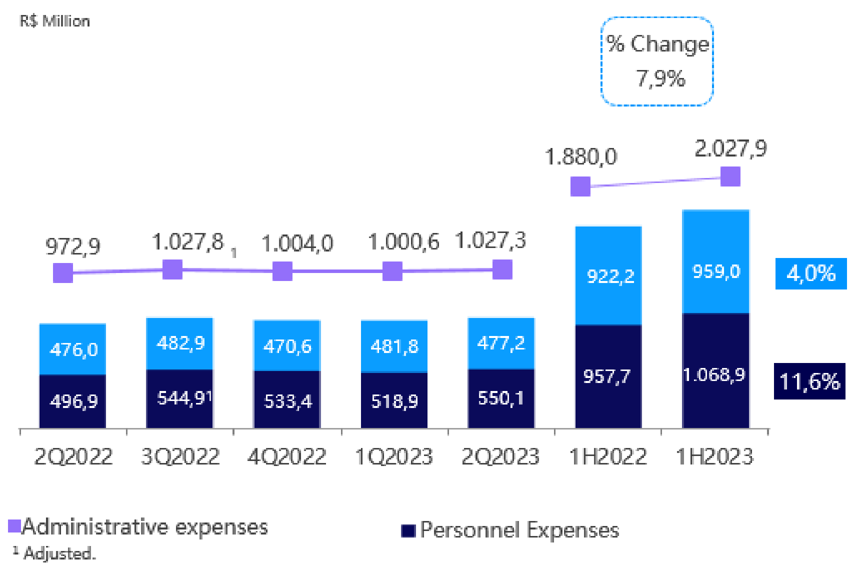
Breakdown of Income from Services - R$ Million

	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023/ 1H2022	2Q2023/ 2Q2022	2Q2023/ 1Q2023
Funds under Management	39.5	39.6	19.1	20.3	20.3	-0.3%	-5.6%	-5.9%
Banrisul Pagamentos	390.2	357.7	199.6	190.6	187.6	9.1%	6.4%	4.7%
Credit Card	25.6	26.5	13.3	12.3	14.1	-3.1%	-5.4%	8.4%
Collection and Custody Services	30.1	34.2	14.9	15.2	17.0	-12.1%	-12.5%	-2.1%
Insurance Brokerage Commissions	142.9	124.5	73.6	69.3	64.7	14.8%	13.8%	6.1%
Current Account Fees	276.4	288.1	136.4	140.1	149.7	-4.0%	-8.9%	-2.6%
Consortium Management Fees	61.9	45.2	31.7	30.2	17.0	37.1%	86.6%	5.0%
Other Revenues [1]	87.7	95.2	44.1	43.6	48.3	-7.9%	-8.8%	1.2%
Total	**1,054.4**	**1,010.9**	**532.7**	**521.6**	**518.6**	**4.3%**	**2.7%**	**2.1%**

(1) Mainly includes income from debit transactions, collection services, and check returns.

Administrative Expenses

In 1H2023, administrative expenses grew by 7.9% or R$148.0 million over these expenses in 1H2022. In 2Q2023, administrative expenses increased by 5.6% or R$54.4 million over 2Q2022, and by 2.7% or R$26.7 million versus 1Q2023.



In 1H2023, personnel expenses rose by 11.6% or R$111.2 million over 1H2022, and by 10.7% or R$53.1 million between 2Q2023 and 2Q2022, driven by the collective bargaining agreement and hiring of new employees. In relation to 1Q2023, personnel expenses increased by 6.0% or R$31.2 million in 2Q2023, reflecting the hiring of new employees.

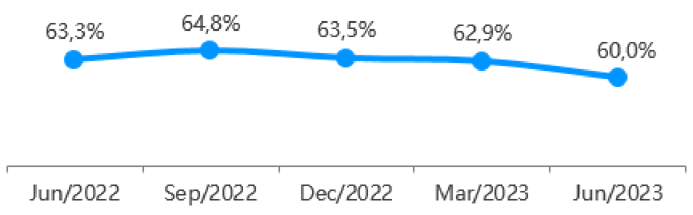
Other administrative expenses grew by 4.0% or R$36.8 million in 1H2023 over 1H2022, mainly due to higher expenses with specialized technical services, depreciation and amortization, and advertising, promotions, marketing. In the comparison period between 2Q2023 and 2Q2022, other administrative remained relatively stable, increasing by R$1.3 million, driven mainly by higher expenses with depreciation and amortization, and maintenance and asset conservation expenses, as well as advertising, promotions, marketing, and data processing, offset by lower expenses with third-party services. Compared to 1Q2023, administrative expenses in 2Q2023 remained relatively stable, reducing by R$4.5 million, mainly influenced by the reduction in third-party services and specialized technical services, and was partially offset by the increase in maintenance and asset conservation expenses.

Breakdown of Administrative Expenses - R$ Million

	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023 /1H2022	2Q2023 / 2Q2022	2Q2023 / 1Q2023
Personnel Expenses	**1,068.9**	**957.7**	**550.1**	**518.9**	**496.9**	**11.6%**	**10.7%**	**6.0%**
Direct Compensation, Benefits, and Social Security	1,066.9	956.5	548.7	518.2	496.2	11.5%	10.6%	5.9%
Training	2.1	1.2	1.4	0.7	0.7	70.6%	94.0%	100.9%
Other Administrative Expenses	**959.0**	**922.2**	**477.2**	**481.8**	**476.0**	**4.0%**	**0.3%**	**-0.9%**
Amortization and Depreciation	133.9	123.3	68.1	65.8	61.4	8.6%	10.8%	3.4%
Water, Electricity, and Gas	17.3	21.3	7.4	9.9	8.2	-18.7%	-9.0%	-24.7%
Rentals and Condominiums	78.7	75.2	38.9	39.8	38.1	4.7%	2.2%	-2.4%
Communications	27.3	28.9	15.2	12.2	13.9	-5.4%	9.1%	24.9%
Asset Maintenance and Preservation	36.4	32.2	20.1	16.3	15.1	13.0%	32.9%	22.8%
Materials	7.4	7.7	3.6	3.8	3.9	-3.5%	-7.2%	-4.9%
Data Processing	78.2	75.1	37.6	40.6	35.4	4.2%	6.3%	-7.3%
Promotions and Advertising	65.6	55.8	33.2	32.4	29.2	17.5%	13.9%	2.6%
Third-Party Services	278.6	290.7	137.1	141.4	153.2	-4.2%	-10.5%	-3.1%
Specialized Technical Services	105.4	87.6	51.0	54.4	51.7	20.4%	-1.4%	-6.3%
Surveillance, Security, and Transportation of	66.3	67.9	32.1	34.1	34.4	-2.3%	-6.6%	-5.8%
Financial System Services	20.5	17.7	10.9	9.6	8.8	16.2%	23.8%	13.1%
Other Expenses	43.3	39.0	22.0	21.3	22.7	11.1%	-3.1%	3.1%
Total	**2,027.9**	**1,880.0**	**1,027.3**	**1,000.6**	**972.9**	**7.9%**	**5.6%**	**2.7%**

Efficiency Ratio

The efficiency ratio in the last twelve months, in June 2023 reached 60.0% compared to 63.3% for the twelve-month period ended in June 2022, reflecting the increase in financial margin, the 5.2% increase in service revenues, the drop in other operating expenses, net of other operating income, and lower expenses with civil, tax, and labor provisions, against the 7.2% increase in adjusted administrative expenses.



Civil, Tax, and Labor Provisions

Expenses with civil, tax, and labor provisions decreased by 57.2% in the comparison between 1H2023 and 1H2022, and these expenses decreased by 72.2% in 2Q2023 over 2Q2022. This was reflected by the drop in expenses with labor provisions, mainly due to the comparison base, when a provision for collective lawsuits, classified as a probable loss, was calculated and created.

Compared to 1Q2023, expenses with civil, tax, and labor provisions decreased by 28.5%, especially due to the lower volume of expenses with civil lawsuits.

Other Operating Income and Expenses

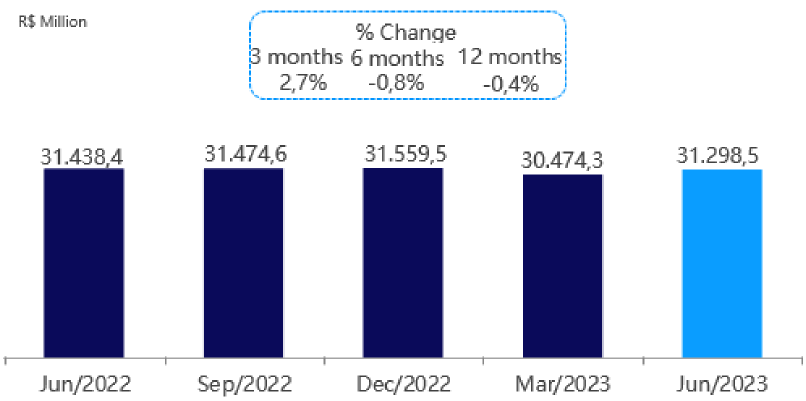
Other operating revenues, in the amount of R$254.6 million in 1H2023, decreased by 25.1% or R$85.2 million over 1H2022, and in 2Q2023, this line totaled R$134.6 million, down by 43.4% or R$ $103.0 million from 2Q2022, mainly due to the lower volume in investment abroad in the second quarter of 2022. Compared to 1Q2023, other revenues grew by 12.1% or R$14.5 million, mainly due to the increase in revenues from the restatement of actuarial obligations for post-employment benefits – CPC 33, offset by the decrease in the reversal of provisions for payments to be made.

Other operating expenses, totaling R$300.1 million 1H2023, grew by 14.0% or R$37.0 million in relation to 1H2022, in which we highlight the increase in expenses with INSS fees, which was partially offset by the reduction in expenses with portability of credit operations. Other expenses fell by 6.6% or R$10.4 million in 2Q2023 versus 2Q2022, mainly due to the increase in expenses with INSS fees and discounts granted in renegotiations, partially offset by expenses with the restatement of actuarial obligations of post-employment benefits (CPC 33) and expenses with portability of credit operations. Compared to 1Q2023, other operating expenses grew by 29.8% or R$38.9 million, mainly due to the increase in expenses with discounts granted in renegotiations and with the restatement of actuarial obligations for post-employment benefits – CPC 33.

EQUITY PERFORMANCE

Treasury

Treasury investments (securities, derivative financial instruments, short-term interbank investments, and cash and cash equivalents) totaled R$45,144.1 million in June 2023, mainly consisting of 68.2% in held-to-maturity securities, and 19.4% in held-for-trading securities. The majority of these securities consist of federal instruments, which together represent 91.8% of the total amount.



Treasury investments minus obligations for repo operations totaled R$31,298.5 million in June 2023, remaining relatively stable and reducing by R$139.9 million and R$261.0 million compared to the months of June 2022 and December 2022, respectively.

Compared to March 2023, treasury investments minus obligations from repo operations increased by 2.7% or R$824.2 million, mainly reflecting the increase in funding and the loan portfolio, in addition to the reduction in compulsory deposits at the Central Bank of Brazil.

Compulsory Deposits at the Central Bank of Brazil (BACEN)

The balance of compulsory deposits with the Central Bank of Brazil, in the amount of R$10,549.5 million in June 2023, grew by 8.3% or R$811.2 million over June 2022, mainly driven by the increase in compulsory deposits on term and savings deposits.

Compared to December 2022, the balance of compulsory deposits with the Central Bank of Brazil fell by 2.3% or R$249.1 million, and by 5.3% and R$585.2 million in relation to March 2023, mainly influenced by the decrease in compulsory deposits for demand deposits, partially offset by the increase in compulsory deposits for term deposits.

Loan Transactions

Banrisul's loan portfolio reached R$51,501.0 million in June 2023, increasing by 15.5% or R$6,915.5 million compared to June 2022, influenced mainly by the growth in rural and commercial loans. Compared to December 2022 and March 2023, the reported growth was R$2,379.1 million and R$1,413.3 million, respectively, mainly due to the expansion in rural loans.

Breakdown of Loan Transactions - R$ Million

	Jun 2023	Mar 2023	Dec 2022	Jun 2022	Jun 2023/ Jun 2022	Jun 2023/ Dec 2022	Jun 2023/ Mar 2023
Private Sector	**51,376.0**	**49,967.1**	**49,002.0**	**44,479.8**	**15.5%**	**4.8%**	**2.8%**
Commercial	34,435.4	34,568.1	34,411.9	32,540.6	5.8%	0.1%	-0.4%
Real Estate	5,454.5	5,246.5	5,139.7	4,831.9	12.9%	6.1%	4.0%
Rural	9,944.5	8,452.1	7,879.5	5,422.6	83.4%	26.2%	17.7%
Long-Term Financing	530.4	520.3	547.1	644.5	-17.7%	-3.0%	2.0%
Foreign Exchange	1,003.0	1,171.3	1,014.3	1,029.1	-2.5%	-1.1%	-14.4%
Leasing	8.2	8.8	9.6	11.0	-25.6%	-14.4%	-7.2%
Public Sector	**125.0**	**120.6**	**119.8**	**105.7**	**18.3%**	**4.3%**	**3.7%**
Total Transactions Characterized as Loans	**51,501.0**	**50,087.7**	**49,121.9**	**44,585.5**	**15.5%**	**4.8%**	**2.8%**
Co-obligations and Risks on Granted Guarantees	142.4	218.3	242.4	255.4	-44.3%	-41.3%	-34.8%
Total	**51,643.4**	**50,306.0**	**49,364.3**	**44,840.9**	**15.2%**	**4.6%**	**2.7%**

Commercial Loans

The commercial loan portfolio totaled R$34,435.4 million in June 2023, accounting for 66.9% of the Bank's total loan transactions. In June 2023, loans for individuals accounted for 74.4% of the balance of commercial loans, while loans for corporate clients accounted for 25.6% of the balance.

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

	Jun 2023	Mar 2023	Dec 2022	Jun 2022	Jun 2023/ Jun 2022	Jun 2023/ Dec 2022	Jun 2023/ Mar 2023
Individuals	**25,630.5**	**25,734.7**	**25,517.5**	**24,674.0**	**3.9%**	**0.4%**	**-0.4%**
Consumer Loans (Non-Deductible) (1)	349.0	369.4	359.2	321.1	8.7%	-2.8%	-5.5%
Credit and Debit Cards (2)	2,742.3	2,666.5	2,692.4	2,442.5	12.3%	1.9%	2.8%
Overdraft	503.5	510.4	437.6	422.4	19.2%	15.0%	-1.4%
Payroll-Deductible Loans	19,815.1	20,102.8	20,092.3	19,715.6	0.5%	-1.4%	-1.4%
Personal Loans (Non-Deductible)	1,609.0	1,502.2	1,318.0	1,119.3	43.7%	22.1%	7.1%
Others	611.8	583.4	617.9	653.1	-6.3%	-1.0%	4.9%
Corporate Clients	**8,804.9**	**8,833.4**	**8,894.4**	**7,866.6**	**11.9%**	**-1.0%**	**-0.3%**
Consumer Loans (1)	311.2	325.9	330.4	292.6	6.3%	-5.8%	-4.5%
Credit and Debit Cards (2)	175.4	170.1	169.0	149.1	17.7%	3.8%	3.2%
Working Capital	6,915.0	6,911.5	6,999.4	5,948.4	16.2%	-1.2%	0.1%
Debit Accounts	415.5	413.9	330.2	381.4	8.9%	25.8%	0.4%
Foreign Credit	85.1	94.1	110.5	132.7	-35.9%	-23.0%	-9.6%
Others	902.7	917.9	954.8	962.4	-6.2%	-5.5%	-1.7%
Total	**34,435.4**	**34,568.1**	**34,411.9**	**32,540.6**	**5.8%**	**0.1%**	**-0.4%**

(1) Includes CDC Sustentabilidade.
(2) Of the balance de R$2,917.7 million, R$519.7 million refers to revolving credit cards.

The commercial loan for individuals, comprised of lower risk lines, reached R$25,630.5 million in June 2023, up by 3.9% or R$956.5 million over June 2022, in which we highlight the increase in individual loans and the credit and debit card products. Compared to December 2022, commercial loans for individuals remained relatively stable, growing by R$113.0 million. This line also remained relatively stable compared to March 2023, reducing by R$104.2 million.

Breakdown of Payroll-Deductible Loans - R$ Million

	Jun 2023	Mar 2023	Dec 2022	Jun 2022	Jun 2023/ Jun 2022	Jun 2023/ Dec 2022	Jun 2023/ Mar 2023
Branch Network	12,612.4	12,639.2	12,510.9	12,240.2	3.0%	0.8%	-0.2%
Banking Correspondents	7,201.6	7,461.6	7,575.4	7,451.5	-3.4%	-4.9%	-3.5%
Payroll-Deductible Loans (Acquired)	1.0	2.1	6.1	23.9	-95.9%	-83.8%	-52.9%
Total	**19,815.1**	**20,102.8**	**20,092.3**	**19,715.6**	**0.5%**	**-1.4%**	**-1.4%**

Commercial loans for corporate clients totaled R$8,804.9 million in June 2023, up by 11.9% or R$938.3 million over June 2022, mainly influenced by the expansion in the balance of the working capital lines, especially loans with guarantee funds (Pronampe and PEAC reopened in August 2022, Banrisul Giro FGI, and Banrisul Fampe Mais). Compared to December 2022 and March 2023, commercial loans for corporate clients remained relatively stable, falling by R$89.5 million and R$28.5 million, respectively.

Specialized Loans

Rural loans reached R$9,944.5 million in June 2023, corresponding to 19.3% of the total loan transactions, increasing by 83.4% or R$4,521.9 million over June 2022, up by 26.2% or R$2,064.9 million over December 2022, and up by 17.7% or R$1,492.4 million from March 2023. Aligned with the economic vocation and development of the state of Rio Grande do Sul as one of the foundations of its institutional mission, Banrisul continues to view agribusiness as one of its priorities, focusing on the growth of its portfolio with small and medium agricultural producers. Through 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.

Real estate loans reached R$5,454.5 million in June 2023, up by 12.9% or R$622.6 million over June 2022, up by 6.1% or R$314.8 million from December 2022, and up by 4.0% or R$207.9 million from March 2023. The real estate credit portfolio accounted for 10.6% of Banrisul's total loan transactions in June 2023.

The foreign exchange portfolio reached R$1,003.0 million in June 2023, reducing by 2.5% or R$26.1 million in relation to June 2022, by 1.1% or R$11.2 million from December 2022, and by 14.4% or R$168.3 million from March 2023.

Long-term financings reached a balance of R$530.4 million in June 2023, decreasing by 17.7% or R$114.1 million over June 2022, by 3.0% or R$16.6 million from December 2022 and up by 2.0% or R$10.2 million over March 2023.

Loan Breakdown by Company Size

Corporate loans totaled R$11,630.9 million in June 2023, accounting for 22.6% of the total loan portfolio. Of the amount of loans destined for corporate clients, 58.9% is allocated to micro, small and medium enterprises.

Commercial loans for corporate clients increased by 8.6% or R$924.0 million in twelve months and by 1.0% or R$118.0 million in three months, mainly due to loan expansion to small- and medium-sized enterprises.

Loan Breakdown by Company Size - R$ Million

	Jun 2023			Mar 2023			Jun 2022			Balance Change	
	Balance	% of Corporate Clients	% of Total Portfolio	Balance	% of Corporate Clients	% of Total Portfolio	Balance	% of Corporate Clients	% of Total Portfolio	Jun 2023/ Jun 2022	Jun 2023/ Mar 2023
Large Enterprises	4,781.4	41.1%	9.3%	4,830.6	42.0%	9.6%	4,951.1	46.2%	11.1%	-3.4%	-1.0%
Micro/Small/Medium Enterprises	6,849.5	58.9%	13.3%	6,682.2	58.0%	13.3%	5,755.8	53.8%	12.9%	19.0%	2.5%
Medium Enterprises	3,849.2	33.1%	7.5%	3,714.5	32.3%	7.4%	3,347.5	31.3%	7.5%	15.0%	3.6%
Small Enterprises	2,588.4	22.3%	5.0%	2,556.8	22.2%	5.1%	1,978.0	18.5%	4.4%	30.9%	1.2%
Microenterprises	411.9	3.5%	0.8%	410.9	3.6%	0.8%	430.2	4.0%	1.0%	-4.3%	0.3%
Total	**11,630.9**	**100.0%**	**22.6%**	**11,512.9**	**100.0%**	**23.0%**	**10,706.9**	**100.0%**	**24.0%**	**8.6%**	**1.0%**

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

Breakdown of Disbursement by Financing Line

The volume of loans granted in 1H2023, in the amount of R$21,829.8 million, remained relatively flat, increasing by R$186.8 million over the volume recorded in 1H2022, and in the comparison between 2Q2023 and 2Q2022, this volume increased by 1.2% or R$137.6 million. The growth in both comparison periods was driven mainly by the increase in the volume granted as rural loans, offset by the reduction in the volume granted in the commercial loans, real estate credit and long-term financing portfolios.

In the comparison period between 2Q2023 and 1Q2023, the volume of loans granted increased by 16.9% or R$1,704.6 million, mainly due to the increase in rural loans and commercial loans for corporate clients.

Breakdown of Loans Granted by Financing Line - R$ Million

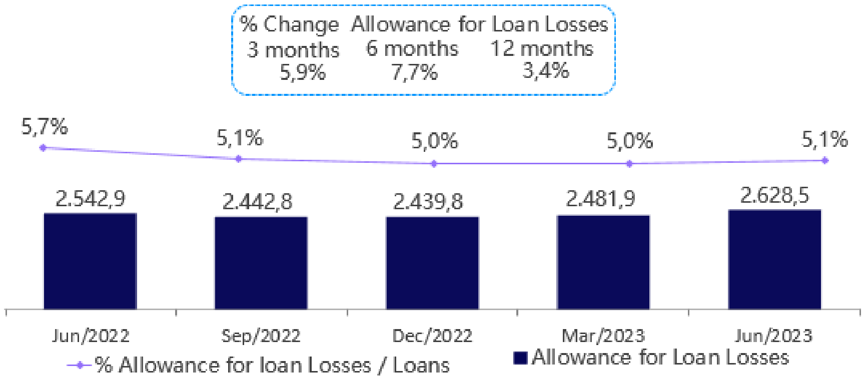
	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023 / 1H2022	2Q2023/ 2Q2022	2Q2023/ 1Q2023
Foreign Exchange	822.1	897.1	362.7	459.4	521.0	-8.4%	-30.4%	-21.0%
Commercial [1]	15,865.6	17,549.7	8,038.1	7,827.6	9,118.0	-9.6%	-11.8%	2.7%
Individuals	10,313.2	11,997.2	5,081.5	5,231.7	6,251.9	-14.0%	-18.7%	-2.9%
Corporate Clients	5,552.5	5,552.5	2,956.6	2,595.9	2,866.1	0.0%	3.2%	13.9%
Long-Term Financing	126.1	277.1	58.2	67.8	215.7	-54.5%	-73.0%	-14.1%
Real Estate	654.3	953.5	383.9	270.4	498.7	-31.4%	-23.0%	41.9%
Rural	4,361.7	1,965.6	2,924.3	1,437.4	1,276.3	121.9%	129.1%	103.4%
Total	**21,829.8**	**21,643.1**	**11,767.2**	**10,062.6**	**11,629.7**	**0.9%**	**1.2%**	**16.9%**

(1) The volume granted does not include amounts to be billed/debited from credit and debit cards.

Quality of the Loan Portfolio

Provision for Loan Losses

The provision for loan losses, which includes provisions for loans arising from leasing and other credits characterized as loans, reached R$2,628.5 million in June 2023, increasing by R$85.6 million from June 2022, by R$188.6 million from December 2022, and by R$146.5 million from March 2023, reflecting the rolling over of the loan portfolio according to rating levels and the increase in overdue loans, in a scenario with higher volumes of loan operations.



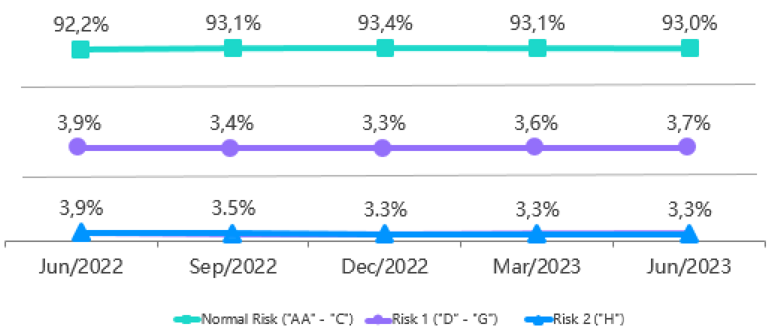
In June 2023, provision for credit losses was broken down under CMN Resolution 2,682/99, with supplemental amounts, as follows: (i) R$953.2 million for transactions with installments overdue for more than 60 days; and (ii) R$1,675.2 million for contracts falling due or contracts with installments overdue for less than 60 days.

Balance of the Provision for Loan 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%	7,040.8	13.67%	-	7,040.8	-	-	-	0.00%
A	0.5%	36,874.1	85.27%	-	36,874.1	-	184.4	184.4	0.50%
B	1.0%	2,779.6	90.67%	-	2,779.6	-	27.8	27.8	1.00%
C	3.0%	1,189.6	92.98%	70.1	1,119.5	2.1	33.6	35.7	3.00%
D	10.0%	667.4	94.27%	97.1	570.3	9.7	57.0	66.7	10.00%
E	30.0%	507.3	95.26%	99.7	407.5	29.9	122.3	152.2	30.00%
F	50.0%	298.8	95.84%	120.4	178.4	60.2	89.2	149.4	50.00%
G	70.0%	437.2	96.69%	137.1	300.0	96.0	210.0	306.0	70.00%
H	100.0%	1,706.3	100.00%	755.3	951.0	755.3	951.0	1,706.3	100.00%
Total		**51,501.0**		**1,279.7**	**50,221.3**	**953.2**	**1,675.2**	**2,628.5**	**5.1%**

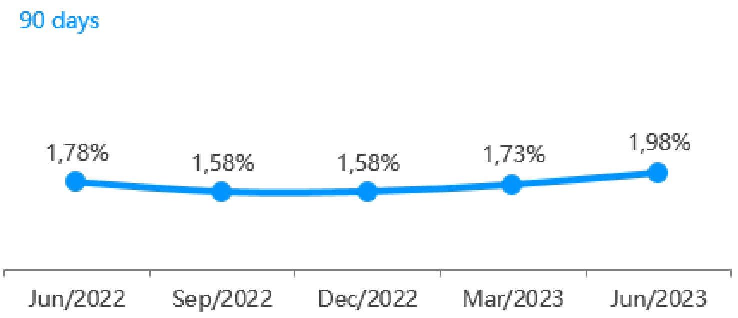
Breakdown of Loans by Credit Rating

Loan transactions rated as normal (from AA to C), according to the rules established by CMN Resolution 2,682/99, accounted for 93.0% of the loan portfolio in June 2023. This indicator increased by 0.8 p.p. from June 2022, and fell by 0.4 p.p. and 0.1 p.p. from December 2022 and March 2023, respectively.



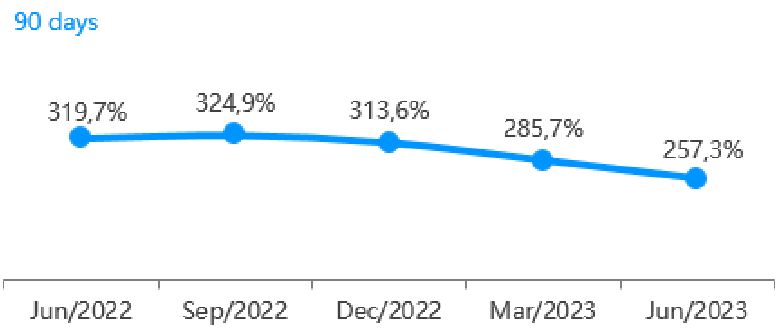
Delinquency Rate

The default rate represents the volume of loan transactions overdue for more than 90 days against the total volume of active loan transactions. Delinquency over 90 days reached 1.98% of the loan transactions in June 2023, rising by 0.20 p.p. in twelve months, by 0.40 p.p. in six months, and by 0.25 p.p. in three months. The balance of loan transactions overdue for more than 90 days reached R$1,021.7 million in June 2023, up by 28.5% or R$226.4 million over June 2022, by 31.3% or R$243.8 million from December 2022, and by 17.6% or R$153.0 million in relation to March 2023.



Coverage Ratio

The coverage ratio consists of the ratio between the provision for loan losses and the balance of loan transactions overdue for more than 90 days, showing that the provision can cover default. In June 2023, the coverage ratio for operations overdue for more than 90 days was 257.3%, down by 62.4 p.p. from June 2022, by 56.3 p.p. from December 2022, and by 28.4 p.p. from March 2023. These results were mainly reflected by the increase in overdue loan transactions that were higher than the increase in the balance of the provision for loan losses.



Funds Raised and Under Management

Funds raised, comprised of deposits, proceeds from bank notes, subordinated debt, and funds managed reached R$90,085.3 million in June 2023, up by 7.4% or R$6,235.1 million in twelve months, influenced by the increase in deposits, proceeds from bank notes, and funds managed, offset by the decrease in subordinated debt.

Compared to December 2022, funds raised and managed increased by 2.5% or R$2,162.7 million, influenced by the growth in funds managed and proceeds from bank notes, the reduction in subordinated debt, and the stable results for deposits.

Compared to March 2023, funds raised and managed increased by 2.6% or R$2,272.9 million, mainly due to the growth in funds managed and deposits.

Breakdown of Funds Raised and Under Management by Product Type - R$ Million

	Jun 2023	Mar 2023	Dec 2022	Jun 2022	Jun 2023/ Jun 2022	Jun 2023/ Dec 2022	Jun 2023/ Mar 2023
Deposits	67,829.2	66,759.6	67,615.9	64,625.0	5.0%	0.3%	1.6%
Demand Deposits	3,702.1	3,592.9	4,788.2	3,783.8	-2.2%	-22.7%	3.0%
Savings Deposits	11,224.9	11,118.3	11,294.5	11,610.7	-3.3%	-0.6%	1.0%
Interbank Deposits	2,749.3	3,028.9	2,563.7	511.5	437.5%	7.2%	-9.2%
Term Deposits	50,136.1	49,002.7	48,953.4	48,702.6	2.9%	2.4%	2.3%
Other Deposits	16.7	16.7	16.1	16.4	2.0%	3.9%	0.0%
Proceeds from Bank Notes (1)	4,111.3	3,734.2	3,271.5	2,193.8	87.4%	25.7%	10.1%
Bank Notes	1,271.3	1,198.5	1,069.8	747.9	70.0%	18.8%	6.1%
Real Estate Letters of Credit	1,217.8	1,197.3	1,066.0	726.2	67.7%	14.2%	1.7%
Agribusiness Letters of Credit	1,622.2	1,338.4	1,135.7	719.7	125.4%	42.8%	21.2%
Subordinated Debt (2)	1,082.0	1,145.6	1,170.4	1,252.5	-13.6%	-7.6%	-5.6%
Total Funds Raised	**73,022.5**	**71,639.4**	**72,057.8**	**68,071.3**	**7.3%**	**1.3%**	**1.9%**
Funds Managed	17,062.8	16,173.0	15,864.8	15,778.9	8.1%	7.6%	5.5%
Total Funds Raised and Managed	**90,085.3**	**87,812.4**	**87,922.6**	**83,850.2**	**7.4%**	**2.5%**	**2.6%**

(1) Includes Subordinated Financial Bills.
(2) Refers to the subordinated foreign fundraising.

Deposits - increased by 5.0% or R$3,204.2 million from June 2022, mainly influenced by higher term and interbank deposits (rural DI rate), offset by lower savings and demand deposits. Compared to December 2022, deposits remained relatively stable, increasing by R$213.3 million, mainly due to the increase in term deposits and offset by the decline in demand deposits. In relation to June 2023, this line increased by 1.6% or R$1,069.6 million, mainly influenced by the rise in term deposits and partially offset by the reduction in interbank deposits.

In June 2023, term deposits, in the amount of R$50,136.1 million, represented 68.7% of funds raised, being the Bank's main funding instrument.

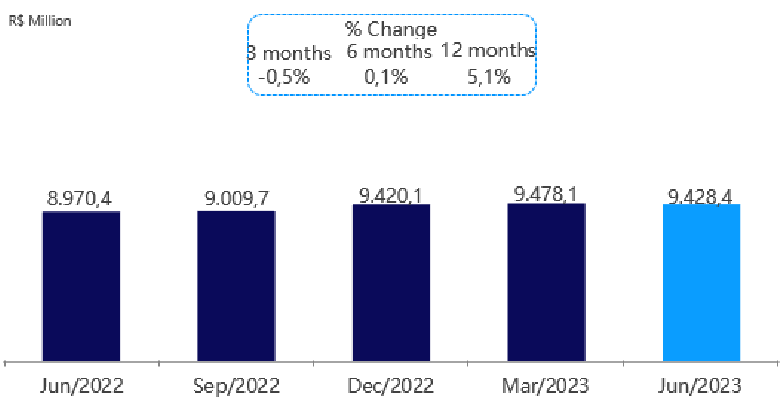
Proceeds from Bank Notes. The balance for bank notes, subordinated financial bills, real estate letters of credit, and agribusiness letters of credit increased by 87.4% or R$1,917.5 million in twelve months, by 25.7% or R$839.7 million in six months, and by 10.1% or R$377.1 million from March 2023.

On September 16, 2022, Banrisul issued Subordinated Financial Bills (LFS), totaling R$300,000 (three hundred million reais) at CDI + 3.5% p.a., for 10 years, with a repurchase option by Banrisul as of the 5th year from the issue date. The Subordinated Financial Bills are authorized to be part of Banrisul's Tier II Capital, according to BCB Resolution 122, of August 2, 2021.

Subordinated Debt - subordinated debt fell by 13.6% or R$170.5 million in twelve months, by 7.6% or R$88.4 million in six months, and by 5.6% or R$63.6 million from March 2023, mainly due to the exchange rate variation and the mark-to-market in the periods.

Equity

Banrisul's equity was R$9,428.4 million at the end of June 2023, up by 5.1% or R$458.0 million over June 2022, mainly due to the recognition of results, payments of interest on equity and provision for dividends, and the remeasurement of actuarial liabilities referring to post-employment benefits (CPC 33 - R1), as well as FX variation adjustments and the reclassification of FX variations through the write-off of foreign equity investments.



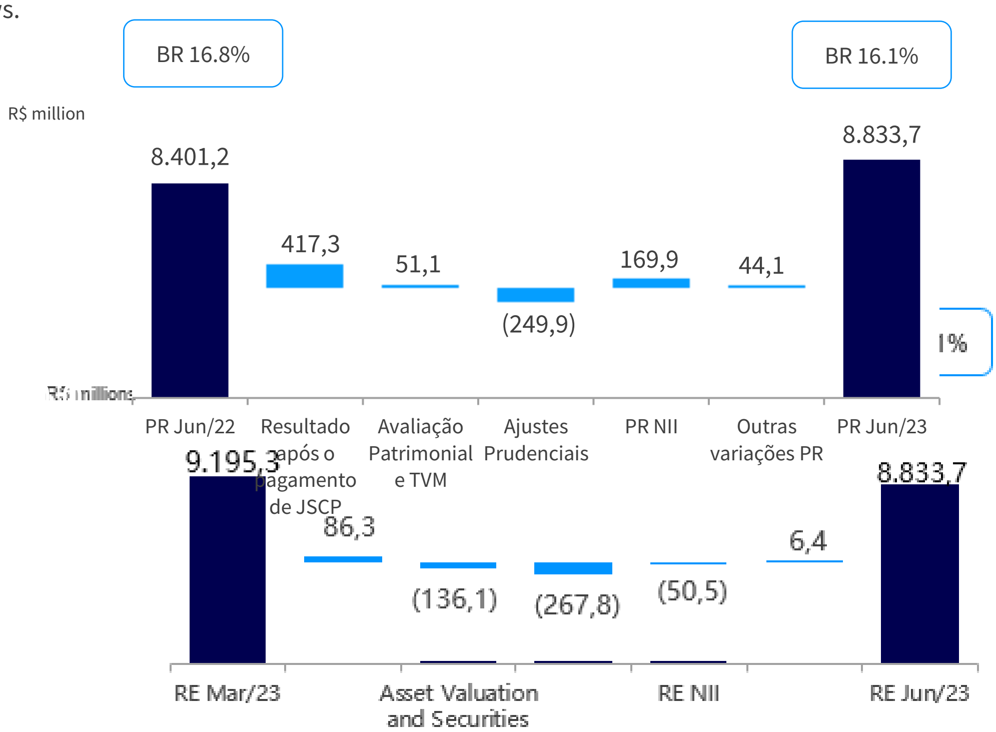
Compared to December 2022 and March 2023, the equity line in June 2023 remained relatively stable, reflecting the recognition of results, payments of interest on equity, remeasurement of actuarial liabilities referring to post-employment benefits (CPC 33 - R1), FX variations in foreign equity investments, and the acquisition of treasury shares.

Basel Ratio

Bacen's 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 Ratio (BR) measures the ratio between the sum of the Tier I Capital - TIC and the Tier II Capital - TIIC, as well as the total risk-weighted assets calculated on the reference date. We maintain Capital Indexes above the levels defined by the regulator to protect Banrisul in the event of stress scenarios.

The Capital Management area seeks to encourage the investment of available funds and ensure that the institution will meet its obligations. Banrisul's reference equity in the first six months of 2023 consisted of the sum of Tier I Capital, in the amount of R$7,411.3 million, and Tier II Capital, of R$1,422.4 million, totaling R$8,833.7 million.

On June 30, 2023, the Basel Index reached 16.1%, 5.6 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 I Capital Ratio were the same as the Basel Ratio and ended the quarter at 13.5%, corresponding to 6.5 p.p. and 5.0 p.p., respectively, above the minimum regulatory level. The Basel Ratio and variations in Reference Equity are as follows.



COMPETITIVE MARKET

In the competitive market, in March 2023, Banrisul was ranked 13th in total assets among the banks that make up the National Financial System - SFN; 13th in equity; 13th in funding (total deposits, open market funding, and obligations arising from loans and transfers); and 6th 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	
	Jun 2023 (1)	Jun 2022	Mar 2023 (2)	Mar 2022
Demand Deposits	1.2102%	1.1229%	26.8976%	26.2330%
Savings Deposits	1.1602%	1.1428%	12.7532%	12.5200%
Term Deposits	2.1672%	2.5883%	38.9766%	42.9340%
Loan Transactions	0.9535%	0.8993%	20.3251%	19.8191%
Number of Branches	2.8034%	2.8545%	32.9640%	32.3992%

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

Summarized Consolidated Balance Sheet

R$ Thousand

Assets	Jun 2023	Mar 2023	Dec 2022	Jun 2022	Jun 2023/ Jun 2022	Jun 2023/ Dec 2022	Jun 2023/ Mar 2023
Cash and Cash Equivalents	1,117,180	1,047,260	1,004,366	1,134,317	-1.5%	11.2%	6.7%
Financial Assets	112,242,594	109,321,016	108,983,674	106,333,518	5.6%	3.0%	2.7%
Short-Term Interbank Investments	4,399,533	3,429,436	3,521,401	6,690,625	-34.2%	24.9%	28.3%
Compulsory Deposits at the Central Bank of Brazil	10,549,458	11,134,644	10,798,526	9,738,259	8.3%	-2.3%	-5.3%
Securities	39,627,370	38,468,780	39,454,807	39,096,828	1.4%	0.4%	3.0%
Loan Transactions and Financial Lease	51,501,014	50,087,668	49,121,869	44,585,485	15.5%	4.8%	2.8%
Other Financial Assets	6,165,219	6,200,488	6,087,071	6,222,321	-0.9%	1.3%	-0.6%
Provision for Loan Losses Related to the Credit Risk	(2,678,332)	(2,531,890)	(2,490,226)	(2,593,565)	3.3%	7.6%	5.8%
Tax Assets	3,987,119	3,707,576	3,633,690	3,725,820	7.0%	9.7%	7.5%
Other Assets	685,597	657,636	686,845	696,471	-1.6%	-0.2%	4.3%
Investments	179,900	159,150	163,149	190,845	-5.7%	10.3%	13.0%
PP&E in Use	569,207	541,213	520,578	480,724	18.4%	9.3%	5.2%
Intangible Assets	633,070	667,821	664,112	704,860	-10.2%	4.7%	-5.2%
Total Assets	**116,736,335**	**113,569,782**	**113,166,188**	**110,672,990**	**5.5%**	**3.2%**	**2.8%**
Liabilities	**Jun 2023**	**Mar 2023**	**Dec 2022**	**Jun 2022**	**Jun 2023/ Jun 2022**	**Jun 2023/ Dec 2022**	**Jun 2023/ Mar 2023**
Financial Liabilities	101,512,918	98,763,188	98,474,996	95,953,970	5.8%	3.1%	2.8%
Deposits	67,829,187	66,759,565	67,615,882	64,625,034	5.0%	0.3%	1.6%
Open Market Funding	13,845,567	12,471,179	12,421,035	15,483,400	-10.6%	11.5%	11.0%
Funds from Acceptance and Issue of Securities	3,770,898	3,406,964	2,957,083	2,193,752	71.9%	27.5%	10.7%
Subordinated Debt	1,422,383	1,472,892	1,484,828	1,252,473	13.6%	-4.2%	-3.4%
Loan Obligations	839,874	1,021,571	1,012,985	1,250,259	-32.8%	-17.1%	-17.8%
Transfer Obligations	2,276,874	2,702,524	2,501,887	1,366,535	66.6%	-9.0%	-15.8%
Derivative Financial Instruments	753,593	612,325	670,298	570,042	32.2%	12.4%	23.1%
Other Financial Liabilities	10,774,542	10,316,168	9,810,998	9,212,475	17.0%	9.8%	4.4%
Civil, Tax, and Labor Provisions	2,638,189	2,644,670	2,631,798	2,641,975	-0.1%	0.2%	-0.2%
Tax Liabilities	904,539	770,108	807,899	793,257	14.0%	12.0%	17.5%
Other Liabilities	2,252,300	1,913,765	1,831,368	2,313,398	-2.6%	23.0%	17.7%
Equity	**9,428,389**	**9,478,051**	**9,420,127**	**8,970,390**	**5.1%**	**0.1%**	**-0.5%**
Total Liabilities and Equity	**116,736,335**	**113,569,782**	**113,166,188**	**110,672,990**	**5.5%**	**3.2%**	**2.8%**

Consolidated Income Statement

R$ Thousand

	1H2023	1H2022	2Q2023	1Q2023	2Q2022	1H2023/ 1H2022	2Q2023/ 2Q2022	2Q2023/ 1Q2023
Income from Financial Intermediation	**7,449,423**	**5,713,728**	**3,767,509**	**3,681,914**	**3,387,597**	**30.4%**	**11.2%**	**2.3%**
Loan Transactions, Leasing, and Other Loans	4,266,771	3,337,215	2,214,277	2,052,494	1,764,236	27.9%	25.5%	7.9%
Income from Securities Transactions	2,769,515	2,329,606	1,405,927	1,363,588	1,257,146	18.9%	11.8%	3.1%
Income (Loss) from Derivative Financial Instruments	(266,994)	(578,295)	(190,211)	(76,783)	(20,823)	-53.8%	813.5%	147.7%
Income from Foreign Exchange Transactions	36,364	119,904	18,002	18,362	110,205	-69.7%	-83.7%	-2.0%
Income from Compulsory Investments	643,767	505,298	319,514	324,253	276,833	27.4%	15.4%	-1.5%
Financial Intermediation Expenses	**(4,806,582)**	**(3,476,845)**	**(2,374,831)**	**(2,431,751)**	**(2,272,538)**	**38.2%**	**4.5%**	**-2.3%**
Market Funding Transactions	(4,335,141)	(3,090,236)	(2,138,482)	(2,196,659)	(1,990,083)	40.3%	7.5%	-2.6%
Loan, Assignment, and Transfer Transactions	(471,441)	(386,609)	(236,349)	(235,092)	(282,455)	21.9%	-16.3%	0.5%
Income from Financial Intermediation	**2,642,841**	**2,236,883**	**1,392,678**	**1,250,163**	**1,115,059**	**18.1%**	**24.9%**	**11.4%**
Provision for Expected Losses of Financial Assets	**(677,972)**	**(448,746)**	**(393,033)**	**(284,939)**	**-202,289**	**51.1%**	**94.3%**	**37.9%**
Other Operating Revenues (Expenses)	**(1,419,033)**	**(1,463,950)**	**(712,342)**	**(706,691)**	**-782,087**	**-3.1%**	**-8.9%**	**0.8%**
Income from Services	1,054,375	1,010,938	532,744	521,631	518,594	4.3%	2.7%	2.1%
Personnel Expenses	(1,068,928)	(957,746)	(550,054)	(518,874)	-496,913	11.6%	10.7%	6.0%
Other Administrative Expenses	(959,013)	(922,225)	(477,246)	(481,767)	-475,978	4.0%	0.3%	-0.9%
Tax Expenses	(247,738)	(228,749)	(124,565)	(123,173)	-118,365	8.3%	5.2%	1.1%
Equity in Affiliates	52,012	34,712	26,837	25,175	17,962	49.8%	49.4%	6.6%
Other Operating Income	254,600	339,778	134,558	120,042	237,543	-25.1%	-43.4%	12.1%
Other Operating Expenses	(300,134)	(263,184)	(169,507)	(130,627)	-159,059	14.0%	6.6%	29.8%
Civil, Tax, and Labor Provisions	(204,207)	(477,474)	(85,109)	(119,098)	-305,871	-57.2%	-72.2%	-28.5%
Operating Result	**545,836**	**324,187**	**287,303**	**258,533**	**130,683**	**68.4%**	**119.8%**	**11.1%**
Earnings Before Tax and Employee Profit Sharing	**545,836**	**324,187**	**287,303**	**258,533**	**130,683**	**68.4%**	**119.8%**	**11.1%**
Income Tax and Social Contribution	**19,370**	**170,941**	**1,824**	**17,546**	**150,440**	**-88.7%**	**-98.8%**	**-89.6%**
Employee Profit Sharing	**(125,562)**	**(103,090)**	**(62,609)**	**(62,953)**	**(53,341)**	**21.8%**	**17.4%**	**-0.5%**
Net Income	**439,644**	**392,038**	**226,518**	**213,126**	**227,782**	**12.1%**	**-0.6%**	**6.3%**
Net Income Attributable to Controlling Shareholders	**439,289**	**391,916**	**226,316**	**212,973**	**227,823**	**12.1%**	**-0.7%**	**6.3%**
Net Income Attributable to Non-Controlling Shareholders	**355**	**122**	**202**	**153**	**(41)**	**191.0%**	**-592.7%**	**32.0%**

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

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

Individual and Consolidated
Financial Statements
for the Semester Ended
June 30, 2023 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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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, 2023 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, 2023, 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, therefore, 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 2.682/99. 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 the design and implementation 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 2.682/99, 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. Information Technology - IT 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 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, 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 IT environment related to the infrastructure that supports the Bank's business.

The evaluation of IT 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.

Deloitte.

Other matters

Consolidated financial statements

The consolidated financial statements for the semester ended June 30, 2023, which have been prepared in accordance with accounting practices adopted in Brazil applicable to the financial institutions authorized to operate by the BACEN, are being presented as supplemental information, as set out in Art. 77 of CMN Resolution 4.966, to the interim consolidated financial statements for the three- and six-month periods ended June 30, prepared in accordance with international standard 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 10, 2023.

Statements of added value

The individual and consolidated statements of added value ("DVA") for the semester ended June 30, 2023, prepared under the responsibility of the Bank's Management, whose presentation is not required by accounting practices adopted in Brazil applicable to the 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. Such 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, when 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 10, 2023

DELOITTE TOUCHE TOHMATSU Auditores Independentes Ltda.	Carlos Claro Engagement Partner

2023CB025180

FINANCIAL STATEMENTS

June 2023

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INDEX

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 2023, 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 2023 began under an imminent global recession, amid relevant monetary contraction adjustments seen in advanced economies, also in Brazil. In addition, consumer inflation data remained far from the monetary authorities' objective. However, the first half of the year was underscored by an unexpected resilience of economic activity, especially in the United States and Eurozone, also coupled with an upturn scenario in China, amid relaxed mobility restrictions for the control of Covid-19 in that country. Also within this context, it is worth noting a striking disinflation in wholesale worldwide, to a great extent reflecting the global supply chain returning to normal. Accordingly, the international economic scenario showed to be less adverse during the first six months of the year.

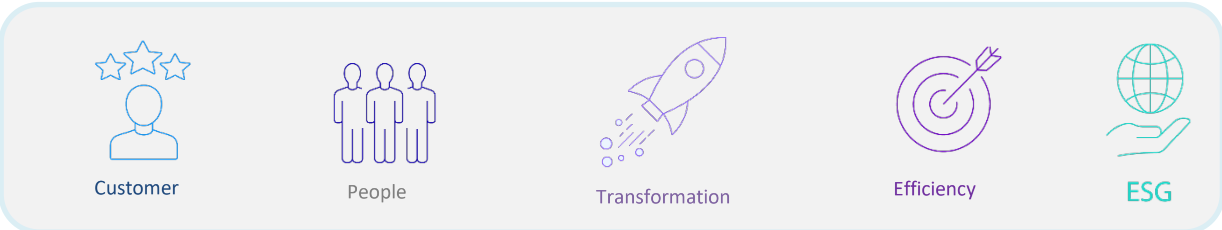
In Brazil, after GDP variation in the first quarter of 2023 has reached a 1.9% growth, primarily reflecting an outstanding agribusiness performance, we expect a mild momentum related to this sector, coupled with the lagged effects of a restrictive monetary policy, also a lower global demand to result in a slower pace of economic boom. With regards to price behavior, the IPCA (extended consumer price index) accumulated a 3.16% increase in June year to date, lower than the 3.94% accumulated increase seen up to May this year. Notwithstanding the official inflation converging to the target thresholds, the Brazilian monetary authority's activity during the first six months of the year was of contraction, and the Selic benchmark interest rate remained unaltered at 13.75% p.a. in the period.

The balance of credit in Brazil in June 2023 year to date grew by 13.5%, especially in the individuals segment which advanced by 17.6%. The average delinquency ratio stood at 3.2% in 1H23, close to pre-pandemic levels. In the Rio Grande do Sul state, the pace came stronger, with the total credit balance moving up 16.4% during the same period, and average delinquency of 2.2%, according to the Central Bank of Brazil's credit regional data. It is worth noting that the Rio Grande do Sul's economic performance came lower than the Brazilian economy in the first quarter of the year, as it was adversely impacted by drought in the region.

Company and business strategy

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

Banrisul remains committed to its purpose of promoting Rio Grande do Sul's economic and social development, as a financial and transformational agent in people's lives, fine-tuned with a vision of being a state-owned, profitable, robust, and competitive bank, connected with communities, offering excellence services, and reiterating its strategy grounded in five pillars:



Customers, Banrisul's largest asset, are the core focus of its strategic planning, aiming at providing excellent services that build up the on-site and online connection, offering the best financial solutions experience, coupled with each customer's needs and objectives, prioritizing satisfaction level. Value deliveries in the customer journey reflect continued advances in products and services made available on digital channels to the extent they keep pace with technological transformations in the banking sector. The rebranding uttered the in-house changes underway at Banrisul, including the voice and language adequacy in services, and fostering seamless, light, direct, informational, and global communication.

Employees' development endorses Banrisul's agile and transformational culture, building up engagement and motivation through crystal-clear and humanized management. To reinforce our team and bring new talents to the Bank, employees approved in public exams were hired to work in information technology areas, 204 new employees, and 554 new employees in overall staff; we estimate a total of up to 1,335 employees in overall staff by the year-end. In 2022, Banrisul's new Career, Position, and Salary Plan was created to provide its employees with transparency during their trajectory within the Bank and consolidate a system of incentives to motivate, engage and enable the achievement of results. The Diversity, Equality & Inclusion topic has been headed by a volunteer participation committee and four affinity groups to discuss topics, such as race/ethnic group, equal gender, people with disabilities, and the Affinity Group LGBTQIAP+.

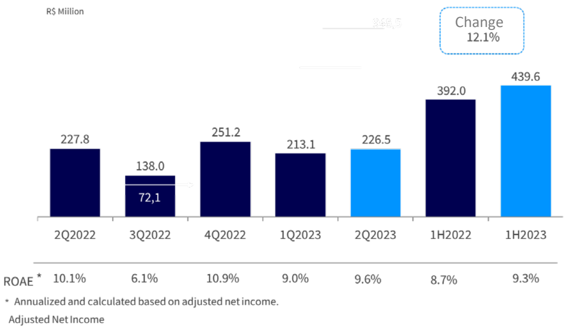
The Transformation strategic pillar reiterates the organizational culture appreciation that promotes innovation, with continued business optimization, fomenting value-added partnerships, keeping Banrisul competitive in the market, and consolidating technology in the pursuit of results. The Bank supports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

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

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

Fined-tuned with its purpose of stimulating Rio Grande do Sul's economic and social development, Banrisul maintained investments in products that foment micro, small and medium-sized businesses, payroll agreements with various state government bodies, and in 242 municipalities. Banrisul also advanced the high-income customers segment, the Banrisul Affinity, offering qualified, customized, and resolute services. Agribusiness has been increasingly consolidating itself as one of the Bank's performance pillars, aiming at increasingly being closer and more connected with rural producers and entrepreneurs.

Consolidated Performance



Net Income

Banrisul's net income moved up 12.1% to R$439.6 million in 1H23 or R$47.6 million higher than in 1H22, primarily driven by (i) net interest income growth; (ii) a higher flow of expenses related to allowance for loan losses; (iii) higher fee and commission income; (iv) higher administrative expenses; (v) lower expenses related to provisions for labor, tax, and civil contingencies; (vi) unfavorable trajectory of other operating income and expenses; and ii) accordingly, tax and PPR (profit sharing plan) effects.

Measured by the concept of added value, Banrisul generated revenues of R$1,934.2 million in 1H23, of which R$1,039.2 million or 53.73% were allocated for payroll; R$439.6 million or 22.73% for shareholder compensation; R$383.6 million or 19.83% for the payment of taxes, fees, and contributions; and R$71.7 million or 3.71% for debt capital remuneration.

Shareholders' Equity

In June 2023, Banrisul's shareholders' equity came to R$9,428.4 million versus R$9,420.1 million in December 2022, mainly reflecting the incorporation of the results delivered, the payment of interest on equity, the actuarial liability re-measurement referring to post-employment benefits (CPC 33 - R1), foreign investments forex variation, and treasury shares acquisition.

Total Assets

Total assets came to R$116,736.3 million in June 2023, 3.2% higher than in December 2022. In assets composition, loan operations accounted for 44.1% of the total, treasury investments (marketable securities, added to interbank investments, cash and cash equivalents, and derivative financial instruments) 38.7%, compulsory deposits at Bacen 9.0%, and other assets 8.2%.

Treasury investments went up 2.6% to R$45,144.1 million in June 2023, from December 2022, reflecting higher funding in the open market, financial bills investments, and other financial liabilities, also lower compulsory deposits at Bacen, within a context of loan operations, and relative stability of deposits.

Banrisul has financial capacity evidenced by technical studies developed in-house and intends to hold until maturity the securities classified as "held-to-maturity", pursuant to Article 8 of the Central Bank of Brazil (Bacen) Circular Letter No. 3.068/01.

Product and Services

Loan portfolio

Banrisul strongly and sustainably foments the economic and technological development of the regions in which it operates, enabling it to maintain and develop businesses, and accordingly, generate employment and income.

Banrisul's loan operations grew by R$2,379.1 million compared to December 2022, highlighting rural credit advancement.

Loan Portfolio
R$51,501.0 million
in June 2023

+4.8% in 6 months

In partnership with FINEP – Funding Authority for Studies and Projects, Banrisul offers onlending lines targeting technological innovation: Inovacred, Inovacred Expresso, Inovacred 4.0 and FINEP Aquisição Inovadora, and, in March 2023, Banrisul Innovation Public Notice – Impact Businesses was issued to finance businesses with innovative projects addressing social and environmental issues; 43 projects were submitted to Banrisul, totaling a credit demand of R$100 million for innovation.

Banrisul maintains lines of credit with its own funds, among them, the Banrisul Fomento Eficiência Energética – FGEnergia that finances energy efficiency projects of micro, small, and medium-sized businesses, collateralized by FGEnergia, the guarantor fund managed by BNDES (Brazilian Development Bank). Banrisul also acts as an onlending agent of BNDES lines of credit.

Below, a breakdown of loan operations by portfolio:

Total Credit Breakdown – R$ million	Jun 2023	Dec 2022	Jun 2023/ Dec 2022	
			Absolute Chg.	Chg. %
Private Sector	**51,376.0**	**49,002.0**	**2,374.0**	**4.8%**
Commercial	34,435.4	34,411.9	23.5	0.1%
Individual (1)	25,630.5	25,517.5	113.0	0.4%
Companies	8,804.9	8,894.4	(89.5)	-1.0%
Real estate loans	5,454.5	5,139.7	314.8	6.1%
Rural	9,944.5	7,879.5	2,064.9	26.2%
Long-term financing	530.4	547.1	(16.6)	-3.0%
Foreign exchange	1,003.0	1,014.3	(11.2)	-1.1%
Leasing	8.2	9.6	(1.4)	-14.4%
Public sector	**125.0**	**119.8**	**5.2**	**4.3%**
Total	**51,501.0**	**49,121.9**	**2,379.1**	**4.8%**

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

The loan portfolio is rated by risk levels under procedures set forth by the Brazilian Monetary Council (CMN) Resolution No. 2,682/99. In June 2023, Normal Risk operations, which include risk levels AA to C, totaled R$47,884.1 million, or 93.0% of the total portfolio. Risk 1-rated operations, which include risk levels D to G, came to R$1,910.6 million, or 3.7% of the portfolio. Risk 2, solely composed of H-level operations, reached R$1,706.3 million, or 3.3% of the total.

Commercial Loans

In line with Banrisul's strategic planning, the individual commercial loan totaled R$25,630.5 million at the end of June 2023, of which 77.3% corresponded to payroll-deductible loan operations.

Companies' commercial loans totaled R$8,804.9 million at the end of June 2023, of which 78.5% came from working capital operations, and out of these, 50.7% relied on guarantor funds collateral, under working capital lines Banrisul GIRO PEAC FGI, PRONAMPE, and Banrisul FAMPE MAIS. Small businesses benefited from the line of credit Banrisul FAMPE MAIS, also relied on business training, digital content, financial education, and management advisory services for an informed credit decision.

Individual commercial loan

R$25,630.5 million
balance in June/2023

Companies commercial loan

R$8,804.9 million
balance in June/2023

Agribusiness

The Rio Grande do Sul state's economic development is one of Banrisul's purpose pillars, fine-tuned with Rio Grande do Sul's economy fundamental vocation, always perceiving the agribusiness as one of its priorities, focused on the portfolio growth with small and medium-sized producers. With its own funds, BNDES onlending lines, and funds coordinated by the Brazilian National Treasury Department, Banrisul has been consolidating as one of the major financial institutions to support agribusiness in the state.

Crop Plan 2022/2023

R$9.3 billion
available in credit

Priority Public Family Producer: 51%
Average Producer: 33%

Rural Loan Portfolio
Balance on 6/30/2023

R$9,944.5 million

26.2% growth in 6 months

To enhance a wide distribution, since 2021, Banrisul has been investing in Agro Spaces, wherein it offers tailor-made services to producers through sector expert professionals in a customized ambiance, with technical support and financial guidance, in the municipalities of Santo Ângelo, Cruz Alta, Passo Fundo, Bagé, Sant'Ana do Livramento, Ijuí, and Carazinho. Besides these, 11 new Agro Spaces were approved and are in the phase of implementation.

In March 2023, Banrisul attended the 23rd Expodireto Cotrijal fair, wherein a record volume of R$915.4 million in businesses prospected was registered, up 102.4% compared to the last fair edition in 2022, highlighting machinery and equipment, irrigation projects, and renewable energy financing. Banrisul's attendance at this fair took place sustainably, and the Bank received the Neutral Event Blue Seal for the measurement and neutralization of carbon emissions generated by the assembly and dismantling of its booth during the fair. With this initiative, the carbon footprint has been neutralized, in support of the forestry preservation Project REDD+ Maísa to fight against Amazon Forest deforestation.

Crop Plan 2023/2024 –R$11 billion were made available in credit, Banrisul's all-time highest amount recorded.

Funding and asset management

Funding consisted of deposits, funds in bank notes, subordinated debt, and assets under management, totaling R$90,085.3 million in June 2023, mainly composed of 55.7% of time deposits, asset management at 18.9%, and savings deposits with 12.5%.

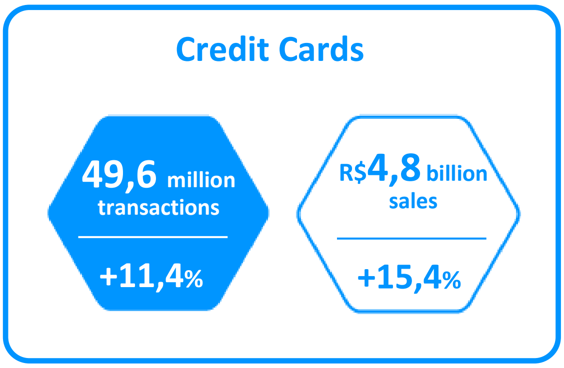
Breakdown of Funds by product – RS million	Jun 2023	Dec 2022	Jun 2023/ Dec 2022 Absolute Chg.	Chg. %
Total Deposits	67,829.2	67,615.9	213.3	0.3%
Demand Deposits	3,702.1	4,788.2	(1,086.1)	-22.7%
Savings Deposits	11,224.9	11,294.5	(69.6)	-0.6%
Interbank Deposits	2,749.3	2,563.7	185.6	7.2%
Time Deposits	50,136.1	48,953.4	1,182.7	2.4%
Other Deposits	16.7	16.1	0.6	3.9%
Bank Notes (1)	4,111.3	3,271.5	839.7	25.7%
Subordinated Debt	1,082.0	1,170.4	(88.4)	-7.6%
Total Funding	**73,022.5**	**72,057.8**	**964.7**	**1.3%**
Assets Under Management	17,062.8	15,864.8	1,198.1	7.6%
Total Funding and Assets Under Management	**90,085.3**	**87,922.6**	**2,162.7**	**2.5%**

(1) Bank, real estate loan, agribusiness, and subordinated notes.

Credit and Debit cards

At the end of June 2023, Banrisul recorded a base of 1.3 million credit cards under the Mastercard and Visa brands. Income from the credit, credit card fees, and BNDES cards totaled R$317.0 million in 1H23.

Tuned up with Banrisul's humanized, modern, inclusive, and sustainable new brand, from April, Mastercard, and Visa credit cards started to be issued with a new design.

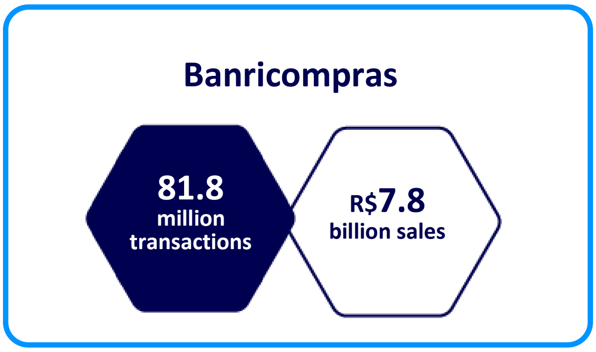


Banrisul's credit card app, recognized by CardMonitor in October 2022 as one of the best apps available in the Brazilian market, in 1H23 enhanced functionalities offered to customers, such as the chargeback extended to corporate customers, and the chatbot via the app, facilitating services with specific questions before directing them to the operator. In sustainable terms, 87.3% of credit card invoices were made available only in the online format, and credit cards were contracted via the INSS Banrisul Mastercard, which now is implemented by virtually signing the adhesion statement.

The line of benefits and business cards, the BanriCard, grossed R$947.8 million in 1H23, 18.5% higher than in 1H22.

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

To bolster its performance area and enhance customers' experience, in a notice to the market, Banrisul announced that the Banricompras card can be accepted by different merchants accredited throughout the country, under the cash, backdated, and installment payment modes. Merchants' registration along with Banricompras does not occur automatically. The ratification of acquiring businesses should kick off as of October 2023. Thus, we expect this brand acceptance through new businesses to advance on the market as of early 2024.



The BanriPay was launched in June/2023, a digital card wherein payments using Banricompras are made on the Banrisul App via mobile phone. The Banripay is exclusive for Android smartphones with contactless payment technology and can be used by current account individuals and corporate holders, at Vero acquiring network and TEFs of accredited merchants.

Vero acquiring network

Vero ended the 1H23 with 133.9 thousand active accredited merchants with transactions in the last 12 months. During the first six months of 2023, 242.8 million transactions were captured, of which 172.1 million were with debit cards, 15.6% higher than in 1H22, and 70.7 million credit card transactions, up 12.9% year-on-year. The financial volume transacted totaled R$22.2 billion, 8.8% higher than in 1H22, R$12.3 billion came from debit cards and R$9.8 billion from credit card transactions.

In 1H23, Vero launched the Tap On Phone solutions enabling customers to convert their smartphones into contactless payment machines, also payment links, to conveniently and safely receive online payments. Other features in the period included authorization for corporate customers' accreditation along with Vero, also machine requests via the Banrisul App, and the availability of a new model of SmartPOS with a physical keyboard that improves user accessibility and experience, besides broadening authorized app portfolio for the use of Vero Smart machines. In an event held in April, Vero was recognized by Elo as the 2022 highlight for the second consecutive year, in the Quality and Efficiency Category, and won the Excellence Award in Processing and Settlement – Credit.

Insurance

Banrisul Corretora de Seguros (Insurer) makes available to customers a varied portfolio of insurance products, such as personal insurance, property insurance, rural insurance, savings bonds, and supplementary private pension plans. Rural Insurance highlights included the implementation of the Self Inspection, a new solution for agricultural equipment overhaul that speeds up equipment inspection, also the availability of the AgroSeguros platform, including agricultural insurance quote that provides greater agility and security both during quoting and taking out of insurance, positively impacting the customer.

Other advancements included the availability of the Commercial Property Insurance quote, via a multiple calculation system, which expedites and qualifies the quoting and taking out of property insurance, also the increase in the maximum threshold to redeem private pension certificates, via Banrisul App to build up customer experience. In addition, initiatives were promoted to stimulate sales, amongst them, the BanrisulPrev - Pé na Areia campaign, concerned with private pension products; the Aceleração (acceleration) campaign targeting life insurance and savings bonds products, and the Mães Brilhantes (Brilliant Mothers) campaign, concerned with life insurance products.

Insurance premium collection, pension contributions, and savings bonds came to R$1.7 billion in 1H23, up 39.5% from 1H22. Total revenues came to R$186.2 million, 21.2% higher than in 1H22; out of these, income from insurance brokerage commissions totaled R$142.9 million in 1H23. In June 2023, Banrisul recorded 2.2 million active insurance transactions.

Customer relationship

The installation of the Customer Management Terminal – TGA initiated in 2022 advanced in 1H23, enabling improved on-site customer service at the branches network, by referring customers to their profile-suited sector, besides prioritizing services for the vulnerable public, controlling and abiding by legal requirements. At the end of June 2023, 391 branches operated with TGA, or 79% of Banrisul's network. TGA facilities installation shall be concluded by July 2023.

Banrisul has been intensifying back office streamlining, in line with sustainable practices, by reducing the use of paper at branches, coupled with digital tools to be at the forefront of technology, without losing the focus on operational security, aiming at optimizing time, also providing customers with higher-quality face-to-face services. In the second half of 2023, the Branches Service Quality index will start to be developed to encompass the Net Promoter Score - NPS survey to indicate the score of chances of recommendation, waiting time, and complaints of the Citizen Demands Registration System - RDR and Consumer Service - SAC.

On May 8, 2023, the Board of Directors approved to voluntarily shut down the Grand Cayman branch's activities, and work began as of June 2023. On the other hand, to broaden the service network scope, Banrisul relies on Banripontos correspondents and accredited merchants wherein various banking services are offered at flexible hours, with handiness, freedom, and convenience of selecting the closer establishment.

1,050
Service stations

495
Branches

473 branches in Rio Grande do Sul
17 in Santa Catarina
4 in other states
1 abroad

427 service stations and ATMs –PAEs
128 service stations -PAs

banri ponto

918
Banripontos

Banrisul relies on an Ombudsman as a last resort to solve customers'/users' complaints when primary service channels do not answer satisfactorily. Through this channel, 2,311 complaints were received in 1H23, of which 502 referred to protocols registered in the Ombudsman channel, including letters answered, 717 referred to complaints registered at Bacen, and 1,092 from the Procon (Consumer Protection and Defense Program). Through careful analysis and identification of the root cause of the problem reported, complaints registered in the Ombudsman service channels are used as inputs to enhance processes, products, and services, seeking to avoid recurrences, preventing litigation, and offering a positive response to all customers and users. Therefore, complaints received are considered as an opportunity to detect flaws, reassess processes and create solutions that result in product and service advancement, then, inserted in a process that pursues continued improvement. Weaknesses identified by Ombudsman when treating demands are inserted into the same corporate environment used by risk and controls areas of the Bank, contributing to building a consolidated information framework that enables managers to better assess their risks from the disruption identified.

Digital channels

In 1H23, Banrisul implemented various security advances, such as a wide range of transactions covered by the Antifraud System. The digital experience was enhanced by implementing shortcuts to key banking services, a more intuitive display of products on the home screen, also the availability of new products on the App, such as contracting sales poll quotas, the Tag Banrisul Veloe, and the BanriPay, besides new services, such as accounts association and dissociation. In 1H23, advances were also seen in current services, such as the financial transaction limit management, corporate customers' access to Banrishopping, and the display of VeroPay and BanriSaque products along with other products available to customers.

83.2% of transactions in 1H23 were made via online channels

Banrisul's digital channels accounted for 83.2% of transactions carried out in 1H23, including all channels available (digital, ATM, correspondents, cashier, Banrifone), versus 81.2% in 1H22.

In 1H23, Internet Banking (Home e Office Banking) and Mobile Banking (My Account, Affinity, and Office App), accessed via Banrisul App recorded 288.2 million accesses, 10.3% higher than in 1H22, an average of 1.6 million daily accesses. In 1H23, transactions carried out via these channels increased by 11.4%, where the number of financial transactions came 22.5% higher, and the volume transacted moved up 6.9%, year-on-year.

Banrisul App rating at stores app stood at 4.0 by Play Store and 3.0 by Apple Store (scale from 1 to 5) in 1H23.

Banrisul Group Operating Segments

Banrisul Pagamentos (Cards)

Banrisul Pagamentos manages the Vero acquiring network, and also the issue of BanriCard benefits and business cards that recorded 133.9 thousand active accredited merchants and 6.1 thousand active arrangements, respectively, in June 2023. On July 13, 2023, Bacen authorized Banrisul Pagamentos to operate as a payment institution, under the modes of electronic currency issuer, post-paid payment instrument issuer, and accrediting agency.

Banrisul Pagamentos' net revenue totaled R$256.9 million in 1H23, up 0.6% from 1H22. The cost of services rendered came to R$99.7 million, while net operating expenses, mainly combining administrative and personnel expenses totaled R$46.4 million. Financial revenue amounted to R$203.5 million, of which 72.4% came from anticipation of sales receivables. The anticipation of sales receivables reached R$4.3 billion in 1H23, or 41.1% of volume subject to anticipation, volume 26.8% higher than in 1H22. Banrisul Pagamentos' net income moved up 14.1% to R$206.5 million in 1H23, year-on-year.

Banrisul Administradora de Consórcios (Sales Poll Groups)

Banrisul S.A. Administradora de Consórcios manages Sales Poll Groups in the automobile, motorcycle, and real property segments, as an alternative to acquire assets, making available to households and businesses access to solar panels, machinery, and agricultural equipment to rural producers, composed of 81.8 thousand active Sales Poll Group members (quotas) at the end of June 2023.

The volume of letters of credit totaled R$6.8 billion in 1H23, with 6.1 thousand draws, making available to the market R$416.7 million in credit for goods acquisition. Net income advanced 17.4% to R$33.6 million in 1H23, year-on-year.

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 1H23, net income went up 8.7% to R$75.1 million, versus 1H22, fueled by higher commercialization of products.

Banrisul Corretora de Valores Mobiliários e Câmbio (Brokerage House)

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

In 1H23, Banrisul Corretora de Valores intermediated R$2.2 billion in transactions at B3 S.A. Brasil, Bolsa, and Balcão. At the end of 1H23, managed investment funds totaled R$17.1 billion, up 8.1% from 1H22, especially highlighting the managed portfolios that recorded 67.9% growth in the same period and total equity of R$3.2 billion. Banrisul Corretora de Valores' net income totaled R$10.6 million in 1H23, a 108.3% year-on-year increase, primarily boosted by higher revenue from investment funds' management fees.

Corporate Governance

Banrisul's corporate governance structure continuously seeks to upgrade its methods, policies, and decision-making policies, in line with the best market practices.

Listed under Level 1 of Corporate Governance at B3 S.A. – Brasil, Bolsa, Balcão since 2007, Banrisul has been fully complying with the requirements of this listing level and additional aspects required from companies with shares listed on the Novo Mercado, conferring it greater transparency, equity, and accountability, creating value for its shareholders and reinforcing its credibility with investors and customers. Concerning the highest governance body, currently, at least, thirty percent (30%) of members of the Board of Directors shall be independent.

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

Ownership Structure

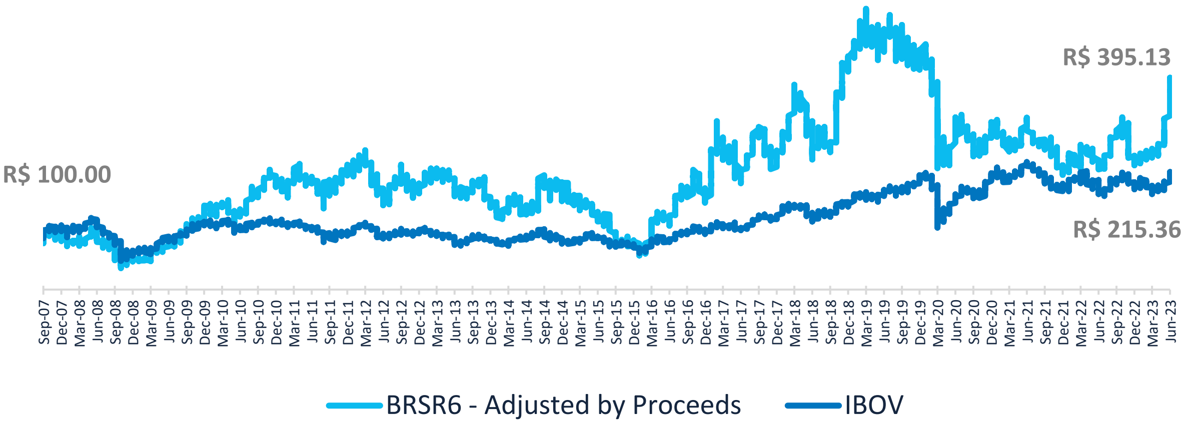
In 1H23, Banrisul recorded 159,792 shareholders, with widespread stock ownership higher than the Corporate Governance Level 1 requirement: free float accounts for 50.6% of total shares issued by the Bank, while the minimum required is 25.0%. The state of Rio Grande do Sul, Banrisul's controlling shareholder holds 98.1% of common shares with voting rights and 49.4% of Banrisul's total capital.

On June 30, 2023, free float is widespread as follows: 43.0% of shares are held by individuals, 25.6% by local entities, and 31.4% by foreign legal entities. In terms of the number of shareholders, 97.0% are individuals, 2.9% are local legal entities, and 0.1% is foreign legal entities.

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

Below, additional information on stock trading:

Banrisul Preferred Shares (PNB) Appreciation



R$6.1 billion
Market cap

R$30.0 million
Average daily traded volume

5.9% Dividend Yield
in 12 months

Share Buyback Program Opening

In an unprecedented way, in December 2022, Banrisul opened its first Share Buyback Program aiming at maximizing the value creation for its shareholders through efficient management of the capital structure. The Bank authorized the acquisition of up to 10,126,677 preferred shares, corresponding to 5% of shares of this type, without decreasing the capital stock value to be held in treasury, canceled, or replaced in the market. Acquisitions have been made at the stock exchange from December 15, 2022, and June 15, 2024, at market value. From the Program commencement, until June 30, 2023, 342,500 shares were repurchased, totaling R$3.4 million.

Banrisul Ratings

In 2Q23, Fitch Ratings updated its ratings, according to the table below:

Long-Term Ratings

	Nacional	Global	Sovereign
S&P Global Ratings	brAA+	BB-	BB-
Fitch Ratings	AA-(BRA)	BB-	BB-
Moody's	A+.br	Ba3	Ba2

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

Policy for distribution of interest on equity and dividends

Since early 2008, Banrisul has been maintaining a policy for quarterly payment of interest on equity, and historically, has been remunerating its shareholders with payment of Interest on Equity - JSCP and dividends higher than the minimum legally required. In 1H23, JSCP and dividends were paid and/or accrued, before withholding income tax, totaling R$290.0 million.

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 calculation of 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 the RWA to have a continuous capital management structure compatible with the nature of their operations, the complexity of products and services offered, and the extent of their risk exposure.

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

Credit Risk

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

Market risk
During the first half of 2023, monitoring processes did not indicate any occurrence of events or crises to culminate in increased market risk for the Bank. The market risk global indicator remains at levels in line with the risk institutional policy and as outlined in the Risk Appetite Declaration.

Liquidity Risk
In the second quarter of 2023, the monitoring processes did not indicate any occurrence of events or crises to result in higher liquidity risk. The estimated context analyzed the scenarios adopted in the results projections of operations cash flows, and these did not indicate relevant liquidity risks. In addition, no projected stress scenario in the positions has materialized, therefore, the risk ratios remained at adequate levels under the risk management policy, and within the thresholds defined in the Risk Appetite Statement.

Operational risk
In 1H23, Banrisul concluded its adjustments to the tools and second line of defense structure, due to a review of operational risk management methodology. The review began in 2021 along with an advisory firm with a diagnosis phase, and then, moved forward in 2022 by executing action plans. The referred review primarily envisaged advances in risk assessment criteria, control effectiveness tests, as well as the definition of duties and second-line teams' integration.

Social, environmental, and climate risks
In 1H23, Action Plans were deployed to improve management processes, in line with the best practices and new regulatory guidelines, as per CMN Resolution No. 4.943/21, Bacen Resolutions Nos. 121/21 and 222/21 and other related rules.

Banrisul advanced the integration of social, environmental, and climate risk management with other relevant risks from greater identification of these events in the Operating Losses Base and monthly monitoring of the Bank's loan portfolio exposure and analysis of scenarios, within the scope of the stress program that considers climate changes.

Basel Ratio
Resolutions No. 4955/21 and No. 4958/21 set forth that the calculation of regulatory capital and risk-weighted assets is based on the Prudential Conglomerate. The Basel Ratio measures the ratio between the sum of Tier-I Capital - CNI and Tier-II Capital - CNII and total risk-weighted assets calculated for the base date. The maintenance of the Capital Ratios above the levels defined by the regulator aims at protecting Banrisul in case of stress events.

Capital Management seeks to maximize the use of funds available, besides ensuring the Institution's solvency. On June 30, 2023, the Basel Ratio reached 16.1%, 5.6 p.p. above the minimum regulatory level with additional core capital (10.5%). For this same period, the Core Capital Ratio and the Tier-I Ratio are the same and ended the period at 13.5%, 6.5 p.p., and 5.0 p.p., respectively above the minimum regulatory level.

Investment & Innovation
Banrisul committed to information security, digital transformation, and expansion of IT infrastructure, invested R$183.1 million in 1H23.

During the first six months of 2023, Banrisul advanced the onboarding of 204 IT professionals approved in the higher education public exam that took place in 2H22 for various specialized positions, such as information security, infrastructure support, and developers, amongst other essential roles for the Bank's strategy and the future of IT ecosystem.

Actions & Initiatives

A focus on infrastructure advancement is Banrisul's continuous commitment. After the inauguration of the new *Margarete Fenner Data Center*, in May 2022, the project to transfer IT assets from the former Data Center has been concluded, and all procedures took place without any services unavailability, including the service network, branches, and operating digital channels. Data Centers are planning the construction of a third route of communication, using optical fiber to bolster resilience and infrastructure availability, while equipment renovation and technological upgrade have been executed.

Following these applications' maintenance, a solid infrastructure environment has been devised, with redundancy and monitoring features to support up to 2.5 million monthly services, allowing to advancing the technical support to digital channels via AVI – Smart Virtual Assistant. Also, an agreement was signed to acquire a new solution for Application Delivery Controller - ADC, a gateway for Banrisul's customers, partners, and suppliers, observing availability, security, scalability, and flexibility requirements, which are paramount for Banrisul's businesses.

The following measures were adopted to bolster security mechanisms: concerning data protection, equipment that safely processes card transactions was replaced, with higher capacity and in line with international standards of security and certifications; integration and management of new external systems access through the Identities Management systems; and time reduction in identification and treatment of eventual cyber-attacks by devising a platform and methodology that share threats intelligence data with the national financial sector. To disseminate a culture of IT security, Banrisul has been continuously raising the awareness of internal and external stakeholders, also conducted a campaign in February 2023 to celebrate Safe Internet Day, concerning major attacks, underlining WhatsApp scams, besides wide dissemination through Banrisul's intranet, website and social media.

Compliant with international standards, the PCI certificate – PIN Security has been renewed in 1H23, which assures permanence in the means of payment transactions capturing market at Vero network.

Banrisul's IT areas participate in group discussions about the Brazilian digital currency, the CBDC (Central Bank Digital Currency- Real Digital), a new financial technology platform in Brazil. The Bank composes the squads of Digital Portfolio and Delivery Versus Payment - DvP Wholesale using CBDC, wherein proposals were developed and submitted for Febraban's participation in Bacen Innovation Laboratory (LIFT challenge - Real Digital). The DvP Wholesale proposal was accepted; the project has been concluded and presented during the 2023 edition of the Lift Challenge. After that, Bacen launched the Real Digital – RD pilot project, wherein it selected entities to compose a national blockchain network to build this CBDC. Banrisul takes part in this new initiative through a consortium for the RD Pilot of the Brazilian Association of Banks - ABBC, which is the phase of tests for operations with Real Digital, in a simulated environment, without involving transactions or actual amounts.

The digital transformation has been continuously evolving, promoting the cultural leveling concerning innovation in various areas of the Bank, also reinforcing business and technology integration in the pursuit of results. Journeys promoted incremental deliveries in short cycles, building continued higher customer value. A new product was implemented in 1H23 that allows customers to pay their credit card invoices via digital channels, or ATMs. The Banrisul App deployed various upgrades, including easier access to products most used by customers on the webpage even before login; the routing to commercial pages from offers banners; the modal inclusion to stimulate the sharing of Open Finance data; besides a feature allowing the customer to select up to four favorite transactions, creating highlights on the investments home. Also, a new offer was implemented with exclusive conditions for new customers of the University segment, and the diversification of private pension products sold online was enhanced, by including the new mode BanrisulPrev Mais Absoluto.

Within the context of agribusiness solutions, highlights included the upgrade of contracting the Rural Promissory Note – NPR discount, enhancing this product sale experience, also the integration of *Agrofácil* to remote-sensing platform that allows to checking the results connected with bidders and financed areas' social and environmental compliance through geodetic coordinates provided in funding transactions.

The real estate credit advanced the Imobiliário Fácil, a new path to take out a more agile and intuitive credit at the branches network which includes phases after the issue of the contract, the possibility of informing pending matters in any stage of the proposal, sending digital files by uploading documents, manager panel with idle time graph and space for answers to feedbacks sent, as well as new possibilities of survey filters in solution initial interface. Within the Vero solutions scenario, after review with a limited group of customers, the payment link on Vero Banrisul App has been launched for the general public, allowing Vero's accredited members to have a safe and handy alternative to receive payment for their sales.

Rebranding has been embedded, highlighting the development and delivery of new institutional websites of Banrisul Consórcio and Vero network that were developed to convert visitors into customers through responsive interfaces and a structured flow of visitors' journeys guiding them through forms, app, or direct communication, with chat operators.

BanriTech

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

Hub.Startup

Public notice for third nationwide cycle, besides innovative cycles targeting projects in Rio Grande do Sul state inland.

Hub.Venture

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

Hub.Education

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

Hub.Space

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

To promote a new cycle of startup acceleration, Banrisul launched an internal process to engage a technical partner who will collaboratively carry out planned open innovation programs, intra-entrepreneurship, and community management that should be launched in 2H23, presenting innovative business development projects in Rio Grande do Sul inland, also signing cooperation agreements with regional entities. In 1H23, Banrisul conducted a survey/interview with startups and innovation ecosystem agents to understand the expectations and map eventual products, services, and/or benefits that could be offered in its relationship with these businesses and institutions.

Banrisul has been broadening its presence in the innovation ecosystem and attended fairs and events, such as Expodireto, South Summit, Fenadoce, Web Summit, GovTech Summit, and Febraban Tech this first half of 2023. At Expodireto, besides businesses with the agribusiness segment, Banrisul participated in the Arena Agrodigital, showing its initiatives for the sector. More than 200 employees attended the South Summit, promoting tickets for the event, as well as members of the Bank's management taking part in topics related to artificial intelligence, a culture of innovation, impact, water shortage, climate change, and green hydrogen in four panels. From great participation in innovation ecosystem events in 1H23, a space at EAD Banrisul also has been launched for materials archive and events content to foment a culture of innovation within Banrisul.

Another 1H23 highlight was the Banritech Program selected for the Startup Guide, which for the first time took place in Brazil and Latin America. This initiative foresees to map key ecosystem projects and players in the state of Rio Grande do Sul, to make it accessible to new on-boarded companies or players introduced to this segment. According to the Guide, a community survey revealed that BanriTech stood out among the major startup and business development programs in the state of Rio Grande do Sul.

Sustainability

Throughout its trajectory, Banrisul has been aligning its businesses with good corporate practices to the benefit of society, and the environment. This year, sustainability now composes one of the management pillars, grounded on Banrisul's strategic planning, and coupled with employees' goals, bolstering ESG strategies, also institutional governance models, underscoring the setup of the Social, Environmental, and Climate Responsibility Committee that advises the Board of Directors, with an external specialist member on the agenda. Banrisul also has been setting out guidelines, so that its customers and suppliers advance with actions and projects contributing to a low carbon economy, also the effective involvement of Banrisul's leaders stresses the relevance of the agenda before all stakeholders.

The ESG agenda in public management plays an essential role to promote sustainable development, also approaching topic-related issues, liable for deploying policies and regulations toward a low-carbon economy. Within this context, the Central Bank of Brazil through its BC#sustainability agenda is encouraging financial institutions to minimize impacts including climate risk analysis in capital direction, also stimulating contributions to positive initiatives driving lower adverse social and environmental impact. In the second half of the year, we will rely on a specialized advisory firm to kick off the ESG Agenda initiatives, enabling us to prioritize sustainable business portfolios among other topics of this agenda.

The Banrisul Innovation Public Notice – Impact Businesses was issued in 1H23 that selected 43 businesses with a positive social and environmental approach, and 27 projects related to environmental impact initiatives and 16 projects with a social bias, envisaging ESG management solutions, also the product development from residue that would be discarded. The public notice is in line with the sustainability pillar and materializes Banrisul's purpose of creating opportunities for regional development, fine-tuned with the ESG best practices.

Waste management at companies is also an effective contribution to a more sustainable future. In line with waste management policies set out in the Solid Waste Management Plan - PGRS, Banrisul joined the Sustentare Program, providing 7.2 tons of useless electronic pieces of equipment to be sent to social welfare entities only in 1H23. Within the scope of waste management, 1,392 furniture items, 11.7 tons of vaults, office items, plastic waste for selection cooperatives, and banners were donated to a low-income women's project, they used these materials to manufacture bags, non-recyclable waste sent for processing by the cement industry, applied as energy reuse in cement industry furnaces, 91 tons of paper and cardboard for recycling, and 68.5 tons of scrap metal for recycling.

To address pollution, stimulate the adoption of sustainable practices, also promote environmental awareness, combining business with sustainable bias, Banrisul, partnering with the Chamber of Store

Managers of Rio Grande, the Federal University of Rio Grande - FURG, and the Municipal Secretariat of Cassino, hosted the Sustainability Day at Praia do Cassino, in Rio Grande. This initiative gathered Bank's employees, residents, and business partners in a cleaning journey, highlighting the relevance of collective engagement. It also created the opportunity of prospecting sustainable business, with intentions of contracting the CDC Sustentabilidade, besides effective negotiation of sales poll letters and payroll deductible loans, amongst other products of the Bank.

The climate agenda is a priority and Banrisul, as a signatory member of the Global Compact since 2013, has been endeavoring efforts in public initiatives and commitments, such as the Disclosure Insight Action - CDP and the Brazilian GHG Protocol Program, with a focus on measurement, mitigation, and compensation of these impacts. In June 2023, Banrisul participated in the Climate Financing for Decarbonization of Economy seminar, promoted by the Brazilian Association of Development - ABDE, wherein Banrisul's ESG agenda advances were discussed, including projects grounded on the climate agenda and new funding opportunities, including a focus on generating clean energy. In April, Banrisul attended the Regional Forum of Generation Distributed with Renewable Sources - GD Sul, wherein a portfolio of lines of credit was presented to foment renewable energy technology investments. Also in this agenda, Banrisul promoted a round of talks about climate change, wherein it discussed the market's stance, consumption, and the sustainable actions that have been carried out, also the evolvement in its value chain.

To promote the transition of a low carbon economy, Banrisul kicked off the transition of consumption points by acquiring electricity from 100% renewable sources, an initiative that represents a relevant milestone in the Bank's journey, by evidencing that it is possible to efficiently operate with clean energy sources, building a positive model, inspiring other companies to follow the example, including suppliers of this type of renewable natural resource. At the end of June 2023, the Bank's headquarters, in the city of Porto Alegre, the Margarete Fenner Data Center, and 57 branches of the Bank were supplied with renewable energy. We estimate that migration takes place in 100% of Banrisul's facilities by the end of 2024.

During 1H23, Banrisul provided training for businesses participating in the SELO + ENERGIA SUSTENTÁVEL, a partnership among Banrisul, Sebrae RS, Senai-RS and UFRGS that offers training for photovoltaic companies, also stimulates renewable energy financing, and in a partnership with BNDES, promoted a workshop about the line of credit Banrisul Fomento Eficiência Energética - FGEnergia, to enhance team's engagement, improve the understanding of this line of credit, also qualify branches network's employees. The line of credit Banrisul Fomento Eficiência Energética aims at financing energy efficiency projects of micro, small, and medium-sized companies, secured by FGEnergia, a guarantor fund managed by BNDES.

People

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

Employees

8,975 employees

3,914 female employees

39.7% of leadership positions held by women

1,765 interns

To replace part of the dismissals of the last Voluntary Dismissal Program - PDV, and bring new talents to the Bank, 204 employees were hired for IT areas, and 554 employees at the branches network. Up to 1,335 new employees expected to be hired in overall staff this year. New IT professionals' training took place in March 2023, and in 2Q23, various webinars were offered to disseminate strategic contents of technical and business areas for the branches network's new employees. Within the scope of PDV, 326 employees were dismissed from the Bank in 2Q23.

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

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

Within the scope of Diversity, Equality & Inclusion, the Affinity Groups, the Diversity, Equality & Inclusion Committee created the Diversity Calendar 2023 to disseminate information, raise employees' awareness towards this topic, as well as present minority groups' major struggle movements in which Banrisul has been taking part (women, black people, PwD, LGBTQIAP+). The first version of the Diversity Good Practices Guide was released, including a few concepts of diversity and inclusive tips to be used during daily routine. In addition, the Affinity Group LGBTQIAP+ was created in June to promote an environment that respects individual, especially, the LGBTQIAP+ group.

In 1H23, R$2.1 million was invested in employee training, by making available 1.7 thousand courses that recorded 58.6 thousand attendances, totaling 275.5 thousand hours of training. Banrisul partially subsidizes undergraduate, graduate, master's degree, Ph.D., and language courses through the Higher Qualification and Incentive to Language Educational Programs. Among the Corporate Education initiatives, Banrisul invested in Training Programs for branch networks and general management units from learning paths in the remote or on-site format. The Banrisul EAD platform launched new courses in agribusiness, innovation, General Data Protection Law - LGPD, open finance, breach of bank secrecy areas, and seven free-classification courses acquired from INFI-Febraban. In addition, the Bank started building a data and analytics content path. Concerning mandatory courses, the SARB was included, related to Personal Data Protection, totaling 28 courses, which relied on 11.4 thousand attendances and 22.8 thousand hours of training. Also, the bidding process to contract an EAD platform for the community has been concluded, now in the phase of implementation.

Cultural and social actions and programs

Projeto Pescar Banrisul **(Professional Initiation Project)** – the 20th class of the project trained 30 socially vulnerable young students in the professional initiation course of administrative services**.**

The *Programa Jovem Aprendiz* **(Young Apprentice Program)** is concerned with the inclusion of young students in the labor market, which is materialized through partnerships with training institutions. In 1H23, Banrisul initiated a partnership with *Fundação Tênis* to train young students in the technology and innovation area.

Banrisul Museum– nearly 4,000 visitors at the *Espaço Memória Banrisul* were recorded in 1H23. This asset was extended during such period and received items referring to different aspects of the Bank's history, offered by former employees' children, besides items from *Banrisul Pagamentos*.

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

Recognitions

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

Strengthening bonds between the institution and customers, and ensuring transparency and quality of services provided is the motto guiding Banrisul's ombudsman area. In recognition of works developed, for the third time, Banrisul's ombudsman received the Brazil Ombudsman Award, in the Best Cases category, promoted by the Brazilian Association of Company-Customer Relations (Abrarec), in São Paulo. The case submitted entitled as A criação da Gerência de Qualidade como mecanismo de acompanhamento de melhorias e de mitigação de registro de demandas nos canais da Ouvidoria (The creation of quality management as a mechanism to monitor improvements, and mitigate the registration of complaints at the Ombudsman channels), stood out in innovation.

Brazil 2022 Ombudsman Award is an initiative of the Abrarec Ombudsman International Committee. Various public and private institutions participated in the process, and through their cases, they evidenced considerable advancement and improvement in their activities. Banrisul Ombudsman won its first award in 2018 with the case Sou Banrisul (I am Banrisul) and the second award in 2019 with the case Boas Práticas em Seguridade (Insurance Good Practices).

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

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

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

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

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

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

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

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

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

May/2023. Investment funds stand out in the national ranking.
Banrisul's investment funds stood out in Guia Valor de Fundos de Investimento (Investment Funds Valor Guide), released on May 30 by the newspaper Valor Econômico specialized in economics and finance. The Fundo Banrisul Índice is ranked amongst the 25 best funds in the Stock Index category, over the past five years; and the Fundo Foco IDKA won two positions in the Fixed Income Real Interest Rate category, among the top 10 most yielded funds and the top five with the highest equity.

June/2023. BNDES award underscores corporate loan performance.
Banrisul stood out in the Guarantor Fund for Investments – FGI category, and was ranked third at the event Financial Agents Recognition 2022, promoted by the Brazilian Development Bank - BNDES.

Acknowledgments

Banrisul when expressing its deep gratitude to its employees' dedication and the confidence placed by customers and shareholders, ends this period reiterating its commitment to provide quality, customized services, and leading-edge solutions that meet the financial needs of individuals and businesses.

Banrisul's performance guideline is to foster the economic and social development of communities in which it operates, enhancing governance processes, and always pursuing excellence across its operations.

The Management

FINANCIAL STATEMENTS

BALANCE SHEET

(In Thousands of Reais)

		Parent Company		Consolidated	
ASSETS	**Note**	**06/30/2023**	**12/31/2022**	**06/30/2023**	**12/31/2022**
Cash	4	1,117,178	1,004,350	1,117,180	1,004,366
Financial Assets		109,608,638	106,221,325	112,242,594	108,983,674
Interbank Lending Market Investments	5	4,399,533	3,521,401	4,399,533	3,521,401
Compulsory Deposits at Central Bank of Brazil	6	10,549,458	10,798,526	10,549,458	10,798,526
Securities	7	39,515,332	39,226,483	39,627,370	39,454,807
Loans and Leases	9	51,501,014	49,121,869	51,501,014	49,121,869
Other Financial Assets	10	3,643,301	3,553,046	6,165,219	6,087,071
(Provisions for Expected Losses Associated with Credit Risk)		(2,676,737)	(2,488,235)	(2,678,332)	(2,490,226)
(Loans)	9e	(2,628,467)	(2,439,822)	(2,628,467)	(2,439,822)
(Other Financial Assets)		(48,270)	(48,413)	(49,865)	(50,404)
Tax Assets		3,832,558	3,603,443	3,987,119	3,633,690
Current		20,967	115,891	152,015	129,128
Deferred	11	3,811,591	3,487,552	3,835,104	3,504,562
Other Assets	12	702,112	684,344	685,597	686,845
Investments		3,315,174	2,983,388	179,900	163,149
Investments in Associates and Subsidiaries	13	3,315,174	2,983,388	179,900	163,149
Property and Equipment	14	392,791	365,679	569,207	520,578
Property and Equipment		1,026,056	990,026	1,288,052	1,218,353
(Accumulated Depreciation)		(633,265)	(624,347)	(718,845)	(697,775)
Intangible Assets	15	633,044	664,072	633,070	664,112
Intangible Assets		1,954,509	1,884,170	1,955,996	1,885,657
(Accumulated Amortization)		(1,321,465)	(1,220,098)	(1,322,926)	(1,221,545)
TOTAL ASSETS		**116,924,758**	**113,038,366**	**116,736,335**	**113,166,188**

BALANCE SHEET
(In Thousands of Reais)

		Parent Company		Consolidated	
LIABILITIES	**Note**	**06/30/2023**	**12/31/2022**	**06/30/2023**	**12/31/2022**
Financial Liabilities		102,210,657	98,737,481	101,512,918	98,474,996
Deposits	16	68,861,335	68,688,782	67,829,187	67,615,882
Repurchase Agreements	16	13,931,529	12,501,695	13,845,567	12,421,035
Funds from Acceptance and Issuance of Securities	16	4,438,765	3,469,595	3,770,898	2,957,083
Subordinated Debt	16	1,422,383	1,484,828	1,422,383	1,484,828
Borrowings	17	839,874	1,012,985	839,874	1,012,985
Onlendings	17	2,276,874	2,501,887	2,276,874	2,501,887
Derivative Financial Instruments	8	753,593	670,298	753,593	670,298
Other Financial Liabilities	18	9,686,304	8,407,411	10,774,542	9,810,998
Civil, Tax and Labor Provisions	19	2,632,047	2,626,012	2,638,189	2,631,798
Tax Liabilities		707,136	677,595	904,539	807,899
Current		105,559	111,149	301,523	240,235
Deferred	11b	601,577	566,446	603,016	567,664
Other Liabilities	20	1,953,135	1,583,385	2,252,300	1,831,368
TOTAL LIABILITIES		**107,502,975**	**103,624,473**	**107,307,946**	**103,746,061**
EQUITY	**21**	**9,421,783**	**9,413,893**	**9,428,389**	**9,420,127**
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		4,472,749	4,320,559	4,472,749	4,320,559
Other Comprehensive Income		(252,090)	(111,177)	(252,090)	(111,177)
Shares in Treasury		(3,387)	-	(3,387)	-
Non-controlling Interests		-	-	6,606	6,234
TOTAL LIABILITIES AND EQUITY		**116,924,758**	**113,038,366**	**116,736,335**	**113,166,188**

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

INCOME STATEMENT

(In Thousands of Reais, except Earnings per Share)

		Parent Company			Consolidated
	Nota	01/01 to 06/30/2023	01/01 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Income from Financial Intermediation		**7,437,863**	**5,700,392**	**7,449,423**	**5,713,728**
Loans, Leases and Other Credits		4,266,771	3,337,135	4,266,771	3,337,215
Securities		2,757,955	2,316,350	2,769,515	2,329,606
Derivative Financial Instruments		(266,994)	(578,295)	(266,994)	(578,295)
Foreign Exchange		36,364	119,904	36,364	119,904
Compulsory Deposits		643,767	505,298	643,767	505,298
Expenses from Financial Intermediation		**(4,920,412)**	**(3,535,499)**	**(4,806,582)**	**(3,476,845)**
Repurchase Agreements		(4,448,971)	(3,148,891)	(4,335,141)	(3,090,236)
Borrowings, Assignments and Onlendings		(471,441)	(386,608)	(471,441)	(386,609)
Net Income from Financial Intermediation		**2,517,451**	**2,164,893**	**2,642,841**	**2,236,883**
Provisions for Expected Losses Associated with Credit Risk		**(678,367)**	**(449,829)**	**(677,972)**	**(448,746)**
Loans and Leases		(678,511)	(449,774)	(678,511)	(449,774)
Other Financial Assets		144	(55)	539	1,028
Other Operating Income (Expenses)		**(1,464,849)**	**(1,540,144)**	**(1,419,033)**	**(1,463,950)**
Income from Services Rendered and Banking Fees	22a	424,890	456,638	1,054,375	1,010,938
Result of Participation in Associates and Subsidiaries	23a	(1,056,795)	(943,073)	(1,068,928)	(957,746)
Personnel Expenses	23b	(888,890)	(873,433)	(959,013)	(922,225)
Other Administrative Expenses		(164,151)	(154,724)	(247,738)	(228,749)
Tax Expenses	13	380,911	310,634	52,012	34,712
Other Operational Income	22b	305,928	366,320	254,600	339,778
Other Operational Expenses	23c	(262,904)	(224,457)	(300,134)	(263,184)
Civil, Tax and Labor Provision	19	(203,838)	(478,049)	(204,207)	(477,474)
Net Operating Income		**374,235**	**174,920**	**545,836**	**324,187**
Income Before Income Tax and Profit Sharing		**374,235**	**174,920**	**545,836**	**324,187**
Income Tax and Social Contribution	**24**	**190,425**	**320,086**	**19,370**	**170,941**
Current		-	-	(176,782)	(149,408)
Deferred		190,425	320,086	196,152	320,349
Employee Profit Sharing		**(125,371)**	**(103,090)**	**(125,562)**	**(103,090)**
Net Income in the Period		439,289	**391,916**	**439,644**	**392,038**
Net Income Atributable to Controlling Shareholderes		439,289	391,916	439,289	391,916
Net Income Atributable to Non - Controlling Shareholderes		**-**	-	355	122
Earnings per Share	**25**				
Basic and Diluted Earnings per Share (in BRL - R$)					
Common Shares		1.07	0.96	1.07	0.96
Preferred Shares A		1.11	0.98	1.11	0.98
Preferred Shares B		1.07	0.96	1.07	0.96

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 06/30/2023	01/01 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Net Income Attributable to Shareholders	**439,289**	**391,916**	**439,289**	**391,916**
Non-controlling Interest	-	-	355	122
Net Income Attributable to Shareholders in the Period	**439,289**	**391,916**	**439,644**	**392,038**
Items That May Be Reclassified Into the Income Statement	**(14,540)**	**(149,583)**	**(14,540)**	**(149,583)**
Securities available for sale	4,626	(4,850)	4,626	(4,850)
Change in Fair Value	8,039	(8,041)	8,039	(8,041)
Tax Effect	(3,413)	3,191	(3,413)	3,191
Foreign Exchange Variations on Investments Abroad	(19,166)	(144,733)	(19,166)	(144,733)
Items that cannot be Reclassified to the Income Statement	**(126,373)**	**(35,108)**	**(126,373)**	**(35,108)**
Remeasurement of Post-Employment Benefit Obligations	(126,373)	(35,108)	(126,373)	(35,108)
Actuarial Gains/(Losses)	(229,465)	(63,786)	(229,465)	(63,786)
Tax Effect	103,092	28,678	103,092	28,678
Total Adjustments Not Included in Period Net Income	**(140,913)**	**(184,691)**	**(140,913)**	**(184,691)**
Total Comprehensive Income for the Period, Net of Tax Income and Social Contribution	**298,376**	**207,225**	**298,731**	**207,347**
Comprehensive Income Attributable to Controlling Interests	298,376	207,225	298,376	207,225
Comprehensive Income Attributable to Non-controlling Interests	-	-	355	122

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, 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												
MTM Change of Available-for-Sale Securities		-	-	-	-	-	(4,850)	-	-	(4,850)	-	(4,850)
Actuarial Valuation Changes		-	-	-	-	-	(35,108)	-	-	(35,108)	-	(35,108)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	(144,733)	-	-	(144,733)	-	(144,733)
Change in Non-Controlling Interest		-	-	-	-	-	-	-	-	-	2,079	2,079
Realization Deferral Exclusivity Agreement		-	-	-	-	-	-	2,901	-	2,901	-	2,901
Net Income in the Perid		-	-	-	-	-	-	391,916	-	391,916	122	392,038
Allocation of Net Income	21d											
Constitution of Reserves		-	-	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**
Balance as of January 01, 2023		**5,200,000**	**4,511**	**715,823**	**2,666,811**	**937,925**	**(111,177)**	**-**	**-**	**9,413,893**	**6,234**	**9,420,127**
Other Valuation Adjustments												
MTM Change - Available-for-Sale Securities		-	-	-	-	-	4,626	-	-	4,626	-	4,626
Actuarial Valuation Changes		-	-	-	-	-	(126,373)	-	-	(126,373)	-	(126,373)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	(19,166)	-	-	(19,166)	-	(19,166)
Change in Non-controlling Interest		-	-	-	-	-	-	-	-	-	17	17
Realization Deferral Agreement of Exclusivity		-	-	-	-	-	-	2,901	-	2,901	-	2,901
Net Income in the Perid		-	-	-	-	-	-	439,289	-	439,289	355	439,644
Allocation of Net Income	21d											
Constitution of Reserves		-	-	21,965	109,822	20,403	-	(152,190)	-	-	-	-
Interest on Equity		-	-	-	-	-	-	(290,000)	-	(290,000)	-	(290,000)
Shares in Treasury	21b	-	-	-	-	-	-	-	(3,387)	(3,387)	-	(3,387)
Balance as of June 30, 2023		**5,200,000**	**4,511**	**737,788**	**2,776,633**	**958,328**	**(252,090)**	**-**	**(3,387)**	**9,421,783**	**6,606**	**9,428,389**

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

CASH FLOW STATEMENT

(In Thousands of Reais)

	Parent Company		Consolidated	
	01/01 to 06/30/2023	01/01 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Cash Flow from Operating Activities				
Income Before Taxes Income and Employee Profit Sharing	**374,235**	**174,920**	**545,836**	**324,187**
Adjustments to Income Before Income Tax and Employee Profit Sharing				
Depreciation and Amortization	118,423	113,713	133,907	123,271
Share of Profit of Equity Accounted Investees	(380,911)	(310,634)	(52,012)	(34,712)
Income from Subordinated Debt	(12,921)	(417,610)	(12,921)	(417,610)
Provisions for Expected Losses Associated with Credit Risk	678,367	449,829	677,972	448,746
Provision for Civil, Tax and Labor Risks	203,838	478,049	204,207	477,474
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	14,000	14,428	14,000	14,428
Adjusted Income Before Taxes on Income and Employee Profit Sharing	**995,031**	**502,695**	**1,510,989**	**935,784**
Equity Variations	**1,353,793**	**5,950,266**	**1,010,659**	**5,415,031**
Decrease in Interbank Deposits	734,952	748,225	734,952	748,225
Decrease in Central Bank Compulsory Deposits	249,068	492	249,068	492
Decrease in Trading Securities	26,906	1,094,288	138,975	956,501
Increase in Derivative Financial Instruments	83,295	1,275,772	83,295	1,275,772
(Increase) in Loans	(2,890,755)	(4,280,293)	(2,890,755)	(4,280,293)
(Increase) in Other Financial Assets	(216,830)	(514,603)	(78,148)	(681,011)
(Increase) in Tax Assets	(38,690)	(176,830)	(157,277)	(280,032)
(Increase) Decrease in Other Assets	(17,768)	71,259	1,248	(2,217)
Increase in Deposits	175,658	229,701	216,410	389,896
Increase in Repurchase Agreements (Repos)	1,429,834	4,779,367	1,424,532	4,761,664
Increase in Funds from Acceptance and Issuance of Securities	969,170	498,834	813,815	455,751
Increase (Decrease) in Borrowings	(398,124)	200,672	(398,124)	200,672
Increase in Other Financial Liabilities	1,278,893	1,873,133	963,544	1,755,766
(Decrease) in Civil, Tax and Labor Provisions	(197,803)	(150,878)	(197,816)	(151,029)
Increase (Decrease) in Tax Liabilities	(160,884)	(168,771)	90,498	59,110
Increase in Other Liabilities	326,871	490,379	206,452	400,777
Income Tax and Social Contribution Paid	-	(20,481)	(190,010)	(195,013)
NET CASH FROM OPERATING ACTIVITIES	**2,348,824**	**6,452,961**	**2,521,648**	**6,350,815**
CASH FLOW FROM INVESTING ACTIVITIES				
Dividends Received from Subsidiaries and Affiliates	177,223	112,024	37,858	17,498
(Increase) in Securities Available for Sale	(4,598)	(6,081)	(3,429)	(6,373)
(Increase) in Securities Held to Maturity	(311,157)	(1,866,173)	(311,921)	(1,866,741)
Disposal of Investments	1,129	7,671	-	7,382
Disposal of Property and Equipment	73	233	1,499	347
Disposal of Intangible Assets	-	-	-	19
Acquisition of Investments	(2,651)	(20,997)	(2,597)	(20,982)
Acquisition of Property and Equipment	(42,521)	(13,298)	(80,934)	(28,291)
Acquisition of Intangible Assets	(72,059)	(62,136)	(72,059)	(62,136)
NET CASH FROM INVESTING ACTIVITIES	**(254,561)**	**(1,848,757)**	**(431,583)**	**(1,959,277)**
CASH FLOW FROM FINANCING ACTIVITIES				
Payment Redemption/Interest on Subordinated Debts	(49,524)	(3,019,705)	(49,524)	(3,019,705)
Dividends Paid	(14,827)	(14,975)	(14,827)	(14,975)
Interest on Equity Paid	(290,000)	(290,520)	(290,000)	(290,520)
Change in Non-controlling Interest	-	-	372	2,201
NET CASH USED IN FINANCING ACTIVITIES	**(354,351)**	**(3,325,200)**	**(353,979)**	**(3,322,999)**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**1,739,912**	**1,279,004**	**1,736,086**	**1,068,539**
Cash and Cash Equivalents at the Beginning of the Period	3,429,406	6,396,676	3,439,804	6,630,661
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	(14,000)	(14,428)	(14,000)	(14,428)
Cash and Cash Equivalents at the End of the Period	5,155,318	7,661,252	5,161,890	7,684,772

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 06/30/2023	01/01 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
INCOME (a)	**7,490,314**	**6,073,521**	**8,080,426**	**6,615,698**
Financial Income	7,437,863	5,700,392	7,449,423	5,713,728
Services Rendered and Bank Fees Income	424,890	456,638	1,054,375	1,010,938
Provisions for Expected Losses Associated with Credit Risk	(678,367)	(449,829)	(677,972)	(448,746)
Other	305,928	366,320	254,600	339,778
FINANCIAL INTERMEDIATION EXPENSES (b)	**(4,920,412)**	**(3,535,499)**	**(4,806,582)**	**(3,476,845)**
INPUTS ACQUIRED FROM THIRD PARTIES (c)	**(1,165,319)**	**(1,392,623)**	**(1,257,783)**	**(1,470,222)**
Supplies, Energy and Other	(800,300)	(1,025,167)	(873,791)	(1,091,943)
Third-party Services	(365,019)	(367,456)	(383,992)	(378,279)
GROSS ADDED VALUE (d=a-b-c)	**1,404,583**	**1,145,399**	**2,016,061**	**1,668,631**
DEPRECIATION AND AMORTIZATION (e)	**(118,423)**	**(113,713)**	**(133,907)**	**(123,271)**
NET ADDED VALUE PRODUCED BY THE COMPANY (f=d-e)	**1,286,160**	**1,031,686**	**1,882,154**	**1,545,360**
ADDED VALUE RECEIVED IN TRANSFER (g)	**380,911**	**310,634**	**52,012**	**34,712**
Equity in earnings (losses) in investees	380,911	310,634	52,012	34,712
ADDED VALUE FOR DISTRIBUTION (h=f+g)	**1,667,071**	**1,342,320**	**1,934,166**	**1,580,072**
DISTRIBUTION OF ADDED VALUE	**1,667,071**	**1,342,320**	**1,934,166**	**1,580,072**
Personnel	**1,027,982**	**903,334**	**1,039,247**	**918,908**
Salaries	731,034	637,137	740,180	648,729
Benefits	251,823	224,817	253,013	227,840
FGTS	45,125	41,380	46,054	42,339
Taxes, Fees and Contributions	**127,910**	**(22,533)**	**383,611**	**199,736**
Federal	100,209	(48,885)	333,433	152,110
State	6	11	30	28
Local	27,695	26,341	50,148	47,598
Remuneration on Third Party Capital	**71,890**	**69,603**	**71,664**	**69,390**
Rentals	71,890	69,603	71,664	69,390
Equity Remuneration	**439,289**	**391,916**	**439,644**	**392,038**
Interest on Equity	290,000	290,520	290,000	290,520
Retained Earnings	149,289	101,396	149,289	101,396
Non-controlling Interests	-	-	355	122

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 01 - OPERATIONS

Banco do Estado do Rio Grande do Sul S. A. (“Banrisul”, “Institution”), Banrisul Group leading company, controlled by the State of Rio Grande Sul, is a publicly traded corporation which operates a multiple-service bank, headquartered in Brazil, at Rua Capitão Montanha, 177 – 4th floor, in the city of Porto Alegre, Rio Grande do Sul State and that is engaged in retail banking, lending, financing and investment, mortgage loan, development, lease portfolio, and foreign exchange activities. Through its subsidiaries and associates, Banrisul engages in various other activities, including securities brokerage, management of sales poll groups, payment industry solutions, insurance, and pension plan and saving bonds products. Financial market transactions are conducted within the context of an integrated group of financial institutions. Banrisul also operates as an economic and financial agent for the State of Rio Grande do Sul, in conformity with the state government’s plans and programs.

NOTE 02 - PRESENTATION OF FINANCIAL STATEMENTS

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

Banrisul's financial statements are being presented with the changes resulting from Central Bank Resolution No. 2/20 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 branch (Grand Cayman). On May 8, 2023, the Board of Directors approved the voluntary closure of the activities of the Grand Cayman branch, with work starting in June 2023. The effects of exchange variation on operations in foreign branch are distributed in the income statement lines according to the nature of the corresponding equity accounts and the exchange variation adjustments resulting from the conversion process are recorded as a component of Shareholders' Equity, in the amount of R$(19,166) (06/30/2022 – R$ 144,733).

On June 9, 2021, the Board of Directors approved the voluntary closure of the activities of the Miami branch, having the works started on 06/30/ 2021, whose definitive closing of activities occurred on 08/31/2022. 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.

(c) The consolidated financial statements include the accounts of Banrisul, its foreign branch, 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	**06/30/2023**	**12/31/2022**
Banrisul Armazéns Gerais S.A.	Services	99.50%	99.50%
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	Broker	98.98%	98.98%
Banrisul S.A. Administradora de Consórcios	Management of Sales Poll Groups	99.68%	99.68%
Banrisul Soluções em Pagamentos S.A.	Payment Options	99.82%	99.82%
Banrisul Seguridade Participações S.A. (1)	Insurance	100.00%	100.00%
Investment Funds Shares	Investment Funds	63.30% to 97.00%	61.80% to 96.40%

(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) In the individual and consolidated financial statements of the first half of 2022, the income statement and cash flow statements were reclassified between groups. This procedure was carried out with the aim of improving the quality and consistency of these financial statements. That way, the comparative balances as of June 30, 2022 were also reclassified as demonstrated below:

INCOME STATEMENT				**Parent Company**
From	**To**	**Published in 06/30/2022**	**Reclassifications**	**06/30/2022 (Resubmission)**
Other Operating Income		549,654	(183,334)	366,320
Other Operating Expenses		(885,840)	661,383	(224,457)
	Civil, Tax and Labor Provisions	-	(478,049)	(478,049)
TOTAL		**(336,186)**	**-**	**(336,186)**

INCOME STATEMENT				**Consolidated**
From	**To**	**Published in 06/30/2022**	**Reclassifications**	**06/30/2022 (Resubmission)**
Other Operating Income		524,131	(184,353)	339,778
Other Operating Expenses		(925,011)	661,827	(263,184)
	Civil, Tax and Labor Provisions Expenses	-	(477,474)	(477,474)
TOTAL		**(400,880)**		**(400,880)**

CASH FLOW STATEMENTS				**Parent Company**
From	**To**	**Published in 06/30/2022**	**Reclassifications**	**06/30/2022 (Resubmission)**
Lease		2,064	(2,064)	-
Other Financial Assets		(467,173)	(47,430)	(514,603)
Other Financial Liabilities		1,648,590	224,543	1,873,133
	Loans	(4,105,244)	(175,049)	(4,280,293)
TOTAL		**(2,921,763)**	**-**	**(2,921,763)**

CASH FLOW STATEMENTS				**Consolidated**
From	**To**	**Published in 06/30/2022**	**Reclassifications**	**06/30/2022 (Resubmission)**
Lease		2,064	(2,064)	-
Other Financial Assets		(633,581)	(47,430)	(681,011)
Other Financial Liabilities		1,531,223	224,543	1,755,766

Loans	(4,105,244)	(175,049)	(4,280,293)
TOTAL	**(3,205,538)**	-	**(3,205,538)**

(f) The interim financial statements prepared for the reported period were approved to issuance by the Board of Directors on August 08, 2023.

NOTE 03 - SIGNIFICANT ACCOUNTING POLICIES

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

(a) Income and Expenses

In accordance with the accrual accounting principle, income and expenses are recorded in the period in which they occur, even if they have not been received or paid. When income and expenses are correlated, they are recognized simultaneously. Post-fixed financial transactions are restated on a pro rata die basis, based on the variation in the respective agreed indexes, while pre-fixed financial transactions are recorded at the redemption value, rectified on account of unearned income or unearned expenses corresponding to the future period. Transactions indexed to foreign currencies are updated on the balance sheet date, according to current exchange rates.

(b) Cash and Cash Equivalents

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

(c) Interbank Investments

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

(d) Securities

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

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

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

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

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

(e) Derivative Financial Instruments

Derivative financial instruments are classified at the date of acquisition, in accordance with management's intent to use them as protective (hedge) instruments or not.

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 16.

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 60th 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, may be reclassified to a lower risk category when there is a significant amortization of operations. 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	19
Other	7

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

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

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

(k) Intangible

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

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

Intangible	Average Estimated Useful Life in Years
Payroll Services	5 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, 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 in case the accouting value it is greater than that recoverable value. The recovery value 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.

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) Funding, 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 the Company's legal sector, 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 for the assets 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%.

The Social Contribution on Net Income (CSLL) rate for financial institutions is 20%, for Banrisul S/A Corretora de Valores Mobiliários e Câmbio 15% and for other non-financial companies 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”, “variable contribution” and “defined 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.

The defined contribution plan has only retirement benefits, disability retirement and death benefits. The annual allowance is optional, requiring the participant to formalize the option.

- 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

Earnings per Share (EPS) can be calculated in its basic form and in its diluted form. In the basic form, the effects of potentially dilutive instruments are not considered, whereas, in the calculation of diluted earnings per share, the effects of potentially dilutive instruments are considered. As potentially dilutive financial instruments, we have convertible preferred shares, convertible debentures and subscription warrants, which can be converted into common shares, thus characterizing the dilutive potential of these instruments.

Banrisul does not have instruments that should be included in the calculation of diluted earnings per share, and, therefore, basic and diluted earnings per share are similar.

NOTE 04 - CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2021
Cash	**1,117,178**	**1,004,350**	**1,117,180**	**1,004,366**
In Local Currency	831,505	824,683	831,507	824,699
In Foreign Currency	285,673	179,667	285,673	179,667
Interbank Investments (1)	**4,038,140**	**2,425,056**	**4,038,140**	**2,425,056**
Reverse Repurchase Agreements	1,999,997	1,850,305	1,999,997	1,850,305
Investments in Interbank Deposits	2,038,143	574,751	2,038,143	574,751
Securities	**-**	**-**	**6,570**	**10,382**
Investment Funds Quotas	-	-	6,570	10,382
Total	**5,155,318**	**3,429,406**	**5,161,890**	**3,439,804**

(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 and Consolidated	
	Up to 3 months	3 to 12 months	06/30/2023	12/31/2022
Reverse Purchase Agreements	**1,999,997**	**-**	**1,999,997**	**1,850,305**
Reverse Repurchase Agreements - Own Portfolio				
Financial Treasury Letter – LFT	999,999	-	999,999	1,000,165
National Treasury Notes - NTN	999,998	-	999,998	850,140
Interbank Deposits	**2,038,143**	**361,393**	**2,399,536**	**1,671,096**
Interbank Deposits	2,038,143	361,393	2,399,536	1,671,096
Total as of 06/30/2023	**4,038,140**	**361,393**	**4,399,533**	
Total as of 12/31/2022	**2,425,056**	**1,096,345**		**3,521,401**

NOTE 06 - COMPULSORY DEPOSITS OF CENTRAL BANK OF BRAZIL

	Form of Remuneration	Parent Company and Consolidated 06/30/2023	12/31/2022
Demand deposits and other resources	No Remuneration	725,686	1,035,147
Savings Deposits	Savings rate	2,246,901	2,262,979
Other Deposits	No Remuneration	220,295	312,208
Time Deposits	SELIC	7,356,576	7,188,192
Total		**10,549,458**	**10,798,526**

NOTE 07 - PORTFOLIO OF SECURITIES

Breakdown of the portfolio of securities:

	Parent Company		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Trading Securities	8,647,196	8,674,102	8,766,511	8,909,298
Available-for-sale Securities	76,212	71,614	56,408	52,979
Held-to-Maturity Securities	30,791,924	30,480,767	30,804,451	30,492,530
Total	**39,515,332**	**39,226,483**	**39,627,370**	**39,454,807**

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) Trading Securities

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

									Parent Company
	Fair Value					06/30/2023		12/31/2022	
	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	-	-	268,858	5,100,612	268,204	5,637,674	5,637,745	5,921,981	5,925,225
National Treasury Bonds – LTN			784,846	2,198,886	-	2,983,732	2,928,976	2,732,890	2,767,335
Shares of Publicly-Held Companies	25,790	-	-	-	-	25,790	6,725	19,231	17
Total as of 06/30/2023	**25,790**	**-**	**1,053,704**	**7,299,498**	**268,204**	**8,647,196**	**8,573,446**		
Total as of 12/31/2022	**19,231**	**378,742**	**-**	**6,571,176**	**1,704,953**			**8,674,102**	**8,692,577**

									Consolidated
	Fair Value					06/30/2023		12/31/2022	
	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		-	278,887	5,100,612	268,204	5,647,703	5,647,774	5,931,397	5,934,641
Shares of Publicly-Held Companies	-	-	784,846	2,198,886	-	2,983,732	2,928,976	2,732,890	2,767,335
Bank Deposit Certificates	25,790	-	-	-	-	25,790	6,725	19,231	17
Investment Fund Shares	108,389	897	-	-	-	109,286	109,286	225,780	225,780
Total as of 06/30/2023	**134,179**	**897**	**1,063,733**	**7,299,498**	**268,204**	**8,766,511**	**8,692,761**		
Total as of 12/31/2022	**243,195**	**380,558**	**-**	**6,580,592**	**1,704,953**			**8,909,298**	**8,927,773**

(b) Available-for-Sale Securities

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

	Parent Company									Consolidated
	06/30/2023			12/31/2022			06/30/2023		12/31/2022	
	Without Maturity	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Without Maturity	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Investment Fund Shares	50,480	50,480	43,354	46,339	43,034	30,662	30,662	23,059	27,690	23,801
Privatization Certificates	-	-	-	-	-	14	14	14	14	14
Other	25,732	25,732	25,732	25,275	25,275	25,732	25,732	25,732	25,275	25,275
Total as of 06/30/2023	**76,212**	**76,212**	**69,086**			**56,408**	**56,408**	**48,805**		
Total as of 12/31/2022	**71,614**			**71,614**	**68,309**	**52,979**			**52,979**	**49,090**

(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					06/30/2023		12/31/2022	
	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	3,629,544	3,625,315	13,059,191	8,845,850	1,558,906	30,718,806	30,770,514	30,398,297	30,428,483
Federal Bonds – CVS	-	-	-	71,010	-	71,010	62,210	80,138	66,524
Certificate of Real Estate Receivables - CRI	-	-	-	-	2,108	2,108	2,051	2,332	2,236
Total as of 06/30/2023	**3,629,544**	**3,625,315**	**13,059,191**	**8,916,860**	**1,561,014**	**30,791,924**	**30,834,775**		
Total as of 12/31/2022	**1,562,987**	**3,408,538**	**12,868,789**	**9,931,159**	**2,709,294**			**30,480,767**	**30,497,243**

									Consolidated
	Updated Amortized Cost					06/30/2023		12/31/2022	
	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	3,629,544	3,625,315	13,059,191	8,858,377	1,558,906	30,731,333	30,783,011	30,410,060	30,440,202
Federal Bonds - CVS	-	-	-	71,010	-	71,010	62,210	80,138	66,524
Certificate of Real Estate Receivables - CRI	-	-	-	-	2,108	2,108	2,051	2,332	2,236
Total as of 06/30/2023	**3,629,544**	**3,625,315**	**13,059,191**	**8,929,387**	**1,561,014**	**30,804,451**	**30,847,272**		
Total as of 12/31/2022	**1,562,987**	**3,408,538**	**12,868,789**	**9,942,922**	**2,709,294**			**30,492,530**	**30,508,962**

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).

				Parent Company and Consolidated	
				08/30/2023	12/31/2022
Derivatives Used as Fair Value Hedge	**Notional Value**	**Amortized cost**	**Fair value adjustment**	**Fair Value**	**Fair Value**
Hedging Instrument					
Swaps	1,711,260	(344,008)	(409,585)	(753,593)	(670,298)
Foreign Currency (USD)	1,711,260	(344,008)	(409,585)	(753,593)	(670,298)
Hedged Item					
Subordinated Debt (Note 16)	1,629,000	1,490,530	(409,955)	1,080,575	1,168,993
Foreign Currency (USD)	1,629,000	1,490,530	(409,955)	1,080,575	1,168,993

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	(221,097)	(409,584)	(630,681)
Liabilities				
% of Interbank Deposit Rate (CDI)	(1,711,260)	(122,911)	(1)	(122,912)
Net Adjustment as of 06/30/2023		**(344,008)**	**(409,585)**	**(753,593)**
Net Adjustment as of 12/31/2022		**(238,381)**	**(431,917)**	**(670,298)**

(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	1,711,260	(630,681)	(22,192)	(19,587)	(588,902)	-
Liabilities						
% of Interbank Deposit Rate (CDI)	(1,711,260)	(122,912)	(9,771)	(8,926)	(104,215)	-
Net Adjustment as of 06/30/2023		**(753,593)**	**(31,963)**	**(28,513)**	**(693,117)**	
Net Adjustment as of 12/30/2022		**(670,298)**	**(29,712)**	**(26,632)**	**(85,875)**	**(528,079)**

(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$520,662 (12/31/2022 – R$412,203).

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. The contracts have the maturities shown below:

	Parent Company and Consolidated		
Compensation Account/Referential Value	**From 1 to 3 Years**	**From 3 to 5 Years**	**Total**
DI Futures Contracts	784,758	2,200,861	2,985,619
Total as of 06/30/2023	**784,758**	**2,200,861**	**2,985,619**
Total as of 12/31/2022	**2,034,376**	**700,140**	**2,734,516**

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	06/30/2023	12/31/2022
Loans and Discounted Titles	777,022	25,512,102	1,376,046	728,214	451,618	394,380	257,801	336,439	1,546,958	31,380,580	31,275,906
Financing	281,495	720,859	97,028	16,693	57,042	19,571	4,316	6,271	15,289	1,218,564	1,262,604
Rural and Agro-Industrial Financing	1,306,740	7,489,571	643,344	211,699	49,568	67,830	26,429	81,595	67,557	9,944,333	7,879,435
Real Estate Loans	4,237,411	894,109	225,257	60,708	22,883	2,220	3,404	622	1,584	5,448,198	5,132,413
Loans Assigned with Recourse (1)	2,778	3,340	110	41	-	-	-	-	-	6,269	7,299
Infrastructure and Development Financing	7,468	88,895	-	-	-	-	-	-	-	96,363	97,342
Subtotal Loans	**6,612,914**	**34,708,876**	**2,341,785**	**1,017,355**	**581,111**	**484,001**	**291,950**	**424,927**	**1,631,388**	**48,094,307**	**45,654,999**
Lease Operations	707	2,125	465	-	2,189	3,337	-	335	170	9,328	10,875
Advances on Foreign Exchange Contracts (2)	315,218	324,956	128,706	97,496	55,770	6,881	1,229	8,419	15,428	954,103	1,014,259
Other Receivables (3)	110,999	1,838,106	308,692	74,735	28,326	13,034	5,628	3,480	59,295	2,442,295	2,435,683
Acquired Portfolio with Recourse	981	-	-	-	-	-	-	-	-	981	6,053
Total Credit Portfolio	**7,040,819**	**36,874,063**	**2,779,648**	**1,189,586**	**667,396**	**507,253**	**298,807**	**437,161**	**1,706,281**	**51,501,014**	**49,121,869**
Recourse and Guarantees Granted (4)	100,226	18,643	17,347	3,212	-	-	-	-	2,951	142,379	242,407
Total	**7,141,045**	**36,892,706**	**2,796,995**	**1,192,798**	**667,396**	**507,253**	**298,807**	**437,161**	**1,709,232**	**51,643,393**	**49,364,276**
Total Credit Portfolio as of 12/31/2022	**6,327,466**	**35,999,926**	**2,482,462**	**1,050,737**	**736,750**	**206,417**	**251,072**	**415,664**	**1,651,375**		**49,121,869**

(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 and Income from Advances Granted.
(3) Refers to debit and credit cards, securitization credit, credit for guarantees honored and receivable income on foreign exchange and receivables from export contracts.
(4) Recorded in off-balance sheet accounts, For sureties and guarantees, the provision was recorded as shown in Note 18.

(b) Customer Breakdown per Maturity and Risk Levels

											Parent Company and Consolidated
	Credit Portfolio in Ordinary Course [1]										
	AA	A	B	C	D	E	F	G	H	06/30/2023	12/31/2022
Falling Due	**7,039,749**	**36,806,618**	**2,305,519**	**922,536**	**475,933**	**353,471**	**144,255**	**238,965**	**842,770**	**49,129,816**	**47,480,784**
01 to 30 days	222,792	2,936,335	415,031	113,777	44,264	31,828	15,221	32,099	38,903	3,850,250	2,872,462
31 to 60 days	219,423	1,603,701	246,907	64,069	25,024	18,192	8,823	14,852	26,734	2,227,725	1,910,063
61 to 90 days	149,601	1,429,672	148,683	73,079	21,078	31,492	7,436	14,875	19,991	1,895,907	1,770,460
91 to 180 days	493,507	3,583,286	285,912	161,042	29,536	46,039	13,752	34,104	58,192	4,705,370	5,209,300
181 to 360 days	682,513	6,254,917	355,880	155,157	94,429	51,735	22,657	30,531	68,023	7,715,842	7,239,448
Over 360 days	5,271,913	20,998,707	853,106	355,412	261,602	174,185	76,366	112,504	630,927	28,734,722	28,479,051
Past Due	**1,070**	**67,445**	**25,782**	**15,021**	**5,149**	**2,765**	**2,281**	**6,360**	**4,803**	**130,676**	**50,922**
Up to 14 days	1,070	67,445	25,782	15,021	5,149	2,765	2,281	6,360	4,803	130,676	50,922
Subtotal	**7,040,819**	**36,874,063**	**2,331,301**	**937,557**	**481,082**	**356,236**	**146,536**	**245,325**	**847,573**	**49,260,492**	**47,531,706**
	Non-Performing Contracts [1]										
Falling Due	**-**	**-**	**331,494**	**190,199**	**129,552**	**91,237**	**94,219**	**101,555**	**504,016**	**1,442,272**	**1,009,134**
01 to 30 days	-	-	9,668	6,231	5,719	3,945	3,513	4,057	22,236	55,369	31,640
31 to 60 days	-	-	8,052	4,949	4,540	2,970	3,184	3,768	13,184	40,647	27,873
61 to 90 days	-	-	7,648	4,728	4,502	2,768	2,985	3,626	17,599	43,856	26,504
91 to 180 days	-	-	20,857	13,157	12,068	7,607	8,172	9,612	39,234	110,707	74,538
181 to 360 days	-	-	38,744	26,188	19,642	13,089	13,753	15,542	69,980	196,938	137,430
Over 360 days	-	-	246,525	134,946	83,081	60,858	62,612	64,950	341,783	994,755	711,149
Past Due	**-**	**-**	**116,853**	**61,830**	**56,762**	**59,780**	**58,052**	**90,281**	**354,692**	**798,250**	**581,029**
01 to 14 days	-	-	944	857	470	542	629	1,386	8,413	13,241	4,168
15 to 30 days	-	-	113,033	14,000	9,275	11,545	4,614	7,708	17,534	177,709	88,830
31 to 60 days	-	-	2,876	45,393	12,924	9,551	8,149	9,684	25,841	114,418	86,347
61 to 90 days	-	-	-	1,259	33,349	10,583	9,656	14,629	30,385	99,861	71,629
91 to 180 days	-	-	-	321	744	27,238	34,100	55,723	100,962	219,088	205,137
181 to 360 days	-	-	-	-	-	321	904	1,151	152,252	154,628	118,058
Over 360 days	-	-	-	-	-	-	-	-	19,305	19,305	6,860
Subtotal	**-**	**-**	**448,347**	**252,029**	**186,314**	**151,017**	**152,271**	**191,836**	**858,708**	**2,240,522**	**1,590,163**
Total as of 06/30/2023	**7,040,819**	**36,874,063**	**2,779,648**	**1,189,586**	**667,396**	**507,253**	**298,807**	**437,161**	**1,706,281**	**51,501,014**	
Total as of 12/31/2022	**6,327,466**	**35,999,926**	**2,482,462**	**1,050,737**	**736,750**	**206,417**	**251,072**	**415,664**	**1,651,375**		**49,121,869**

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

(c) Credit Portfolio Breakdown by Business Sector

	Parent Company and Consolidated	
	06/30/2023	12/31/2022
Public Sector	**124,998**	**119,837**
Government - Direct and Indirect Administration	124,998	119,837
Private Sector	**51,376,016**	**49,002,032**
Companies	11,505,904	11,378,454
Farming and Livestock	180,562	184,125
Food, Beverages and Tobacco	1,620,258	1,662,756
Automotive	554,213	532,817
Pulp and Paper, Wood and Furniture	268,514	296,428
Food Wholesale Trade	838,895	723,910
Wholesale Trade (except food)	833,606	773,734
Retail Trade - Other	1,298,879	1,277,271
Construction and Real Estate	845,126	790,004
Education, Health and other Social Services	1,184,719	1,107,914
Electronics and technology	401,590	432,182
Financial and Insurance	213,503	318,570
Machinery and equipment	313,320	256,223
Metallurgy	320,074	367,584
Infrastructure Works	49,595	42,878
Oil and Gas	416,242	423,744
Chemical and Petrochemical	569,310	705,494
Private Services	491,743	421,908
Textile, Clothing and Leather	342,615	312,850
Transportation	393,233	374,812
Others	369,907	373,250
Individuals	39,870,112	37,623,578
Total Loans	**51,501,014**	**49,121,869**

(d) Loan Concentration

	Parent Company and Consolidated			
	06/30/2023		12/31/2022	
	Value	% of Portfolio	Value	% of Portfolio
Largest Debtor	143,762	0.28	147,995	0.30
10 Largest Debtors	991,245	1.92	1,017,433	2.07
20 Largest Debtors	1,673,347	3.25	1,771,605	3.61
50 Largest Debtors	3,072,045	5.97	3,317,648	6.75
100 Largest Debtors	4,317,028	8.38	4,484,514	9.13

(e) Changes in Allowances - Loans

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

	Parent Company and Consolidated	
	01/01 to 06/30/2023	01/01 to 06/30/2022
Opening Balance	**2,439,822**	**2,629,813**
Allowance Recorded in the Period	678,511	449,774
Write-Offs	(489,866)	(536,708)
Closing Balance	**2,628,467**	**2,542,879**
Allowance for Loan Losses	2,505,606	2,431,411
Allowance for Doubtful Lease Receivables	1,640	4,348
Allowance for Losses on Other Receivables with Lending Characteristics (1)	121,221	107,120

(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.

(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	7,040,819	0.00%	-
A	36,874,063	0.50%	184,369
B	2,779,648	1.00%	27,796
C	1,189,586	3.00%	35,688
D	667,396	10.00%	66,740
E	507,253	30.00%	152,176
F	298,807	50.00%	149,404
G	437,161	70.00%	306,013
H	1,706,281	100.00%	1,706,281
Total as of 06/30/2023	**51,501,014**		**2,628,467**
Total as of 12/31/2022	**49,121,869**		**2,439,822**

(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
		06/30/2023		12/31/2022
Rating	Asset	Provision	Asset	Provision
AA	-	-	454	-
A	1,791	1	11,429	9
B	1	-	156	-
C	-	-	102	-
D	12	-	136	2
E	38	2	240	11
F	140	10	775	58
G	235	25	297	31
H	2,110	317	2,798	420
Total	**4,327**	**355**	**16,387**	**531**

(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$194,737 (1H2022- R$205,303), net of losses generated in these recoveries.

The balance of renegotiated loans during the period amounted to R$323,898 (1H2022 - R$396,412). Pursuant to CMN Resolution No. 2682/99, upon renegotiation, these operations are maintained in the same rating classification and the credit operations that were previously written off against the provision, which were recorded in memorandum accounts, are classified as level H, and may be reclassified to a lower risk category when there is amortization significant of the operation.

NOTE 10 - OTHER FINANCIAL INSTRUMENTS

						Parent Company
	Up to 12 Months	**Over 12 Months**	**06/30/2023**	**Up to 12 Months**	**Over 12 Months**	**12/31/2022**
Interbank Accounts	151,139	1,021,508	1,172,647	9,523	988,103	997,626
Credits with National Housing System [1]	-	1,021,508	1,021,508	-	988,103	988,103
Outstanding Payments and Receipts	144,884	-	144,884	1,626	-	1,626
Others	6,255	-	6,255	7,897	-	7,897
Interbranch Accounts	400	-	400	36,804	-	36,804
Foreign Exchange Portfolio	999,079	24,093	1,023,172	1,056,343	18,012	1,074,355
Income Receivable	89,880	-	89,880	218,767	-	218,767
Guarantee Deposit	-	878,310	878,310	-	771,133	771,133
Payments to Reimburse	56,797	-	56,797	46,013	-	46,013
Securities and Receivables [2]	45,009	264,971	309,980	51,979	257,849	309,828
Others	112,115	-	112,115	98,520	-	98,520
Total	**1,454,419**	**2,188,882**	**3,643,301**	**1,517,949**	**2,035,097**	**3,553,046**

						Consolidated
	Up to 12 Months	**Over 12 Months**	**06/30/2023**	**Up to 12 Months**	**Over 12 Months**	**12/31/2022**
Interbank Accounts	2,624,816	1,021,508	3,646,324	2,528,635	988,103	3,516,738
Credits with the National Housing System [1]	-	1,021,508	1,021,508	-	988,103	988,103
Outstanding Payments and Receipts	2,618,561	-	2,618,561	2,520,738	-	2,520,738
Others	6,255	-	6,255	7,897	-	7,897
Interbranch Accounts	400	-	400	36,804	-	36,804
Foreign Exchange Portfolio	999,079	24,093	1,023,172	1,056,343	18,012	1,074,355
Income Receivable	109,737	-	109,737	89,122	-	89,122
Trading and Intermediation of Values	3,103	-	3,103	50,950	-	50,950
Guarantee Deposit	-	885,404	885,404	-	778,051	778,051
Reimbursable Payments	57,004	-	57,004	46,241	-	46,241
Securities and Receivables [2]	62,989	264,971	327,960	138,440	257,849	396,289
Others	112,115	-	112,115	98,521	-	98,521
Total	**3,969,243**	**2,195,976**	**6,165,219**	**4,045,056**	**2,042,015**	**6,087,071**

(1) Credits with the National Housing System are composed of:
(a) R$90,178 (12/31/2022 - R$100,036), refers to future flows including interest accrued at the discount pre-fixed rate of 14.07% p.a. used when purchasing FCVS credits from the Government of the State of Rio Grande do Sul.
(b) R$928,255 (12/31/2022 - R$885,060), refers to principal and interest installments over acquired credit portfolios to which Banrisul will be entitled to at the time of novation and that are indexed according to the original contracts, i.e., TR + 6.17% p.a. for loans using own funding and TR + 3.12% p.a. for loans with FGTS funding.
(c) R$3,075 (12/31/2022 - R$3,007), refers to the balance of own portfolio contracts using resources from the FGTS, with FCVS coverage, approved and ready for novation, indexed to TR + 3.12% p.a.

National Housing System (SFH) - Acquired Portfolio - From October 2002 to March 2005, Banrisul acquired from the State Government of Rio Grande do Sul receivables related to the Salary Variation Compensation Fund (FCVS). The acquisition terms include a clause guaranteeing financial settlement by the State Government of non-performing contracts, if any. As of June 30, 2023, the receivables were stated at the acquisition cost including interest accrued at the rate used to determine the purchase price, amounting to R$1,018,433 (12/31/2022 - R$985,096). The face value is R$1,031,335 (12/31/2022 - R$1,001,316). These receivables will be converted into CVS securities pursuant to the ratification and novation processes, and the amounts due to Banrisul at the time of novation are presented and indexed by reference to TR (Referential Rate) variation plus interest. While no maturity date has been set for these receivables, the market values of the securities, upon their issuance, could significantly differ from the carrying amounts.

National Housing System (SFH) - Own Portfolio - Refers to FCVS credits arising from Banrisul's own mortgage loans portfolio that have already been approved by the FCVS' regulatory body.

(2) Securities and 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, 2023, these judicial deposits, referring to court orders assigned to Banrisul, whose release depends on the final decision of the rescission lawsuit, amount to R$213,411 (12/31/2022 - R$205,259) 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$53,543 (12/31/2022 - R$54,741) related to receivables arising from transactions of the State Government of Rio Grande do Sul or its controlled entities, 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$47,055 (12/31/2022 – R$47,199); and
Credits Receivable related to BanriCard business and benefit agreements and the acquiring network Vero in the amount of R$15,977 (12/31/2022 - R$28,073) 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 12/31/2022	Constitution	Realization	Balance as of 06/30/2023
Allowance for Loan Losses	1,469,698	272,395	(189,027)	1,553,066
Provision for Labor Risks	729,753	60,048	(68,308)	721,493
Provision for Tax Risks	218,991	12,283	(3,335)	227,939
Provision for Civil Risks	97,768	15,042	(14,129)	98,681
Fair Value Adjustments Variations	202,250	45,600	(63,537)	184,313
Post Employment Benefits	243,534	111,332	-	354,866
Other Temporary Provisions	312,707	54,815	(79,977)	287,545
Tax Loss	212,877	170,837	-	383,714
Total Tax Assets	**3,487,578**	**742,352**	**(418,313)**	**3,811,617**
Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3,487,552**	**742,352**	**(418,313)**	**3,811,591**
Deferred Tax Liabilities	(566,446)	(90,635)	55,504	(601,577)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2,921,106**	**651,717**	**(362,809)**	**3,210,014**

				Consolidated
	Balance as of 12/31/2022	Constitution	Realization	Balance as of 06/30/2023
Allowance for Loan Losses	1,470,649	272,943	(189,713)	1,553,879
Provision for Labor Risks	730,561	60,109	(68,313)	722,357
Provision for Tax Risks	219,066	12,285	(3,340)	228,011
Provision for Civil Risks	98,931	15,311	(14,331)	99,911
Fair Value Adjustments Variations	202,250	45,600	(63,537)	184,313
Post Employment Benefits	244,672	111,869	(18)	356,523
Other Temporary Provisions	325,582	64,998	(84,158)	306,422
Tax Loss	212,877	170,837	-	383,714
Total Tax Assets	**3,504,588**	**753,952**	**(423,410)**	**3,835,130**
Unregistered Credits	(26)	-	-	(26)
Total Deferred Tax Assets Recorded	**3,504,562**	**753,952**	**(423,410)**	**3,835,104**
Deferred Tax Liabilities	(567,664)	(90,929)	55,577	(603,016)
Deferred Tax Assets Net of Deferred Tax Liabilities	**2,936,898**	**663,023**	**(367,833)**	**3,232,088**

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
2023	181,577	145,261	326,838	326,838	346,381
2024	390,612	312,489	703,101	703,101	705,242
2025	423,316	338,653	761,969	761,969	763,097
2026	360,105	288,084	648,189	648,189	648,321
2027	363,542	290,834	654,376	654,376	654,746
2028 to 2030	295,219	236,175	531,394	531,394	531,534
2031 to 2033	103,180	82,544	185,724	185,724	185,783
As of 2034	14	12	26	-	
Total as of 06/30/2023	**2,117,565**	**1,694,052**	**3,811,617**	**3,811,591**	**3,835,104**
Total as of 12/31/2022	**1,937,543**	**1,550,035**	**3,487,578**	**3,487,552**	**3,504,562**

The total present value of deferred tax assets is R$2,929,939 and in Consolidated R$2,951,711 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	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Excess Depreciation	7,188	7,803	7,188	7,803
Own Securities Available for Sale	3,207	1,487	3,368	1,686
Adjustments to Market Value - Securities for Trading	33,614	-	34,682	823
Adjustment of MTM Subordinated Debt – Hedge Accouting	184,480	194,362	184,480	194,362
Renegotiated Operations Law No, 12,715/12	272,736	273,547	272,736	273,547
Actuarial Surplus	100,352	89,247	100,562	89,443
Total	**601,577**	**566,446**	**603,016**	**567,664**

NOTE 12 - OTHER ASSETS

	Parent Company		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Advances to Employees	43,763	16,906	43,962	17,054
Post-employment Benefit (Note 27)	210,270	188,281	210,886	188,857
Other Receivables - Domestic	220,971	211,834	197,711	210,053
Assets for Sale	147,144	151,631	147,251	151,738
Prepaid Expenses	75,544	111,379	77,061	112,038
Other	4,420	4,313	8,726	7,105
Total	**702,112**	**684,344**	**685,597**	**686,845**

NOTE 13 - INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES AND GOODWILL

	Parent Company		Consolidated	
	06/30/2023	12/31/2022	06/30/2023	12/31/2022
Investments in Domestic Subsidiaries and associates	**3,315,174**	**2,983,388**	**179,900**	**163,149**
Investments in Subsidiaries	3,135,274	2,820,239	-	-
Investments in Associates	179,900	163,149	179,900	163,149

					Parent Company
	Equity 06/30/2023	Participation in Capital (%) 06/30/2023	Investment Value 06/30/2023	Net Income 1H2023	Equity Results 1H2023
Subsidiaries	**3,142,303**		**3,135,274**	**329,525**	**328,899**
Banrisul Armazéns Gerais S.A.	70,911	99,50	70,555	3,631	3,613
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	113,481	98,98	112,328	10,633	10,512
Banrisul S.A. Administradora de Consórcios	403,018	99,68	401,740	33,639	33,533
Banrisul Soluções em Pagamentos S.A.	2,301,662	99,82	2,297,420	206,527	206,146
Banrisul Seguridade Participações S.A.	253,231	100,00	253,231	75,095	75,095
Associates	**359,988**		**179,900**	**104,078**	**52,012**
Bem Promotora de Vendas e Serviços S.A.	63,860	49,90	31,866	17,536	8,750
Banrisul Icatu Participações S.A.	296,128	49,99	148,034	86,542	43,262

					Consolidated
	Equity 06/30/2023	Participation in Capital (%) 06/30/2023	Investment 06/30/2023	Net Income 1H2023	Equity Results 1H2023
Associates	**359,988**		**179,900**	**104,078**	**52,012**
Bem Promotora de Vendas e Serviços S.A.	63,860	49,90	31,866	17,536	8,750
Banrisul Icatu Participações S.A.	296,128	49,99	148,034	86,542	43,262

	Equity 12/31/2022	Participation in Capital (%) 12/31/2022	Investment Value 12/31/2022	Net Income 1H2022	Parent Company Equity Results 1H2022
Subsidiaries	**2,826,719**		**2,820,239**	**288,211**	**275,922**
Banrisul Armazéns Gerais S.A.	69,630	99.50	69,280	4,440	4,418
Banrisul S.A. Corretora de Valores Mobiliários e Câmbio	105,374	98.98	104,303	5,105	5,047
Banrisul S.A. Administradora de Consórcios	377,440	99.68	376,244	28,653	28,562
Banrisul Soluções em Pagamentos S.A.	2,096,139	99.82	2,092,276	180,906	180,516
Banrisul Seguridade Participações S.A.	178,136	100.00	178,136	69,107	57,379
Associates	**326,474**		**163,149**	**69,459**	**34,712**
Bem Promotora de Vendas e Serviços S.A.	62,083	49.90	30,980	11,303	5,640
Banrisul Icatu Participações S.A.	264,391	49.99	132,169	58,156	29,072

	Equity 12/31/2022	Participation in Capital (%) 12/31/2022	Investment Value 12/31/2022	Net Income 1H2022	Consolidated Equity Results 1H2022
Associates	**326,474**		**163,149**	**69,459**	**34,712**
Bem Promotora de Vendas e Serviços S.A.	62,083	49.90	30,980	11,303	5,640
Banrisul Icatu Participações S.A.	264,391	49.99	132,169	58,156	29,072

NOTE 14 - PROPERTY AND EQUIPMENT

Parent Company	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Data Processing System	Others	Total
As of December 31, 2022							
Cost	182,765	2,752	247,002	158,921	374,339	24,247	990,026
Accumulated Depreciation	(96,065)	-	(140,025)	(91,450)	(276,912)	(19,895)	(624,347)
Net Balance	**86,700**	**2,752**	**106,977**	**67,471**	**97,427**	**4,352**	**365,679**
Acquisitions	-	578	11,192	3,020	27,702	29	42,521
Disposals - Cost	-	-	-	(1,260)	(6,829)	(122)	(8,211)
Disposals - Accumulated Depreciation	-	-	-	1,191	6,827	120	8,138
Depreciation	(672)	-	(3,335)	(2,943)	(9,690)	(323)	(16,963)
Net Transfers - Cost	-	(578)	(8)	481	1,870	(45)	1,720
Net Transfers - Accumulated Depreciation	-	-	-	(38)	(91)	36	(93)
Net Change in the Period	**(672)**	**-**	**7,849**	**451**	**19,789**	**(305)**	**27,112**
As of June 30, 2023							
Cost	182,765	2,752	258,186	161,162	397,082	24,109	1,026,056
Accumulated Depreciation	(96,737)	-	(143,360)	(93,240)	(279,866)	(20,062)	(633,265)
Net Balance	**86,028**	**2,752**	**114,826**	**67,922**	**117,216**	**4,047**	**392,791**

Consolidated	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Data Processing System	Others	Total
As of December 31, 2022							
Original Cost	200,018	45,496	259,834	165,753	521,509	25,743	1,218,353
Accumulated Depreciation	(101,055)	-	(145,617)	(96,977)	(333,037)	(21,089)	(697,775)
Net Balance	**98,963**	**45,496**	**114,217**	**68,776**	**188,472**	**4,654**	**520,578**
Acquisitions	3,056	33,588	11,394	5,165	27,702	29	80,934
Disposals - Cost	(41)	(158)	-	(1,284)	(11,331)	(141)	(12,955)
Disposals - Accumulated Depreciation	-		-	1,189	10,128	139	11,456
Depreciation	(770)		(3,771)	(3,179)	(24,353)	(360)	(32,433)
Net Transfers - Cost		(24,361)	(8)	481	25,653	(45)	1,720
Net Transfers - Accumulated Depreciation			-	(38)	(91)	36	(93)
Net Change	**2,245**	**9,069**	**7,615**	**2,334**	**27,708**	**(342)**	**48,629**
As of June 30, 2023							
Original Cost	203,033	54,565	271,220	170,115	563,533	25,586	1,288,052
Accumulated Depreciation	(101,825)	-	(149,388)	(99,005)	(347,353)	(21,274)	(718,845)
Net Balance	**101,208**	**54,565**	**121,832**	**71,110**	**216,180**	**4,312**	**569,207**

NOTE 15 - INTANGIBLE ASSETS

	Software Use Rights	Right from Acquisition of Payroll operations (1)	Others	Total
				Parent Company
As of December 31, 2022				
Original Cost	229,296	1,653,166	1,708	1,884,170
Accumulated Amortization	(142,369)	(1,077,071)	(658)	(1,220,098)
Net Balance	**86,927**	**576,095**	**1,050**	**664,072**
Acquisitions	17,469	54,590	-	72,059
Amortization	(11,801)	(89,659)	-	(101,460)
Net Transfers Cost	(1,720)	-	-	(1,720)
Transfers Net Amortization	93	-	-	93
Net Change	**4,041**	**(35,069)**	**-**	**(31,028)**
As of June 30, 2023				
Original Cost	245,045	1,707,756	1,708	1,954,509
Accumulated Amortization	(154,077)	(1,166,730)	(658)	(1,321,465)
Net Balance	**90,968**	**541,026**	**1,050**	**633,044**

	Software Use Rights	Right from Acquisition of Payroll operations (1)	Others	Total
				Consolidated
As of December 31, 2022				
Original Cost	230,566	1,653,166	1,925	1,885,657
Accumulated Depreciation	(143,599)	(1,077,071)	(875)	(1,221,545)
Net Balance	**86,967**	**576,095**	**1,050**	**664,112**
Acquisitions	17,469	54,590	-	72,059
Amortization	(11,815)	(89,659)	-	(101,474)
Net Transfers Cost	(1,720)	-	-	(1,720)
Transfers Net Amortization	93	-	-	93
Net Change	**4,027**	**(35,069)**	**-**	**(31,042)**
As of June 30, 2023				
Original Cost	246,315	1,707,756	1,925	1,955,996
Accumulated Depreciation	(155,321)	(1,166,730)	(875)	(1,322,926)
Net Balance	**90,994**	**541,026**	**1,050**	**633,070**

(1) The net balance of R$541,026 (12/31/2022 - R$576,095) is comprised of:

a) R$393,225 (12/31/2022 - R$460,635) 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) R$138,342 (12/31/2022 - R$103,801) 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

c) R$9,459 (12/31/2022 - R$11,659) refers to agreements entered into with private sector, are effective for five years and are amortized over the agreement period, No indications that these assets are impaired were identified.

NOTE 16 - FUNDING

	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	06/30/2023	12/31/2022
						Parent Company
Deposits						
Demand Deposits (1)	3,709,765	-	-	-	3,709,765	4,802,548
Savings Deposits (1)	11,224,856	-	-	-	11,224,856	11,294,457
Interbank Deposits	-	2,486,173	263,172	-	2,749,345	2,563,711
Time Deposits (2)	-	4,959,332	3,919,409	42,284,055	51,162,796	50,013,381
Other Deposits	14,573	-	-	-	14,573	14,685
Total	**14,949,194**	**7,445,505**	**4,182,581**	**42,284,055**	**68,861,335**	**68,688,782**
Repurchase Agreements (Repos)						
Own Portfolio (3)	-	13,931,529	-	-	13,931,529	12,501,695
Total	**-**	**13,931,529**	**-**	**-**	**13,931,529**	**12,501,695**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	617,460	1,275,284	2,546,021	4,438,765	3,469,595
Total	**-**	**617,460**	**1,275,284**	**2,546,021**	**4,438,765**	**3,469,595**
Subordinated Debt						
Subordinated Debt – Level II	-	43,740	33,421	1,004,843	1,082,004	1,170,381
MTM Subordinated Debt (Note 08)	-	38,023	33,559	1,008,993	1,080,575	1,168,993
Goodwill/Discount and Charges to be Incorporated	-	5,717	(138)	(4,150)	1,429	1,388
Subordinated Financial Bills - LFS (5)	-	-	-	340,379	340,379	314,447
Total	**-**	**43,740**	**33,421**	**1,345,222**	**1,422,383**	**1,484,828**

	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	06/30/2023	12/31/2022
						Consolidated
Deposits						
Demand Deposits (1)	3,702,140	-	-	-	3,702,140	4,788,216
Savings Deposits (1)	11,224,856	-	-	-	11,224,856	11,294,457
Interbank Deposits	-	2,486,173	263,172	-	2,749,345	2,563,711
Time Deposits (2)	-	4,959,332	2,892,726	42,284,055	50,136,113	48,953,388
Other Deposits	16,733	-	-	-	16,733	16,110
Total	**14,943,729**	**7,445,505**	**3,155,898**	**42,284,055**	**67,829,187**	**67,615,882**
Repurchase Agreements (Repos)						
Own Portfolio (3)	-	13,845,567	-	-	13,845,567	12,421,035
Total	**-**	**13,845,567**	**-**	**-**	**13,845,567**	**12,421,035**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	617,459	607,418	2,546,021	3,770,898	2,957,083
Total	**-**	**617,459**	**607,418**	**2,546,021**	**3,770,898**	**2,957,083**
Subordinated Debt						
Subordinated Debt – Level II	-	43,740	33,421	1,004,843	1,082,004	1,170,381
MTM Subordinated Debt (Note 08)	-	38,023	33,559	1,008,993	1,080,575	1,168,993
Goodwill/Discount and Charges to be Incorporated	-	5,717	(138)	(4,150)	1,429	1,388
Subordinated Financial Bills - LFS (5)	-	-	-	340,379	340,379	314,447
Total	**-**	**43,740**	**33,421**	**1,345,222**	**1,422,383**	**1,484,828**

(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 99.22% and 0.78% of the total portfolio, respectively. The average funding rate for floating-rate deposits corresponds to 83.00% (12/31/2022 – 82.11%) of CDI, and for fixed-rate deposits, to 8.75% (12/31/2022 – 8.66%) p.a. Of total time deposits, 70.53 % (12/31/2022 – 69.10%) have condition previously agreed 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.

(4) In 2012, Banrisul issued two tranches of Subordinated Debt in the amount of US$500 million and US$275 million, for a period of 10 years, with maturity on 02 February 2022. In 2015, the partial repurchase of the Subordinated Debt in the amount of US$251.81 million took place. After the repurchase, the debt balance denominated in US$ remained, with a notional of 523.185 million. This debt was settled in February 2022.

On January 28, 2021, Banrisul carried out a new issue of subordinated debt (Tier II) in the amount of US$300 million (three hundred million dollars) with annual interest of 5.375%, for a period of 10 years, with a repurchase option in 5 years, according to conditions previously agreed by the Offering Memorandum of this issue.

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

NOTE 17 – BORROWINGS AND ONLENDINGS

	Parent Company and Consolidated				
	Up to 3 Months	**3 to 12 Months**	**Over 12 Months**	**06/30/2023**	**12/31/2022**
Borrowings[(1)]					
Foreign Borrowings	377,695	442,905	19,274	839,874	1,012,985
Total	**377,695**	**442,905**	**19,274**	**839,874**	**1,012,985**
Onlendings[(2)]					
Domestic Onlendings – Official Institutions	486,711	464,427	1,314,118	2,265,256	2,473,983
Foreign Onlendings	3,429	6,358	1,831	11,618	27,904
Total	**490,140**	**470,785**	**1,315,949**	**2,276,874**	**2,501,887**

(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 1.90% and 7.75% (12/31/2022 – 1.68% and 7.75%) 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). 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 to 12 Months	**Over 12 Months**	**06/30/2023**	**Up 12 Months**	**Over 12 Months**	**12/31/2022**
Interfinancial Relations	347,205	-	347,205	34,772	-	34,772
Interdependence Relations	586,550	-	586,550	361,092	-	361,092
Foreign Exchange Portfolio	1,106,789	-	1,106,789	1,102,688	-	1,102,688
Securities Trading and Brokerage	5,159	-	5,159	2,838	-	2,838
Financial and Development Funds[(1)]	4,990,482	-	4,990,482	4,283,259	-	4,283,259
Creditors for Resources to be Released	157,671	-	157,671	108,191	-	108,191
Payable Card Transactions	1,643,552	-	1,643,552	1,632,916	-	1,632,916
Acquisition Payable Obligations	673,138	-	673,138	731,735	-	731,735
Provision for guarantees provided and Guarantees (Note 26 (b))	3,440	-	3,440	4,296	-	4,296
Others	168,170	4,148	172,318	140,708	4,916	145,624
Total	**9,682,156**	**4,148**	**9,686,304**	**8,402,495**	**4,916**	**8,407,411**

	Consolidated					
	Up to 12 Months	**Over 12 Months**	**06/30/2023**	**Up 12 Months**	**Over 12 Months**	**12/31/2022**
Interfinancial Relations	347,205	-	347,205	34,772	-	34,772
Interdependence Relations	586,550	-	586,550	360,449	-	360,449
Foreign Exchange Portfolio	1,106,789	-	1,106,789	1,102,688	-	1,102,688
Securities Trading and Brokerage	8,756	-	8,756	53,667	-	53,667
Financial and Development Funds[(1)]	4,990,482	-	4,990,482	4,283,259	-	4,283,259
Creditors for Resources to be Released	157,804	-	157,804	108,595	-	108,595
Payable Card Transactions	1,502,442	-	1,502,442	1,485,452	-	1,485,452
Acquisition Payable Obligations	1,898,668	-	1,898,668	2,232,034	-	2,232,034
Provision for Guarantees Provided Sureties (Note 26 (b))	3,440	-	3,440	4,296	-	4,296
Others	168,258	4,148	172,406	140,870	4,916	145,786
Total	**10,770,394**	**4,148**	**10,774,542**	**9,806,082**	**4,916**	**9,810,998**

(1) Refers mainly to a fund constituted by the portion not made available to the State of Rio Grande do Sul, of judicial deposits, intended to guarantee the restitution of said deposits (Note 26(a)).

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 12/31/2022	**785,173**	**1,621,674**	**217,261**	**1,904**	**2,626,012**
Recognition and Inflation Adjustment	22,515	164,202	17,259	35	204,011
Reversal of Provision	(173)	-	-	-	(173)
Payment	(14)	(182,559)	(15,230)	-	(197,803)
Closing Balance at 06/30/2023	**807,501**	**1,603,317**	**219,290**	**1,939**	**2,632,047**
Guaranteed Debtors Deposits at 06/30/2023	127,151	681,565	69,594	-	878,310

					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

					Consolidated
	Tax	**Labor**	**Civil**	**Other**	**Total**
Opening Balance at 12/31/2022	**785,394**	**1,624,048**	**220,452**	**1,904**	**2,631,798**
Recognition and Inflation Adjustment	22,504	164,367	17,684	35	204,590
Reversal of Provision	(173)	-	(210)	-	(383)
Payment	(14)	(182,559)	(15,243)	-	(197,816)
Closing Balance at 06/30/2023	**807,711**	**1,605,856**	**222,683**	**1,939**	**2,638,189**
Guaranteed Deposits at 06/30/2023	127,246	687,320	70,838	-	885,404

					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
Reversal of Provision	-	(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

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$776,563 (12/31/2022 – R$761,363); and **(ii)** other contingencies related to federal and municipal taxes classified by our legal counsel as probable loss in the amount of R$6,171 (12/31/2022 - R$6,344).

There are also some tax contingencies whose likelihood of loss, based on their nature, is considered as possible, in the amount of R$701,609 (12/31/2022 - R$ 594,839), and in the Consolidated - R$736,048 (12/31/2022 - R$635,349). These contingencies are mostly related to litigations of municipal and federal taxes and a provision for contingencies was not recognized, in accordance with applicable accounting practices. In addition to these, there is a tax assessment notice in the scope of the Federal Revenue upon the employer's contribution to the Social Security system as well as to contributions to various funds and entities, requiring the payment of the amount of R$339,665 (12/31/2022 - R$321,824), mainly related to the benefits of the Worker's Food Program - PAT and Profit Sharing - PLR, which was classified by our advisors as a possible loss, in the amount of R$314,897 (12/31/2022 - R$ 304,358), and as of probable loss, the amount of R$24,767 (12/31/2022 - R$17,466), which is duly provisioned.

Labor Contingencies

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

In 1H2023, a provision of R$3,838 (12/31/2022 – R$363,386) was made for collective labor lawsuits, whose probability of loss has been classified as probable. Management considers the provision constituted for collective lawsuits 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$583,811 (12/31/2022 - R$490,549) - consolidated R$587,409 (12/31/2022 - R$494,005) - have been deposited in an escrow account. Additionally, R$97,754 (12/31/2022 - R$96,342) - consolidated R$99,911 (12/31/2022 - R$98,418) - were required for appeals.

There are also some labor contingencies whose likelihood of loss, based on their nature, is considered as possible, in the amount of R$1,614,011 (12/31/2022 - R$1,472,033) - consolidated R$1,609,430 (12/31/2022- R$1,476,483) - relating principally to overtime, reintegration to active positions and wage parity. A provision for contingencies was not recognized for the amounts of possible loss on labor claims, in accordance with applicable accounting practices.

Civil Contingencies

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

To the civil lawsuits classified as probable loss being 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$69,594 (12/31/2022 - R$67,632) - consolidated R$70,838 (12/31/2022 - R$68,827) - has been deposited in court.

There is also the amount of R$293,875 (12/31/2022 - R$721,194) - consolidated R$294,132 (12/31/2022 - R$723,594) - related to lawsuits filed by third parties against Banrisul, mainly related to insurances, real estate loans and checking accounts, which are classified as possible loss by our legal counsel and, therefore, no provisions were recorded.

Other Contingencies

On September 29, 2000, Banrisul received 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$1,939 remaining provisioned (12/31 /2022- R$1,904).

NOTE 20 - OTHER LIABILITIES

	Parent Company		Consolidated	
	06/30/2023	**12/31/2022**	**06/30/2023**	**12/31/2022**
Collection of taxes and mandatory contributions	192,305	12,429	192,305	12,429
Social and Statutory Obligations	98,938	129,276	99,188	129,581
Provision of Personnel	234,473	272,658	235,603	273,870
Obligations for Official Covenants and Payment Services	137,276	124,591	140,771	127,765
Various Creditors in the Country	134,618	93,226	384,870	295,087
Actuarial Liabilities - Post-Employment Benefit (1)	893,313	653,764	898,186	657,110
Provisions for Outgoing Payments	124,290	153,140	162,724	190,611
Anticipated Income	133,033	139,517	133,030	139,378
Others	4,889	4,784	5,623	5,537
Total	**1,953,135**	**1,583,385**	**2,252,300**	**1,831,368**

(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, 2023 is R$5,200,000 (12/31/2022 – R$5,200,000), represented by 408,974 thousand shares with no par value as follows:

	Commom Shares		Class A Preferred Shares		Class B Preferred Shares		Total	
	Quantity	**%**	**Quantity**	**%**	**Quantity**	**%**	**Quantity**	**%**
Rio Grande do Sul State								
Shareholding as of 12/31/2022	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Shares Conversion and Transfers	-		-		-		-	
Shareholding as of 06/30/2023	201,225,359	98.13	751,479	54.73	-	-	201,976,838	49.39
Management, Board of Directors and Committee Members								
Shareholding as of 12/31/2022	58	-	30	-	3,005	-	3,093	-
Shares Conversion and Transfers	-		-		-		-	
Shareholding as of 06/30/2023	58	-	30	-	3,005	-	3,093	-
Free Float								
Shareholding as of 12/31/2022	3,839,424	1.87	621,582	45.27	202,533,540	100	206,994,546	50.61
Shares Conversion and Transfers	-		-	-	-		-	
Shareholding as of 06/30/2023	3,839,424	1.87	621,582	45.27	202,533,540	100	206,994,546	50.61
Total as of 12/31/2022	**205,064,841**	**100.00**	**1,373,091**	**100.00**	**202,536,545**	**100.00**	**408,974,477**	**100.00**
Shares Conversion and Transfers	-		-		-		-	
Total as of 06/30/2023	**205,064,841**	**100.00**	**1,373,091**	**100.00**	**202,536,545**	**100.00**	**408,974,477**	**100.00**

Preferred shares do not carry voting rights and are entitled to the following payments:

Class A Preferred Shares:

(i) Priority to receive fixed non-cumulative dividends of six percent (6%) p.a., on the figure resulting from the division of capital by the related number of shares comprising it;
(ii) Right to take part, after Common and Class B Preferred Shares have been paid dividends equal to that paid to those shares, in the distribution of any other cash dividends or bonuses paid out by Banrisul, under the same conditions as Common and Class B Preferred Shares, plus an additional ten percent (10%) over the amount paid to those shares;
(iii) Participates in capital increases deriving from the capitalization of reserves, under the same conditions as Common and Class B Preferred Shares; and
(iv) Priority in capital reimbursement, without a premium.

Class B Preferred Shares:

(i) Participates in capital increases deriving from the capitalization of reserves, under the same conditions as Common and Class A Preferred Shares; and
(ii) Priority in capital reimbursement, without a premium.

(b) Shares in Treasury - Opening of the Share Buyback Program

Banrisul opened its first Share Buyback Program with the objective of maximizing the generation of value for shareholders through an efficient management of the Capital structure. The acquisition of up to 10,126,677 preferred shares is authorized, equivalent to 5% of the preferred shares issued by the Company, without reducing the value of the share capital, for maintenance in treasury, cancellation or replacement in the market. Acquisitions will take place on the stock exchange, from December 15, 2022 to June 15, 2024, at market value. Until June 30, 2023, a total of 342,500 shares were repurchased for the amount of R$3,387.

(c) 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.

(d) Allocation of Income

Net income for the year, adjusted in accordance with Law No, 6404/76, is allocated as follows: **(i)** 5% to the Legal Reserve, not exceeding 20% of total Capital; **(ii)** mandatory minimum dividends limited to 25% of adjusted net income; and **(iii)** up to 25% of the net income to the Statutory Reserve, limited to 70% of paid-up capital, and is intended to ensure funds for investments in information technology.

The payout policy adopted by Banrisul aims to pay interest on equity up to the maximum tax-deductible amount calculated in accordance with prevailing legislation, which can be based, on retained earnings or profit reserves, Interest on equity paid can be considered, net of withholding tax, in the calculation of mandatory dividends for the fiscal year, as stated in the Bank's articles of incorporation.

As permitted by Law No. 9249/95 and CVM Rule No. 207/96 and Interest on Equity and Dividend Policy, Banrisul paid the amount of R$290,000 relating to interest on equity from the first half of 2023 (1H2023 - R$290,520), to be considered as dividends, net of withholding tax. The payment of such interest on equity resulted in a tax benefit for Banrisul in the amount of R$130,500 (1H2022 - R$130,734) (Note 24).

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

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

	01/01 to 06/30/2023	01/01 to 06/30/2022
Net Income for the Semester Attributable to Controlling Shareholders	**439,289**	**391,916**
Adjustments		
Legal Reserve	(21,965)	(19,596)
Dividend Calculation Basis	**417,324**	**372,320**
Mandatory Minimum Dividend 25%	104,331	93,080
Additional Dividend 25%	104,331	93,080
Interest on Equity Complementary Payments	63,821	86,848
Total Dividends/Interest on Equity	**272,483**	**273,008**
Interest on Equity Paid	**272,483**	**273,008**
Commom Shares (R$709.09070 per thousand shares)	145,409	145,671
Preferred Shares A (R$709.09070 per thousand shares)	974	975
Preferred Shares B (R$709.09070 per thousand shares)	143,617	143,874
Withholding Income Tax related to Interest on Equity	(17,517)	(17,512)
Total Interest on Equity	**272,483**	**273,008**

NOTE 22 - OTHER OPERATING INCOME

(a) Income from Services Rendered

	Parent Company		Consolidated	
	01/01 to 06/30/2023	**01/01 to 06/30/2022**	**01/01 to 06/30/2023**	**01/01 to 06/30/2022**
Asset Management Fees	15,336	26,325	39,452	39,561
Income from Bill colection and Custody Services	30,102	34,247	30,094	34,239
Income from Management of Sales Poll Groups	-	-	61,946	45,192
Banrisul Pagamentos Service Revenues	-	-	390,233	357,709
Check Returns	5,873	5,322	5,873	5,322
Account Debits	23,470	24,123	23,470	24,123
Collection Services	22,191	24,649	22,191	24,649
Insurance Commissions	-	196	142,915	124,499
Credit Card	25,643	26,453	25,643	26,453
Bank Fees for Checking Accounts	276,437	288,085	276,437	288,085
Other Income	25,838	27,238	36,121	41,106
Total	**424,890**	**456,638**	**1,054,375**	**1,010,938**

(b) Other Income

	Parent Company		Consolidated	
	01/01 to 06/30/2023	**01/01 to 06/30/2022**	**01/01 to 06/30/2023**	**01/01 to 06/30/2022**
Recovery of Charges and Expenses	117,825	85,487	13,418	12,637
Reversal of Operating Provisions	4,840	14,020	4,882	17,629
Interbank Rates	13,096	10,975	13,096	10,975
Credit Receivables Securities	8,802	7,044	8,802	7,044
Other Revenues From Cards	86,552	68,795	86,552	68,795
Reversal of Provisions for Outgoing Payments	6,941	4,600	7,409	7,415
Receivables Advance Acquisition Revenue	-	-	13,432	12,261

Portability Income from Credit Operations	5,762	4,343	5,762	4,343
Income from POS Rentals	-	-	37,287	30,571
Update on Judicial Deposits	28,932	21,367	29,116	21,515
Write-off of Investment Abroad[1]	-	103,832	-	103,832
CIP demutualization	-	18,986	-	18,986
Update of Actuarial Assets	18,916	17,381	18,978	17,450
Other	14,262	9,490	15,866	6,325
Total	**305,928**	**366,320**	**254,600**	**339,778**

(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 06/30/2023	01/01 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Salary	605,663	534,047	614,618	545,639
Benefits	195,696	176,209	196,874	177,424
Social charges	253,395	231,622	255,385	233,481
Trainings	2,041	1,195	2,051	1,202
Total	**1,056,795**	**943,073**	**1,068,928**	**957,746**

(b) Other Administrative Expenses

	Parent Company		Consolidated	
	01/01 to 06/30/2023	01/01 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Communications	26,650	28,325	27,339	28,896
Data processing	68,100	67,102	78,203	75,065
Surveillance, Security and Transportation of Values	66,264	67,854	66,264	67,854
Amortization and Depreciation	118,423	113,713	133,907	123,271
Rentals and Condominiums	78,836	75,336	78,694	75,151
Supplies	4,706	5,504	7,428	7,696
Third Party Services (1)	262,543	282,214	278,555	290,709
Specialized Technical Services	102,476	85,242	105,437	87,570
Promotions and Advertising (2)	51,474	45,469	65,610	55,845
Maintenance	34,923	30,552	36,405	32,219
Water, Energy and Gas	16,944	20,828	17,300	21,290
Financial System Services	19,084	15,939	20,540	17,670
Other	38,467	35,355	43,331	38,989
Total	**888,890**	**873,433**	**959,013**	**922,225**

(1) Of the amount of R$262,543 (1H2022- R$282,214), R$132,484 (1H2022 – 139,715) 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$14,228 (1H2022- R$15,191), and in the Consolidated R$20,750 (1H2022- R$19,020), of institutional advertising expenses of R$34,748 (1H2022 – R$28,869) and in Consolidated of R$34,847 (1H2022- R$28,999) as sponsorship of sport events and teams.

(c) Other Operational Expenses

	Parent Company		Consolidated	
	01/01 to 06/30/2023	01/01 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Discounts Granted on Debt Restructurings	36,101	21,281	36,101	21,281
Expenses on Collection of Federal Taxes	5,584	3,004	5,584	3,004
Expenses on Cards	6,073	6,198	6,073	6,198
Credit Operations Portability Expenses	6,303	27,624	6,303	27,624
Fees from INSS Covenant	132,078	84,820	132,078	84,820
Banrisul Advantage Membership Program Bonus	10,250	10,874	10,250	10,874
Expenses with Banrisul Pagamentos Branded Cards	-	-	30,247	23,168
Costs with Payroll Loan Agreements	3,193	3,093	3,193	3,093
Inflation Adjustment on Financing Release	4,902	6,333	4,902	6,333
Fee Losses Not Received	12,064	9,517	12,064	9,517
Update of Actuarial Expenses	13,695	27,994	13,723	28,167
Other	32,661	23,719	39,616	39,105
Total	**262,904**	**224,457**	**300,134**	**263,184**

NOTE 24 - INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of Income Tax and Social Contribution Expenses/Revenue

	Parent Company		Consolidated	
	01/01 to 06/30/2023	01/01 to 06/30/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
Income for the Period before Taxes and Profit Sharing	**374,235**	**174,920**	**545,836**	**324,187**
Income Tax (IRPJ) - Rate 25%	(93,559)	(43,730)	(136,459)	(81,047)
Social Contribution Tax (CSLL) - Rate 9%	-	-	(42,415)	(35,389)
Social Contribution Tax (CSLL) – Rate (1)	-	-	(2,675)	(1,298)
Social Contribution Tax (CSLL) – Rate (2)	(74,847)	(34,984)	(11,345)	-
Total Income and Social Contribution Taxes calculated at Current Rate	**(168,406)**	**(78,714)**	**(192,894)**	**(117,734)**
Exchange Variation on Divestment Abroad	-	46,725	-	46,725
Profit Sharing	56,380	46,681	56,380	46,681
Interest on Equity	130,500	130,734	130,500	130,734
Equity Result	171,410	139,116	23,406	15,620
Other Exclusions, Net of Additions	541	35,544	1,978	48,915
Total Income and Social Contribution Taxes	**190,425**	**320,086**	**19,370**	**170,941**
Current	-	-	(176,782)	(149,408)
Deferred	190,425	320,086	196,152	320,349

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 06/30/2023	01/01 to 06/30/2022
Net Income Attributable to Controlling Shareholders – R$ Thousand	**439,289**	**391,916**
Common Shares	220,340	196,498
Preferred A Shares	1,518	1,343
Preferred B Shares	217,431	194,075
Weighted Average of Outstanding Shares	**408,795,251**	**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	202,357,319	202,536,545
Basic and Diluted earnings per Share – R$		
Commom Shares	1.07	0.96
Preferred A Shares	1.11	0.98
Preferred B Shares	1.07	0.96

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, 2023, 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$13,998,625 (12/31/2022 - R$13,352,105), of which R$10,040,503 (12/31/2022 - R$10,040,503) was transferred to the State upon its request. The remaining balance, which makes up the aforementioned fund, is recorded in Other Liabilities - Financial and Development Fund.

(b) Sureties and guarantees granted to customers amount to R$84,985 (12/31/2022 - R$117,204), generate fee income and have recourse to the beneficiaries in case they have to be honored. Provisions for possible losses amounting to R$3,440 (12/31/2022 - R$4,296) have been made.

(c) Banrisul has confirmed import and export credits for R$51,709 (12/31/2022 - R$121,636) and recourse exposure from credit assignments for R$5,685 (12/31/2022 - R$3,567).

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

	Parent Company and Consolidated	
	06/30/2023	**12/31/2022**
Investment Funds (1)	16,215,610	15,057,700
Feeder Funds	74,893	65,603
Equity Funds	202,883	206,519
Individual Retirement Programmed Funds	10,707	10,738
Fund to Guarantee the Liquidity of Rio Grande do Sul State Debt Securities	8,467,973	7,489,225
Managed Portfolios	558,750	524,225
Total	**25,530,816**	**23,354,010**

(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 158 buyers' pools (161 in 12/31/2022), including real estate, motorcycles and vehicles, comprising active 81,826 pool members (79,012 in 12/31/2022).

(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, 2023 were R$285,976, of which R$107,620 mature in up to one year, R$172,738 from one to five-year term and R$5,618 beyond five-year term. In the period, lease payments recognized as expenses amounted to R$71,890.

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

(a) Key Assumptions

The key assumptions below were elaborated upon information available at June 30, 2023 and December 31, 2022, subject to annual review.

Economic Assumptions – 06/30/2023	PBI Plan (% p.a)	Settled Plan (% p.a)	FBPREV Plan (% p.a)	FBPREV II Plan (% p.a)	FBPREV III Plan (% p.a)	Health Plan (% p.a) [1]			Retirement Award (% p.a)
						PAM	POD	PROMED	
Real Actuarial Discount Rate	5.38	5.42	5.36	5.43	5.37	5.49	5.49	5.49	5.31
Expected Real Return on Assets	5.38	5.42	5.36	5.43	5.37	5.49	5.49	5.49	5.31
Real Salary Growth Rate for Active Employees	1.36	-	5.15	1.51	0.41	According to Plan [2]	n/a	n/a	5.15
Real Growth in Plan Benefits During Receipt	0.30	-	-	-	-	-	-	1.00	-
Capacity Factor on Benefits	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	n/a
Capacity Factor on Salaries	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	100.00
Expected Inflation Rate	4.22	4.22	4.22	4.22	4.22	4.22	4.22	4.22	4.22
Nominal Discount Rate	9.83	9.87	9.81	9.88	9.82	9.94	9.94	5.49	9.75
Expected Nominal Return on Assets	9.83	9.87	9.81	9.88	9.82	9.94	9.94	5.49	9.75
Nominal Salary Growth Rate for Active Employees	5.64	4.22	9.59	5.79	4.65	According to Plan [2]	n/a	n/a	9.59
Nominal Growth in Plan Benefits During Receipt	4.53	4.22	4.22	4.22	4.22	4.22	4.22	5.26	4.22

(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 - 12/31/2022	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]			Retirement Award (% p.a)
						PAM	POD	(% p.a)	
Real Actuarial Discount Rate	6.10	6.14	6.11	6.14	6.10	6.17	6.17	6.17	6.09
Expected Real Return on Assets	6.10	6.14	6.11	6.14	6.10	6.17	6.17	6.17	6.09
Real Salary Growth Rate for Active Employees	1.36	-	5.15	1.51	0.41	According to Plan [2]	n/a	n/a	5.15
Real Growth in Plan Benefits During Receipt	0.30	-	-	-	-	-	-	1.00	-
Capacity Factor on Benefits	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	n/a
Capacity Factor on Salaries	98.00	98.00	98.00	98.00	98.00	98.00	100.00	100.00	100.00
Expected Inflation Rate	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23	5.23
Nominal Discount Rate	11.65	11.69	11.66	11.69	11.65	11.72	11.72	11.72	11.64
Expected Nominal Return on Assets	11.65	11.69	11.66	11.69	11.65	11.72	11.72	11.72	11.64
Nominal Salary Growth Rate for Active Employees	6.66	5.23	10.65	6.82	5.66	According to Plan [2]	n/a	n/a	10.65
Nominal Benefit Plan Growth During Receipt	5.55	5.23	5.23	5.23	5.23	5.23	5.23	6.28	5.23

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

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

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

Demographic Assumptions as of 12/31/2022	Mortality Table	Mortality Table (Disabled)	Disability Entry Table	Annual Turnover Rate	Option for BPD	Retirement Entry	Family Composition
PBI Plan	AT-2000 (-10%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV 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 (-30%) 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	-	100% in normal retirement according to plan elegibility	Real Family, as registered
FBPREV II Plan	AT-2000 (-30%) gender specific	Winklevoss	Álvaro Vindas (-70%)	FBPREV III Experience 2015-2020	-	100% in normal retirement according to plan elegibility	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	-	100% in normal retirement according to plan elegibility	Real Family, as registered
Health Plan (1):							
PAM	According to Pension Plan (2)	According to Pension Plan (2)	According to Pension Plan (2)	According to Pension Plan (2)	-	100% in normal retirement according to plan eligibility	According to Pension Plan (2)
POD	AT-2000 Basic (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I Experience 2015-2020	-	100% in normal retirement according to plan eligibility	Real Family
PROMED	AT-2000 Basic (-30%) gender specific	RRB – 83 (-50%)	Álvaro Vindas (-70%)	PBI and FBPREV I Experience 2015-2020	-	100% in normal retirement according to plan eligibility	Not Applicable
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 Resolution No. 110 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, 2023.

Pursuant to CNPC Resolution No. 30/2018, combined with PREVIC Instruction No. 33/2020 and PREVIC Ordinance No. 363/2023, Fundação Banrisul de Seguridade Social carries out studies to establish the profile of the obligation maturities of the Benefit Plans I and determine the duration and other analyses of distribution of the payment of benefits.

Other important assumptions for pension obligations are based in part on current market conditions.

(b) Descriptions of the Plans and Other Long-Term Benefits

Benefit Plan I (PBI) - This plan, incorporated as a defined benefit plan, encompass post-retirement benefits, salary payment during any sickness period of the participant, prisoner's family grant, funeral allowance and annual bonus.

The plan participants' monthly contribution corresponds to the payment of percentages of their salary, The Benefit Plan was closed to new members as from July 2009.

Settled Defined Plan (PBS) - the benefits provided by this defined benefit plan include settled retirement benefit, settled disability benefit, death benefits, funeral assistance and annual bonus.

There will not be ordinary contributions to the settled benefit plan and, upon retirement, the participant will receive a benefit proportional to the period of contribution to the PBI plan.

Plan FBPREV - provides variable contribution benefits, such as regular retirement, early retirement, disability retirement, proportional benefits, sick pays, annual bonus, minimum benefit, life insurance with survival coverage benefit and funeral allowance.

The participant's regular contributions comprise three portions:
(i) Basic portion: 1% to 3% (0,5% intervals) of the monthly contribution pay base;
(ii) Additional portion: may vary from 1% to 7,5% (0,5% intervals) of the monthly contribution pay base in excess of 9 (nine) reference units; and
(iii) Variable portion: percentage applied to the monthly contribution pay basis, annually established by the actuary 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.

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

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

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

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

Banrisul's contributions match the participants' regular contributions.

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

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

(c) Main Actuarial Risks

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

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

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

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

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

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

(d) Plan Asset Management

The Plan's asset allocations percentage are as follow:

Plans	PB I % Allocated		PBS % Allocated		FBPREV % Allocated		FBPREV II % Allocated		FBPREV III % Allocated		Health % Allocated	
Categories	**Jun23**	**Dec22**	**Jun23**	**Dec22**	**Jun23**	**Dec22**	**Jun23**	**Dec22**	**Jun23**	**Dec22**	**Jun23**	**Dec22**
Cash	0.01	0.03	-	-	-	0.01	-	-	-	-	0.07	0.12
Fixed Income	85.14	84.97	78.53	77.97	87.44	85.44	83.90	82.69	89.76	89.46	98.37	97.86
Equity	5.85	6.10	3.70	3.95	0.93	1.21	1.65	1.85	4.92	5.21	1.56	2.02
Real Estate	5.55	5.26	3.49	3.40	-	-	1.39	1.43	4.54	4.43	-	-
Other	3.45	3.64	14.28	14.68	11.63	13.34	13.06	14.03	0.78	0.90	-	-
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$10,567 (12/31/2022 - R$7,322) and rented real state with a fair value of R$143,786 (12/31/2022 - R$143,786).

(e) Actuarial Reviews

The net actuarial liability/(asset) breakdown summary for the periods ended June 30, 2023 and December 31, 2022, prepared based on the actuarial report as of June 30, 2023 and December 31, 2022, respectively, and in accordance with CPC 33 (R1), is shown below:

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

In 2022, the Voluntary Dismissal Program – PDV for employees retired by the INSS, or who had, or would have, in 24 months, contribution time and the other conditions to retire according to the INSS rules, with a membership period of September 19th to 30th of that year. In total, 511 employees joined the program. Dismissals began in April/2023 and will take place until August/2023, except for employees working in the IT Board Units, who may have their departures staggered until August/2024. Up to 06/30/2023, 326 employees were dismissed for joining the program, which, according to the FBSS pension plan to which they are linked, can choose the form of receipt within 120 days of the sponsor's dismissal. Thus, the disconnections that occurred up to 06/30/2023 were not considered in the calculations, since they are not considered material. On 12/31/23, the effects of terminations will be considered in the actuarial calculation.

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

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

The breakdown of the net actuarial liabilities/(assets) prepared based on the actuarial reports as of December 31, 2022 and 2021, and according to CPC 33 (R1), is as follows:

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

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

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

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

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

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

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

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

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

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

Other Comprehensive Income in 1H2023	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
(Gains)/Loss on Plan Assets	9,965	(9,827)	(1,847)	(9,376)	(3,865)	14,167	-
(Gains)/Loss on Actuarial Liabilities	92,557	113,638	1,861	15,381	14,931	16,182	15,120
(Gains)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	2,190	(5,514)	-	(36,096)	-
(Gains)/Loss Recognized in Other Comprehensive Income	**102,522**	**103,811**	**2,204**	**491**	**11,066**	**(5,747)**	**15,120**

Other Comprehensive Income in 2022	Benefit Plan I	Settled Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
(Gains)/Loss on Plan Assets	123,813	23,529	(363)	3,802	4,603	16,620	-
(Gains)/Loss on Actuarial Liabilities	(250,542)	(183,688)	(1,826)	(6,586)	(33,696)	(20,619)	(9,948)
(Gains)/Loss on Effect of Asset Limit and Additional Liabilities	-	-	4,152	3,754	-	47,323	-
(Gains)/Loss Recognized in Other Comprehensive Income	**(126,729)**	**(160,159)**	**1,963**	**970**	**(29,093)**	**43,324**	**(9,948)**

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	14	-	(1,017)	(153)	(4)	1,115	3,125
Cost of Interest on Actuarial Liabilities	61,469	68,118	895	9,427	16,622	10,167	6,672
Expected Return on Plan Assets	(40,354)	(57,146)	(1,602)	(11,280)	(14,703)	(29,521)	-
Interest on Effect of Asset Limit and Additional Liabilities	-	-	570	1,817	-	8,561	-
Estimated Actuarial Expense (Income)	**21,129**	**10,972**	**(1,154)**	**(189)**	**1,915**	**(9,678)**	**9,797**

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	21,553	4,270	1,573	350	1,227	6,453	-
Contributions Paid by Plan Participants	36,973	4,270	1,573	350	1,227	-	-
Benefits Paid on Plan Assets	103,336	59,948	875	7,994	19,029	6,453	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	23,282

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

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
2023	103,336	59,948	875	7,994	19,029	6,453	23,282
2024	200,661	123,071	1,401	16,074	36,936	12,648	29,705
2025	195,544	122,134	1,425	15,681	35,954	13,102	13,269
2026	190,031	121,028	1,420	15,280	34,922	13,521	12,578
2027	184,260	119,591	1,436	14,968	33,851	13,885	11,150
2028 to 2032	826,653	568,524	7,410	70,826	151,951	72,429	39,198

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

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

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

Other information concerning the plans:

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

(f) Sensitivity Analysis

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

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

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

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

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

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

Health Plan		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	Increase of 0.5 p.p.	(9.726)
Discount Rate	Decrease of 0.5 p.p.	10.724
Mortality Table	Increase of 10%	(5.009)
Mortality Table	Decrease of 10%	5.657

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

NOTE 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 16. 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, 2023.
Scenario 2: Possible situation, Assumptions: a deterioration of 25% in market risk variables, taking into account prevailing conditions on June 30, 2023.
Scenario 3: Remote situation, Assumptions: a deterioration of 50% in market risk variables, taking into account prevailing conditions on June 30, 2023.

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

For Foreign Exchange Risk, the rate of R$4.8192/USD1.00 as of June 30, 2023. (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%	98,985	112	258	**99,355**
2	25%	85,685	2,793	6,447	**94,925**
3	50%	66,096	5,586	12,895	**84,577**

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, can be identified in the “Interest Rate – Prefixed” Risk Factor the largest loss, which represents approximately 99.6% of the expected loss in each scenario. Scenario 3 corresponds to 30% of the total expected loss. Scenario 2 and Scenario 1, respectively, represent approximately 34% and 36% of the total loss. Considering absolut values, the greatest expected loss observed in these Sensitivity Analysis Scenario occurs in Scenario 1, in the total amount of R$99,355.

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$4.8079 on June 30, 2023 (1:00 pm, SPOT price - Central Bank of Brazil).

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

As they reflect projections, Scenario I is defined by the increase of 1% in the U.S. Dollar coupon, the Scenario II is defined by the increase of 25% in the U.S. Dollar coupon, and the scenario III is defined by the increase of 50% in the U.S. Dollar coupon, according to the Bank's position, considering the conditions prevailing on June 30, 2023.

The sensitivity analyses shown below were established using premises and assumptions regarding future events, The estimated scenarios show the impacts on the outcome for each scenario in a static position of the portfolio as of June 30, 2023.

The table below shows the probability of impact on the cash flow in the three scenarios of derivatives exposures (or trading portfolio) and in the instrument being hedged (banking portfolio or held to maturity) on June 30, 2023 independently.

Trading and Banking Portfolio

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Increase in U.S. Dollar Coupon	(3,743)	(86,040)	(158,799)
		Line Item Being Hedged			
Debt 1	Banking	Increase in U.S. Dollar Coupon	3,743	86,041	158,800
	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 by the possibility of losses resulting from external events or failure, deficiency or inadequacy of internal processes, individuals or systems.

The methodology of Operational Risk management requires the conduction of analysis for the identification, measurement, assessment, monitoring, reporting, controlling and reduction of operational risks to which Banrisul is exposed, as shown at the table:

Operational Risk Management Phase	Activity
Risk Identification	The identification of operational risks aims to indicate the areas of incidence, causes and potential financial impacts of the risks associated with the processes, products and services to which the Subsidiaries of the Banrisul Group are exposed.
Risk Measurement and Assessment	The assessment consists of quantifying the risk, leading to the consequent measurement of its level of criticality in accordance with previously established parameters, with the objective of estimating the impact of its eventual occurrence on the Institution's business.
Monitoring	The objective of monitoring is to monitor exposure to identified operational risks, anticipating critical situations, so that weaknesses detected are brought to the attention of decision-making bodies in a timely manner.
Control	Control consists of recording the behavior of operational risks, limits, indicators and operational loss events, as well as implementing mechanisms to ensure that operational risk limits and indicators remain within the desired levels.
Mitigation	Mitigation consists of creating and implementing mechanisms to modify the risk, seeking to reduce operating losses by eliminating the cause, changing the probability of occurrence or mitigating the consequences. At this stage, the manager is asked to determine the response to the risk, considering all impacts.
Report	It consists of preparing texts and reports related to operational risk management, as defined in the Communication Plan of the Corporate Risk Management Unit.

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

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, 2023 was 6.26%.

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 Soluções em Pagamentos S.A.).

The possible impacts arising from the risks associated with the other companies controlled by members of the Conglomerate are also considered, as well as the participation in investment funds shares in which the entities of this conglomerate, in any form, assume or retain substantially risks and benefits, as provided current regulations, since they are part of the scope of consolidation of the Prudential Conglomerate.

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

Conglomerate Prudential	06/30/2023	12/31/2022
Reference Equity	**8,833,666**	**9,291,817**
Tier I	**7,411,283**	**7,806,989**
Core Capital	**7,411,283**	**7,806,989**
Equity	5,201,447	5,205,891
Capital Reserve and Earnings Revaluation	4,478,288	4,325,934
Deduction from Core Capital - Except for prudential adjustments	(255,432)	(115,668)
Prudential Adjustments	(2,422,605)	(2,041,085)
Positive Adjustments to the Market Value of Derivatives Recorded in Liabilities	409,585	431,917
Tier II	**1,422,383**	**1,484,828**
Tier II Eligible Instruments	1,422,383	1,484,828
RWA - Risk Weighted Assets	**54,971,552**	**52,887,990**
RWA_{CPAD} (Credit Risk)	44,947,815	42,994,328
RWA_{MPAD} (Market Risk)	1,841,181	1,458,546
RWA_{JUR1} (Interest Rate Risk)	367,255	262,156
RWA_{JUR3} (Interest Rate Risk)	7	29
RWA_{ACS} (Equity Risk)	51,580	38,462
RWA_{CAM} (Exchange Risk)	1,422,339	1,157,899
RWA_{OPAD} (Operational Risk)	8,182,556	8,435,116
Banking Portfolio (IRRBB)	576,947	502,057
Reference Equity Margin – considering Banking Portfolio after Aditional of Core Capital	2,484,705	3,236,521
Capital Ratio		
Basel Ratio	16.07%	17.57%
Tier I Ratio	13.48%	14.76%
Core Capital Ratio	13.48%	14.76%
Permanent Assets Ratio	11.25%	9.74%
Leverage Ratio	6.26%	6.78%

CMN Resolution No, 4.958/21 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	As of 04/01/2022
Core Capital	4.500%
Level I	6.000%
PR	8.000%
$ACP_{Conservation}$ (1)	**2.500%**
$ACP_{Contracyclic}$ (1) (up to)	2.500%
$ACP_{Systemic}$ (1) (up to)	2.000%
Total ACT (1) (up to)	**7.000%**
Factor F	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 March 2023, the minimum required capital limits are 8.00% for Basel Ratio (Reference Equity), 6.00% for Tier I Ratio and 4.50% for the Core Capital Index. The additional required capital is 2.50%, totaling 10.50% for Basel Ratio, 8.50% for Tier I and 7.00% for Core Capital.

The Reference Equity reached R$8,833,666 in June 2023, decreasing R$458,151 from December 2022.

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$576,947 as of June 2023, increasing R$74,890 in relation to the capital allocation of R$502,057 as of December 2022.

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

On June 30, 2023, the Basel Ratio of the Prudential Conglomerate was 16.07%, higher than the minimum required by BACEN. Tier 1 ratio and Core Capital were 13.48 % 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 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;
(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)	
	06/30/2023	12/31/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
State of Rio Grande do Sul Government	**(8,931,201)**	**(8,691,941)**	**(528,703)**	**(485,200)**
Other Assets	4,721	4,288	-	-
Demand Deposits	(467,695)	(1,199,429)	-	-
Repurchase Agreements (Repos) (1)	(8,467,973)	(7,489,225)	(527,359)	(483,957)
Other Liabilities	(254)	(7,575)	(1,344)	(1,243)
Subsidiaries and Investment Fund	**(2,525,752)**	**(2,354,499)**	**(14,486)**	**8,559**
Securities	21,972	20,905	-	-
Other Financial Assets	12,800	147,363	-	-
Other Assets	43,140	25,357	105,423	73,156
Demand Deposits	(7,625)	(14,332)	-	-
Time Deposits	(1,026,683)	(1,059,994)	(69,005)	(35,810)
Repurchase Agreements (Repos)	(85,962)	(80,660)	(5,261)	(3,501)
Funds from Acceptance and Issuance of Securities	(667,867)	(512,511)	(39,563)	(19,345)
Other Financial Liabilities (2)	(814,248)	(879,841)	-	-
Other Liabilities	(1,279)	(786)	(6,080)	(5,941)
Fundação Banrisul de Seguridade Social	**(1,450)**	**(1,402)**	**(8,667)**	**(8,064)**
Other Liabilities	(1,450)	(1,402)	(8,667)	(8,064)
Total	**(11,458,403)**	**(11,047,842)**	**(551,856)**	**(484,705)**

(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)	
	06/30/2023	12/31/2022	01/01 to 06/30/2023	01/01 to 06/30/2022
State of Rio Grande do Sul Government	**(8,931,199)**	**(8,691,941)**	**(528,703)**	**(485,183)**
Other Assets	4,723	4,288	-	17
Demand Deposits	(467,695)	(1,199,429)	-	-
Repurchase Agreements (Repos) (1)	(8,467,973)	(7,489,225)	(527,359)	(483,957)
Other Liabilities	(254)	(7,575)	(1,344)	(1,243)
Fundação Banrisul de Seguridade Social	**(1,450)**	**(1,402)**	**(8,667)**	**(8,064)**
Other Liabilities	(1,450)	(1,402)	(8,667)	(8,064)
Total	**(8,932,649)**	**(8,693,343)**	**(537,370)**	**(493,247)**

(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, Risk Committee and Social, Environmental and Climate Responsibility Committee, as stated in the Bank's bylaws.

	01/01 to 06/30/2023	01/01 to 06/30/2022
Short Term Benefits	**11,701**	**10,850**
Salaries	8,947	8,299
Social Security	2,754	2,551
Post-Employment Benefits	**335**	**289**
Supplementary Pension Plans (1)	335	289
Total	**12,036**	**11,139**

(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, 2023, members of the Executive Board, the Board of Directors, the Supervisory Board, the Audit Committee, the Compensation Committee, the Risk Committee and the Social, Environmental and Climate Responsibility Committee jointly hold 3,093 Banrisul's shares, 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, 2023:

	Parent Company			Consolidated		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Trading Securities	**8,647,196**	**-**	**8,647,196**	**8,752,246**	**14,265**	**8,766,511**
Financial Treasury Letter – LFT	5,637,674	-	5,637,674	5,647,703	-	5,647,703
National Treasury Letter - LTN	2,983,732		2,983,732	2,983,732	-	2,983,732
Shares of Publicly-Held Companies	25,790	-	25,790	25,790	-	25,790
Investment Fund Shares	-	-	-	95,021	14,265	109,286
Available-for-Sale Securities	**-**	**76,212**	**76,212**	**2,154**	**54,254**	**56,408**
Investment Fund Shares	-	50,480	50,480	2,154	28,508	30,662
Privatization Certificates	-	-	-	-	14	14
Other	-	25,732	25,732	-	25,732	25,732
Total Assets at Fair Value	**8,647,196**	**76,212**	**8,723,408**	**8,754,400**	**68,519**	**8,822,919**
Financial Liabilities						
Derivatives	-	753,593	753,593	-	753,593	753,593
Subordinated Debt	-	1,082,004	1,082,004	-	1,082,004	1,082,004
Total Liabilities at Fair Value	**-**	**1,835,597**	**1,835,597**	**-**	**1,835,597**	**1,835,597**

Measurement at fair value for the period ended December 31, 2022:

	Parent Company			Consolidated		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial Assets						
Trading Securities	**8,674,102**	**-**	**8,674,102**	**8,895,920**	**13,378**	**8,909,298**
Financial Treasury Letter – LFT	5,921,981	-	5,921,981	5,931,397	-	5,931,397
National Treasury Letter - LTN	2,732,890		2,732,890	2,732,890	-	2,732,890
Shares of Publicly-Held Companies	19,231	-	19,231	19,231	-	19,231
Investment Fund Shares	-	-	-	212,402	13,378	225,780
Available-for-Sale Securities	**-**	**71,614**	**71,614**	**2,256**	**50,723**	**52,979**
Investment Fund Shares	-	46,339	46,339	2,256	25,434	27,690
Privatization Certificates	-	-	-	-	14	14
Other	-	25,275	25,275	-	25,275	25,275
Total Assets at Fair Value	**8,674,102**	**71,614**	**8,745,716**	**8,898,176**	**64,101**	**8,962,277**
Financial Liabilities						
Derivative Financial Instruments	-	670,298	670,298	-	670,298	670,298

Subordinated Debt	-	1,170,381	1,170,381	-	1,170,381	1,170,381
Total Liabilities at Fair Value	**-**	**1,840,679**	**1,840,679**	**-**	**1,840,679**	**1,840,679**

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

(ii) Financial Instruments Not Measured at Fair Value - The following table summarizes the carrying amounts and fair values of financial assets and liabilities that were presented at amortized cost.

	Parent Company		Consolidated	
	06/30/2023		06/30/2023	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Financial Assets				
Interbank Lending Market Investments	4,399,533	4,409,083	4,399,533	4,409,083
Compulsory Deposits at Central Bank of Brazil	10,549,458	10,549,458	10,549,458	10,549,458
Securities (1)	30,791,924	30,834,775	30,804,451	30,847,272
Loans, Leases and Other Credit-like Receivables (2)	51,501,014	47,414,851	51,501,014	47,414,851
Other Financial Assets	3,643,301	3,643,301	6,165,219	6,165,219
Total	**100,885,230**	**96,851,468**	**103,419,675**	**99,385,883**
Financial Liabilities (3)				
Deposits (a)	68,861,335	68,582,950	67,829,187	67,550,802
Repurchase Agreements (b)	13,931,529	13,931,529	13,845,567	13,845,567
Funds from Acceptance and Issuance of Securities (a)	4,438,765	4,448,298	3,770,898	3,780,431
Subordinated Debt (a)	340,379	342,031	340,379	342,031
Borrowings (c)	839,874	839,874	839,874	839,874
Onlendings (c)	2,276,874	2,276,874	2,276,874	2,276,874
Other Financial Liabilities	9,686,304	9,686,304	10,774,542	10,774,542
Total	**100,375,060**	**100,107,860**	**99,677,321**	**99,410,121**

	Parent Company		Consolidated	
	31/12/2022		31/12/2022	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Financial Assets				
Interbank Lending Market Investments	3,521,401	3,532,137	3,521,401	3,532,137
Compulsory Deposits at Central Bank of Brazil	10,798,526	10,798,526	10,798,526	10,798,526
Securities (1)	30,480,767	30,497,243	30,492,530	30,508,962
Loans, Leases and Other Credit-like Receivables (2)	49,121,869	44,613,038	49,121,869	44,613,038
Other Financial Assets	3,553,046	3,553,046	6,087,071	6,087,071
Total	**97,475,609**	**92,993,990**	**100,021,397**	**95,539,734**
Financial Liabilities (3)				
Deposits (a)	68,688,782	68,658,923	67,615,882	67,586,023
Repurchase Agreements (b)	12,501,695	12,501,695	12,421,035	12,421,035
Funds from Acceptance and Issuance of Securities (a)	3,469,595	3,472,239	2,957,083	2,959,728
Subordinated Debt (a)	314,447	317,205	314,447	317,205
Borrowings (c)	1,012,985	1,012,985	1,012,985	1,012,985
Onlendings (c)	2,501,887	2,501,887	2,501,887	2,501,887
Other Financial Liabilities	8,407,411	8,407,411	9,810,998	9,810,998
Total	**96,896,802**	**96,872,345**	**96,634,317**	**96,609,861**

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

(b) Repurchase Agreements: for operations with pre-fixed rates, the fair value was calculated by calculating the discount of estimated cash flows, adopting discount rates equivalent to the rates used in contracting similar operations on the last day of the market.

(c) 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 half of 2023 and 2022, there were no events treated as non-recurring.

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

Executive Board

CLÁUDIO COUTINHO MENDES
Chief Executive Officer

IRANY DE OLIVEIRA SANT'ANNA JUNIOR
Deputy CEO

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

Board of Directors

ITANIELSON DANTAS SILVEIRA CRUZ
Chairman

CLÁUDIO COUTINHO MENDES
Vice-Chairman

ADRIANO CIVES SEABRA
EDUARDO CUNHA DA COSTA
IRANY DE OLIVEIRA SANT'ANNA JUNIOR
JOÃO VERNER JUENEMANN
JORGE LUIS TONETTO
MÁRCIO KAISER
RAFAEL ANDREAS WEBER
RAMIRO SILVEIRA SEVERO
Board Members

WERNER KÖHLER
Accountant CRC RS 38534

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