FINANCIAL STATEMENTS

MARCH 2020

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PRESS RELEASE

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

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

Table 1: Economic and Financial Indicators

Main Income Statement Accounts - R$ Million	**1Q2020**	**1Q2019**	**1Q2020**	**4Q2019**	**3Q2019**	**2Q2019**	**1Q2019**	**1Q2020/ 1Q2019**	**1Q2020/ 4Q2019**
Net Interest Income	1,261.6	1,345.7	1,261.6	1,393.1	1,434.7	1,351.5	1,345.7	-6.3%	-9.4%
Provisions for Expected Losses Associated with Credit Risk Expenses	296.6	285.4	296.6	265.1	349.0	294.4	285.4	3.9%	11.9%
Financial Income	2,921.4	2,264.7	2,921.4	1,992.9	2,589.5	2,258.3	2,264.7	29.0%	46.6%
Financial Expenses	1,659.8	919.0	1,659.8	599.9	1,154.8	906.7	919.0	80.6%	176.7%
Income from Services and Fees	504.2	490.7	504.2	530.0	520.2	501.6	490.7	2.8%	-4.9%
Adjusted Administrative Expenses (1)	920.3	950.8	920.3	963.6	945.9	933.6	950.8	-3.2%	-4.5%
Adjusted Other Expenses	174.9	129.3	174.9	172.9	259.7	195.9	129.3	35.3%	1.2%
Adjusted Other Income	93.3	97.5	93.3	100.0	144.6	123.9	97.5	-4.3%	-6.7%
Adjusted Net Income	257.5	320.0	257.5	356.3	291.9	305.7	320.0	-19.5%	-27.7%
Net Income	257.5	320.0	257.5	397.2	291.9	335.4	320.0	-19.5%	-35.2%
Main Balance Sheet Accounts - R$ Million	**Mar 2020**	**Mar 2019**	**Mar 2020**	**Dec 2019**	**Sep 2019**	**Jun 2019**	**Mar 2019**	**Mar 2020/ Mar 2019**	**Mar 2020/ Dec 2019**
Total Assets	83,270.0	77,870.6	83,270.0	81,549.6	80,637.6	79,465.7	77,870.6	6.9%	2.1%
Securities (2)	30,219.9	21,881.4	30,219.9	23,721.0	24,233.5	22,813.0	21,881.4	38.1%	27.4%
Total Credit Portfolio	36,185.8	34,301.9	36,185.8	36,182.7	34,647.1	34,237.2	34,301.9	5.5%	0.0%
Provisions for Expected Losses Associated with Credit Risk	2,812.5	2,582.3	2,812.5	2,764.3	2,722.0	2,594.0	2,582.3	8.9%	1.7%
Past Due Loans > 90 Days	1,221.0	878.0	1,221.0	1,219.4	984.8	752.7	878.0	39.1%	0.1%
Funds Raised and Under Management	72,587.0	67,887.4	72,587.0	72,037.5	70,105.5	69,370.9	67,887.4	6.9%	0.8%
Shareholders' Equity	8,069.0	7,369.0	8,069.0	7,794.4	7,734.9	7,522.5	7,369.0	9.5%	3.5%
Prudential Conglomerate Reference Equity	6,546.6	6,322.0	6,546.6	6,439.0	6,740.7	6,478.9	6,322.0	3.6%	1.7%
Average Shareholders' Equity	7,931.7	7,323.9	7,931.7	7,764.6	7,628.7	7,445.7	7,323.9	8.3%	2.2%
Average Total Assets	82,409.8	77,649.2	82,409.8	81,093.6	80,051.7	78,668.2	77,649.2	6.1%	1.6%
Average Profitable Assets	72,149.3	68,941.7	72,149.3	70,971.1	70,840.7	70,671.1	68,941.7	4.7%	1.7%
Stock Market Information - R$ Million	**1Q2020**	**1Q2019**	**1Q2020**	**4Q2019**	**3Q2019**	**2Q2019**	**1Q2019**	**1Q2020/ 1Q2019**	**1Q2020/ 4Q2019**
Interest on Own Capital / Dividends (3)	101.0	127.7	101.0	161.9	112.0	135.0	127.7	-20.9%	-37.6%
Market Capitalization	4,879.1	9,893.1	4,879.1	8,854.3	9,222.4	9,713.1	9,893.1	-50.7%	-44.9%
Book Value Per Share	19.73	18.02	19.73	19.06	18.91	18.39	18.02	9.5%	3.5%
Average Price per Share (R$)	18.19	24.24	18.19	21.37	23.28	23.59	24.24	-25.0%	-14.9%
Earnings per Share (R$)	0.63	0.78	0.63	0.97	0.71	0.82	0.78	-19.4%	-35.1%
Financial Indexes	**1Q2020**	**1Q2019**	**1Q2020**	**4Q2019**	**3Q2019**	**2Q2019**	**1Q2019**		
Adjusted ROAA (pa.) (4)	1.3%	1.7%	1.3%	1.8%	1.5%	1.6%	1.7%		
Adjusted ROAE (pa.) (5)	13.6%	18.7%	13.6%	19.7%	16.2%	17.5%	18.7%		
Adjusted Efficiency Ratio (6)	52.6%	51.5%	52.6%	52.1%	51.1%	51.4%	51.5%		
Net Interest Margin on Profitable Assets	7.18%	8.04%	7.18%	8.09%	8.35%	7.87%	8.04%		
Adjusted Operating Cost	4.5%	4.9%	4.5%	4.7%	4.7%	4.8%	4.9%		
Default Rate > 90 Days (7)	3.37%	2.56%	3.37%	3.37%	2.84%	2.20%	2.56%		
Coverage Ratio 90 days (8)	230.4%	294.1%	230.4%	226.7%	276.4%	344.6%	294.1%		
Provisioning Index (9)	7.8%	7.5%	7.8%	7.6%	7.9%	7.6%	7.5%		
Basel Ratio (Prudential Conglomerate)	15.1%	15.6%	15.1%	15.1%	16.2%	15.8%	15.6%		
Structural Indicators	**Mar 2020**	**Mar 2019**	**Mar 2020**	**Dec 2019**	**Sep 2019**	**Jun 2019**	**Mar 2019**		
Branches	514	518	514	518	518	518	518		
Service Stations	181	184	181	178	178	181	184		
Electronic Service Stations	422	436	422	419	427	433	436		
Employees	10,237	10,182	10,237	10,283	10,313	10,276	10,182		
Economic Indicators	**1Q2020**	**1Q2019**	**1Q2020**	**4Q2019**	**3Q2019**	**2Q2019**	**1Q2019**		
Effective Selic Rate	1.01%	1.51%	1.01%	1.24%	1.54%	1.54%	1.51%		
Exchange Rate (R$/USD - end of period)	5.20	3.90	5.20	4.03	4.16	3.83	3.90		
Exchange Rate Variation (%)	28.98%	0.57%	28.98%	-3.21%	8.67%	-1.66%	0.57%		
IGP-M (General Market Price Index)	1.69%	2.16%	1.69%	3.09%	-0.28%	2.19%	2.16%		
IPCA (Extended Consumer Price Index)	0.53%	1.51%	0.53%	1.77%	0.26%	0.71%	1.51%		

(1) Includes Adjusted Personnel Expenses and Other Administrative Expenses.
(2) Includes Derivatives, Interbank Deposits and Cash Equivalents and deduces Repurchase Obligations.
(3) Interest on Own Capital and Dividends paid credited and/or provisioned (before retention of income tax).
(4) Net Income / Average Total Asset.
(5) Net Income / Average Shareholders' Equity.
(6) Efficiency Ratio for the last 12 months. Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Operational Income – Other Operational Expenses).
(7) Past Due Loans > 90 days / Total Credit Portfolio.
(8) Provisions for Expected Losses Associated with Credit Risk/ Past Due Loans > 90 days.
(9) Provisions for Expected Losses Associated with Credit Risk/ Credit Portfolio.

MATERIAL FACTS

Faced with a public health emergency and uncertainties in the global economy due to Covid-19, Banrisul has been taking actions to minimize the exposure of customers and employees to the disease, while maintaining economic activity as normal as possible.

In March 2020, the Bank announced measures to preserve employees' health, including remote work, especially to those in groups of risk, without compromising business continuity, the suspension of activities that involved participants of the Young Apprentice Training Program and all other activities that would led to people gathering. As for customers, they included campaigns informing that the vast majority of the financial services provided by Banrisul can be carried out through in digital channels and the release of service through Costumer Service Channels and the Bank's social networks, as well as advising customers to limit their presence at branches only when absolutely necessary and upon scheduling. Hygiene measures where reinforced, with new cleaning standards and gel alcohol available in all facilities.

Banrisul also announced measures relate to its loan portfolio, which include (i) the extension of the maturities of outstanding loans, (ii) the offer of pre-approved credit lines, (iii) the increase of Banricompras credit limits, (iv) the increase of credit limits that can be used for transactions and withdrawals in digital channels, and (iv) making available, exempted from charges and monthly fee payment, additional POS equipment to be used into Vero's acquiring network.

The impacts of the present pandemic tend to be more correctly observed and measured in the coming months, with the reflexes of the crisis and the effectiveness of the mitigation measures being thoroughly assessed in a future moment. Therefore, it is essential to permanently monitor regulatory and market changes and the evolution of the crisis resulting from the pandemic so that Banrisul can position itself and continue taking the necessary measures to face the crisis.

FINANCIAL HIGHLIGHTS

The summary of Banrisul's 1Q2020 results are presented below. The Analysis of Performance, Management Report Financial Statements and the Accompanying Notes are available on the Bank's website www.banrisul.com.br/ri.

Table 2: Key Items of the Income Statement - R$ Million

	1Q2020	1Q2019	1Q2020	4Q2019	3Q2019	2Q2019	1Q2019	1Q2020/ 1Q2019	1Q2020/ 4Q2019
Net Interest Income	1,261.6	1,345.7	1,261.6	1,393.1	1,434.7	1,351.5	1,345.7	-6.3%	-9.4%
Provisions for Expected Losses Associated with Credit Risk Expenses	296.6	285.4	296.6	265.1	349.0	294.4	285.4	3.9%	11.9%
Income from Services and Fees	504.2	490.7	504.2	530.0	520.2	501.6	490.7	2.8%	-4.9%
Adjusted Administrative Expenses	920.3	950.8	920.3	963.6	945.9	933.6	950.8	-3.2%	-4.5%
Adjusted Operating Income	359.0	461.1	359.0	517.3	427.8	445.6	461.1	-22.2%	-30.6%
Adjusted Net Income	257.5	320.0	257.5	356.3	291.9	305.7	320.0	-19.5%	-27.7%
Net Income	257.5	320.0	257.5	397.2	291.9	335.4	320.0	-19.5%	-35.2%

Net income in 1Q2020 reached R$257.5 million, decreasing 19.5% since 1Q2019 and down 27.7% from 4Q2019's managerial net income. The **performance** from **1Q2019 to 1Q2020** reflects (i) the reduction in financial margins, (ii) the increase in provisions for expected losses associated with credit risk expenses, (iii) the increase in bank fees, (iv) the lower administrative expenses and (v) the lower amount of income tax, the latter reflecting the lower calculation base and the change in the Social Contribution on Net Income (CSLL) rate as of March 2020, impacting both deferred and current results.

In relation to **4Q2019,** the performance of the **managerial net income of 1Q2020**, the performance was majorly influenced by (i) the reduction of financial margins and of income bank fees, (ii) higher provisions for expected losses associated with credit risk, (iii) the decrease in administrative expenses and (iv) the lower amount of income tax, the latter reflecting the lower calculation base and the change in the Social Contribution on Net Income (CSLL) rate as of March 2020, impacting both deferred and current results.

Net interest income totaled R$1,261.6 million in 1Q2020, 6.3% (R$84.1 million) down from 1Q2019 and 9.4% (R$131.5 million) down from 4Q2019. The NII decrease from 1Q2019 to 1Q2020 and from 4Q2019 to 1Q2020 reflects the drop in the Selic rate, the decrease in the interest rates over overdraft accounts on account of the Central Bank of Brazil cap rules for the product, and the lower recovery flow of write-off loans.

Provisions for expected losses associated with credit risk reached R$296.6 million in 1Q2020, increasing 3.9% (R$11.2 million) from 1Q2019 pursuant the rollover of credit portfolio by risk ratings and the increase in overdue credit operations. From 4Q2019 to 1Q2020, the increase of 11.9% (R$31.5 million) in provisions for expected losses associated with credit risk was due to the rollover of the portfolio by rating levels and the reversal of provision recorded in the previous quarter as per the settlement of fully provisioned loans, while offset by the higher amount of recoveries of fully provisioned write-offs in the same quarter.

Banking Fees totaled R$504.2 million in 1Q2020, increasing 2.8% (R$13.5 million) from 1Q2019, particularly driven by current account fees, insurance and pension bond fees, and offset by the decrease of MDR fees. From 4Q2019 to 1Q2020, banking fees decreased 4.9% (R$25.7 million), mostly due to lower MDR fees.

Administrative expenses (personnel and other opex) totaled R$920.3 million in 1Q2020, decreasing 3.2% (R$30.5 million) from 1Q2019 and 4.5% (R$43.2 million) from 4Q2019. **Personnel expenses** totaled R$505.1 million in 1Q2020, an increase of 2.2% compared to 1Q2019, reflecting the collective bargaining agreement and the number of employees leaving under the incentivized retirement plan. Personnel expenses increased 1.0% from 4Q2019 to 1Q2020. **Other administrative expenses** totaled R$ 415.2 million in 1Q2020, decreasing 9.1% from 1Q2019, mostly influenced by the reduction of third party and specialized technical services expenses. From 4Q2019 to 1Q2020, other administrative expenses decreased 10.5%, mostly due to the decrease in expenses with third-party services and with data processing.

The reconciliation between reported and managerial net income is presented below, and considers the extraordinary events recorded in 2Q2019 and 4Q2019. ROE, ROA and efficiency ratio are calculated based on adjusted net income.

Table 3: Accounting Net Income Statement X Adjusted Net Income - R$ Million and %

	1Q2020	1Q2019	1Q2020	4Q2019	3Q2019	2Q2019	1Q2019
Adjusted Net Income	257.5	320.0	257.5	356.3	291.9	305.7	320.0
Adjustments	-	-	-	40.9	-	29.7	-
Restructuring plans of the Fundação Banrisul de Seguridade Social – FBSS (1)	-	-	-	-	-	49.5	-
Labor Lawsuits Provisions	-	-	-	(429.0)	-	-	-
Civil Lawsuits Provisions (reversal) (2)	-	-	-	126.8	-	-	-
Tax Effects (3)	-	-	-	120.9	-	(19.8)	-
Deferred Tax Assets – EC 103/2019 (4)	-	-	-	222.2	-	-	-
Net Income	257.5	320.0	257.5	397.2	291.9	335.4	320.0
Adjusted ROAA	1.3%	1.7%	1.3%	1.8%	1.5%	1.6%	1.7%
Adjusted ROAE	13.6%	18.7%	13.6%	19.7%	16.2%	17.5%	18.7%
Adjusted Efficiency Ratio (5)	52.6%	51.5%	52.6%	52.1%	51.1%	51.4%	51.5%

(1) Voluntary migration process of participants from Benefit Plan I - PBI to Benefit Plan FBPREV III in 1H2019; approximately 35% of PBI participants migrated.
(2) Provisions (reversal) arising from review of parameters and to the trend of ongoing civil lawsuits.
(3) Related to FBSS Plan Restructuring, Labor Lawsuits Provisions and Reversal of Civil Lawsuits Provisions.
(4) Refers to the update of deferred tax credits and debts stock resulting from the increase in the Social Contribution Rate on Net Income (CSLL) to 20% from 15%, as per the issuance of the Constitutional Amendment EC 103 of 2019.
(5) Personnel Expenses + Other Administrative Expenses / Financial Margin + Income from Services and Fees + (Other Operational Income – Other Operational Expenses). Considers the last 12 months.

Annualized ROAE reached 13.6% in 1Q2020, 5.1 pp. below 1Q2019, reflecting particularly the reduction in net interest income and the increase in provisions for expected losses associated with credit risk expenses, in a context of falling Selic rate and increasing default rates, trend minimized by the increase in banking fees and the decrease of administrative expenses.

Adjusted efficiency ratio reached 52.6% in the twelve-month period ended March 2020, from 51.5% in the twelve-month period ended March 2019, impacted by NII compression, unfavorable evolution of other income/expenses, the growth of banking fees and the decrease of administrative expenses.

OPERATIONAL HIGHLIGHTS

Table 4: Asset Evolution Statement - R$ Million

	Mar 2020	Dec 2019	Sep 2019	Jun 2019	Mar 2019	Mar 2020/ Mar 2019	Mar 2020/ Dec 2019
Total Assets	83,270.0	81,549.6	80,637.6	79,465.7	77,870.6	6.9%	2.1%
Credit Operations	36,185.8	36,182.7	34,647.1	34,237.2	34,301.9	5.5%	0.0%
Securities (1)	30,219.9	23,721.0	24,233.5	22,813.0	21,881.4	38.1%	27.4%
Funds Raised and Under Management	72,587.0	72,037.5	70,105.5	69,370.9	67,887.4	6.9%	0.8%
Shareholders' Equity	8,069.0	7,794.4	7,734.9	7,522.5	7,369.0	9.5%	3.5%

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

Total assets reached R$83,270.0 million in March 2020, growing 6.9% (R$5,399.4 million) from March 2019 and 2.1% (R$1,720.4 million) from December 2019. The main components of assets and liabilities will be addressed below.

Total **credit assets** (expanded concept) reached R$36,463.7 million in March 2020, increasing 5.8% in twelve months and flattish in the last quarter. Excluding sureties and guarantees, loan book increased 5.5% from March 2019, mostly influenced by the growth of R$1,628.7 million in non-earmarked credit to individuals and R$300.6 million in rural credit, performance that was offset by the reduction of R$222.6 million in long-term loans. Credit assets remained stable since December 2019.

Table 5: Statement of the Credit Portfolio - R$ Million

	Mar 2020	% Credit Portolio	Dec 2019	Sep 2019	Jun 2019	Mar 2019	Mar 2020/ Mar 2019	Mar 2020/ Dec 2019
Foreign Exchange	846.6	2.3%	774.6	746.6	684.2	713.6	18.6%	9.3%
Commercial	27,701.2	76.6%	27,815.1	26,401.9	26,074.9	26,006.5	6.5%	-0.4%
Individuals	21,571.6	59.6%	21,731.8	20,466.4	20,084.8	19,942.9	8.2%	-0.7%
Payroll (1)	16,082.8	44.4%	16,001.1	15,537.8	14,993.4	14,681.3	9.5%	0.5%
Other	5,488.8	15.2%	5,730.7	4,928.6	5,091.4	5,261.6	4.3%	-4.2%
Companies	6,129.5	16.9%	6,083.3	5,935.5	5,990.1	6,063.5	1.1%	0.8%
Working Capital	4,152.5	11.5%	4,060.5	3,877.0	3,979.6	3,977.5	4.4%	2.3%
Other	1,977.0	5.5%	2,022.8	2,058.5	2,010.5	2,086.1	-5.2%	-2.3%
Long-term Financing	660.5	1.8%	669.2	751.1	837.1	883.1	-25.2%	-1.3%
Real Estate Financing	4,135.7	11.4%	4,126.9	4,096.8	4,209.3	4,167.9	-0.8%	0.2%
Agricultural Financing	2,712.6	7.5%	2,661.3	2,527.0	2,311.5	2,411.9	12.5%	1.9%
Other (2)	129.3	0.4%	135.5	123.6	120.2	118.8	8.8%	-4.6%
Total	**36,185.8**	**100.0%**	**36,182.7**	**34,647.1**	**34,237.2**	**34,301.9**	**5.5%**	**0.0%**

(1) Credits linked to acquired portfolio with recourse have been added to Credit to Individuals since March 2020, with adjusted effects on previous periods.
(2) Includes leasing and public sector.

Securities, **interbank investments and cash availabilities** totaled R$34,042.4 million in March 2020, with net balance (deducted of repurchase transactions) of R$30,219.9 million, increasing 38.1% (R$8,338.5 million) from March 2019, mostly influenced by reduction of compulsory deposits at the Central Bank of Brazil and the increase of deposits in an environment of increasing loan portfolio. From December 2019, these items increased 27.4% (R$6,498.9 million), mostly reflecting the decrease of compulsory deposits at the Central Bank of Brazil in an environment of relatively flattish trend of the loan book and of deposits.

Funds raised and under management, composed by deposits, bank notes, subordinated bond and third-party funds, totaled R$72,587.0 million in March 2020, increasing 6.9% (R$4,699.6 million) in twelve months, driven by the increase of R$3,387.3 million in deposits. Comparing to December 2019, funds raised and under management were flattish.

Shareholders' equity reached R$8,069.0 million at the end of March 2020, increasing 9.5% (R$700.1 million) from March 2019 and 3.5% (R$274.7million) from December 2019. The evolution in shareholders' equity in twelve months reflects the incorporation of net income, the payment of interest on own capital and the provisioned dividends, the reassessment of actuarial liabilities on post-employment benefits pursuant to the procedures set forth by CPC 33 (R1) and exchange variation adjustments on the equity of dependencies abroad. Quarter-on-quarter, the evolution of shareholders' equity reflects the incorporation of results, the payment of interest on own capital and exchange rate variation adjustments on the equity of subsidiaries abroad.

Banrisul paid and provisioned R$258.5 million in **taxes and contributions** in 1Q2020. Taxes withheld and paid, directly levied on financial intermediation and other payments, amounted to R$256.0 million in 1Q2020.

Table 6: Other Indicators - %

	1Q2020	1Q2019	1Q2020	4Q2019	3Q2019	2Q2019	1Q2019
Net Interest Margin	7.18%	8.04%	7.18%	8.09%	8.35%	7.87%	8.04%
Basel Ratio (Prudential Conglomerate)	15.1%	15.6%	15.1%	15.1%	16.2%	15.8%	15.6%
Loan Portfolio Normal Risk / Total Credit	88.8%	87.5%	88.8%	88.7%	87.9%	87.4%	87.5%
Loan Portfolio Risks 1 and 2 / Total Credit	11.2%	12.5%	11.2%	11.3%	12.1%	12.6%	12.5%
Default Rate > 90 Days	3.37%	2.56%	3.37%	3.37%	2.84%	2.20%	2.56%
Cover Ratio > 90 Days (1)	230.4%	294.1%	230.4%	226.7%	276.4%	344.6%	294.1%
Provision Ratio (2)	7.8%	7.5%	7.8%	7.6%	7.9%	7.6%	7.5%

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

The **NIM** decrease from 1Q2019 to 1Q2020 reflects the decrease in the Selic rate, the new Central Bank of Brazil cap rules for interest rates over overdraft accounts and the lower flow of recovery of write–off loans, on the wake of increasing profitable assets volume.

90-day default rate reached 3.37% in March 2020, increasing 0.81 pp. in twelve months and stable from December 2019. The balance of 90-day past due credit reached R$1,221.0 million in March 2020, increasing 39.1% in twelve months and flat in the last quarter. 90-day past due **Coverage ratio** reached 230.4% in March 2020, vis-à-vis 294.1% in March 2019 and 226.7% in December 2019. From March 2019 to March 2020, the trend of the 90-day coverage ratio reflects the increase in past due credit transactions ahead of the increase observed in provisions for expected losses associated with credit risk. In comparison with December 2019, the trajectory of the coverage ratio reflects the increase in provisions for expected losses associated with credit risk, in a period in which loan book was stable.

Total provisions reached 7.8% of the outstanding credit portfolio in March 2020, 0.3 pp. above March 2019 and 0.2 pp. above December 2019. Provisions for expected losses associated with credit risk increased R$230.2 million in twelve months, due to the rolling over of risk rating levels and the increase in credit defaults. The portfolio of normal risk loans increased 1.3 pp. in relation to March 2019. In the last quarter, the balance of provisions for expected losses associated with credit risk increased R$48.1 million, and the share of normal risk loan portfolio in relation to the total loan book increased 0.1 pp.

ANALYSIS OF PERFORMANCE

Following is the analysis of the performance of Banco do Estado do Rio Grande do Sul S.A. related to the first quarter of 2020.

MARKET SHARE

In December 2019, Banrisul occupied the 10th position in total assets and in equity, the 10th in funding (total deposits, open market funding and borrowings and onlendings) and the 6th in number of branches, according to ranking published by the Central Bank of Brazil (BNDES not included).

Banrisul's domestic market share in time deposits reached 3.4873% in March 2020 from 4.2370% in March 2019; deposits grew 5.2% year-on-year in Banrisul vis-à-vis the 27.8% expansion observed within the banking industry in the same period. As to demand deposits, Banrisul's participation in the domestic market reached 1.3556% in March 2020, decreasing 0.2097 pp. from March 2019; as for savings accounts, Banrisul's portfolio reached 1.1384% from the domestic market balance in March 2020, decreasing 0.0163 pp. from March 2019. Banrisul's share in credit in the Brazilian credit market reached 1.0087% in March 2020 from 1.0481 in March 2019.

Credit market share reached 19.7030% of the total credit granted within Rio Grande do Sul in December 2019, increasing 0.3316 pp. in comparison to December 2018. In the State of Rio Grande do Sul, in December 2019 Banrisul's market share reached 47.9641% in time deposits, decreasing 0.4415 pp. in twelve months, while reaching 12.8292% in saving deposits in the same month, decreasing 0.1963 pp. year-on-year. Demand deposits decreased 4.3308 pp. in twelve months, reaching 27.7334% in December 2019.

Table 7: Market Share

	Brazil		Rio Grande do Sul	
	Mar 2020 (1)	Mar 2019	Dec 2019 (2)	Dec 2018
Demand Deposits	1.3556%	1.5653%	27.7334%	32.0642%
Saving Deposits	1.1384%	1.1547%	12.8292%	13.0255%
Time Deposits	3.4873%	4.2370%	47.9641%	48.4056%
Credit Operations	1.0087%	1.0481%	19.7030%	19.3714%
Number of Branches	2.5761%	2.4830%	30.6110%	30.1462%

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

MARGIN ANALYSIS

FINANCIAL INTERMEDIATION PERFORMANCE

The presented margin analysis was calculated based on average balances of assets and liabilities, calculated from the closing balances of the months that compose the respective analyzed period. The following chart shows the revenue-generating assets and interest-bearing liabilities, the corresponding financial incomes on assets and financial expenses on liabilities, as well as the effective average rates practiced.

Credit operations include advances on foreign exchange contracts and leasing agreements, which are shown at the current net value of the leasing agreements. Income from credit operations more than 60 days overdue, irrespective of their risk level, will only be booked as revenues when received.

Average balances of interbank investment and funds invested or raised in the interbank market correspond to the redemption amount deducted from the income or expenses corresponding to future periods. Average balances of deposits, open-market funding, borrowings and onlendings include the fees payable till the date of closing of the Financial Statements, booked on a pro rata die basis. As for expenses related to these items, those due on deposits include contributions to the Deposit Guarantee Fund (Fundo Garantidor de Crédito - FGC).

Margins produced by interest-earning assets decreased from 1Q2019 to 1Q2020. Average interest-earning assets grew 4.7% and interest-bearing liabilities increased 5.9%. The absolute margin decreased 6.3% in 1Q2020 and the relative annualized margin decreased 0.20 pp. when compared to 1Q2019.

Exchange variation, especially in credit operations (exchange and foreign exchange finance), treasury (derivatives financial instruments), subordinated debt and foreign onlending, as well as the reduction of the effective Selic rate affected interest-earning assets and interest-bearing liabilities. Besides the basic interest rates that index transactions in the financial sector, the assets and liabilities structure, as well as the time and interest rate conditions of transactions, are determinant factors in the formation of the margin recorded in each period.

Representing 45.5% of the total average interest-earning assets, credit assets decreased 0.1 pp. from 1Q2019 to 1Q2020; treasury operations amounted to 38.1% of interest-earning assets in 1Q2020, increasing 2.7 pp. from 1Q2019. Compulsory deposits decreased 2.8 pp comparing to the 1Q2019, reaching 14.8% in 1Q2020.

As to interest-bearing liabilities, the average balance of time deposits represented 63.2% of the cost-generating liabilities in 1Q2020, decreasing 0.4 pp. from 1Q2019. Savings deposits reached 15.2% of the total interest-bearing liabilities in 1Q2020, decreasing 0.1 pp. from 1Q2019. Among the other interest-bearing liabilities, market funding represented 5.8%, decreasing 0.6 pp. from 1Q2019. Subordinated bond represented 4.1% of the interest-bearing liabilities, increasing 0.6 pp. from 1Q2019, due to the variation of the exchange rate and mark-to-market from the period.

All together, these variations decreased spreads, which reached 1.53% in 1Q2020.

Table 8: Margin Analysis - R$ Million and %

	1Q2020			1Q2019			2019			2018		
	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	**72,149.3**	**2,921.4**	**4.05%**	**68,941.7**	**2,264.7**	**3.28%**	**70,212.7**	**9,105.4**	**12.97%**	**66,860.5**	**9,551.8**	**14.29%**
Loan Portfolio	32,850.2	1,771.0	5.39%	31,411.1	1,688.1	5.37%	31,627.5	6,818.0	21.56%	29,395.3	6,957.8	23.67%
Resale Pending Settlement	2,576.2	21.4	0.83%	4,183.7	71.9	1.72%	4,132.4	284.9	6.89%	2,183.7	164.5	7.53%
Securities and Derivatives	24,925.1	997.8	4.00%	20,075.4	311.2	1.55%	21,336.7	1,264.1	5.92%	22,227.5	1,661.1	7.47%
Interbank Deposits	9.0	0.7	7.46%	131.6	2.7	2.07%	56.5	5.8	10.23%	294.5	20.4	6.91%
Other Interest-Earning Assets	11,788.9	130.5	1.11%	13,139.9	190.7	1.45%	13,059.6	732.6	5.61%	12,759.6	748.0	5.86%
Compulsories	10,707.0	115.4	1.08%	12,114.8	176.2	1.45%	12,014.8	672.9	5.60%	11,771.1	703.6	5.98%
Other	1,081.9	15.2	1.40%	1,025.0	14.6	1.42%	1,044.7	59.7	5.71%	988.5	44.4	4.49%
Non Interest-Earning Assets	**10,285.1**	-	-	**8,620.5**	-	-	**9,059.0**	-	-	**8,549.1**	-	-
Total Assets	**82,434.4**	**2,921.4**	**3.54%**	**77,562.1**	**2,264.7**	**2.92%**	**79,271.7**	**9,105.4**	**11.49%**	**75,409.7**	**9,551.8**	**12.67%**
Interest-Bearing Liabilities	**63,546.8**	**(1,659.8)**	**2.61%**	**59,993.3**	**(919.0)**	**1.53%**	**61,337.2**	**(3,580.4)**	**5.84%**	**58,184.3**	**(3,860.6)**	**6.64%**
Interbank Deposits	691.8	(5.5)	0.79%	138.7	(1.2)	0.84%	257.8	(10.3)	4.01%	100.0	(5.8)	5.80%
Saving Deposits	9,657.6	(86.7)	0.90%	9,177.7	(105.6)	1.15%	9,341.5	(419.9)	4.49%	8,761.0	(419.9)	4.79%
Time Deposits	40,192.1	(380.1)	0.95%	38,157.1	(535.6)	1.40%	38,940.9	(2,102.3)	5.40%	36,436.6	(2,117.1)	5.81%
Money Market Funding	3,687.9	(43.0)	1.17%	3,868.6	(66.1)	1.71%	3,871.0	(252.7)	6.53%	4,839.6	(305.9)	6.32%
Subordinated Debt	2,575.4	(792.2)	30.76%	2,058.5	(55.7)	2.71%	2,211.8	(315.7)	14.27%	1,984.1	(411.3)	20.73%
Borrowings and Onlendings	2,279.0	(304.1)	13.35%	2,506.0	(91.6)	3.65%	2,393.6	(216.0)	9.02%	2,825.5	(399.5)	14.14%
Domestic	1,528.6	(15.6)	1.02%	1,713.5	(16.3)	0.95%	1,631.9	(68.2)	4.18%	2,019.4	(153.3)	7.59%
Foreign	750.3	(288.5)	38.45%	792.5	(75.3)	9.50%	761.7	(147.8)	19.40%	806.1	(246.2)	30.54%
Other	4,463.1	(48.2)	1.08%	4,086.8	(63.2)	1.55%	4,320.6	(263.5)	6.10%	3,237.5	(201.3)	6.22%
Non-Interest-Bearing Liabilities	**10,936.9**	-	-	**10,160.6**	-	-	**10,331.5**	-	-	**10,049.4**	-	-
Shareholders' Equity	**7,950.7**	-	-	**7,408.3**	-	-	**7,603.0**	-	-	**7,176.0**	-	-
Liabilities and Shareholders' Equity	**82,434.4**	**(1,659.8)**	**2.01%**	**77,562.1**	**(919.0)**	**1.18%**	**79,271.7**	**(3,580.4)**	**4.52%**	**75,409.7**	**(3,860.6)**	**5.12%**
Spread			**1.53%**			**1.74%**			**6.97%**			**7.55%**
Margin		**1,261.6**	**1.75%**		**1,345.7**	**1.95%**		**5,525.0**	**7.87%**		**5,691.1**	**8.51%**
Yearly Margin			**7.18%**			**8.04%**			**7.87%**			**8.51%**

VARIATIONS IN INTEREST INCOME AND EXPENSES: VOLUMES AND RATES

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

The growth of revenues produced by the interest-earning assets from 1Q2019 to 1Q2020 is especially linked to the increase of R$585.4 million in revenues due to the variation of the average interest rates impacted mostly treasury results, in which is included the result of derivative financial instruments, impacted by the exchange rate variation and mark-to-market.

The increase in the expenses produced by interest-bearing liabilities in 1Q2020 relating to 1Q2019 was mainly linked to the increase in expenses due to variation in average interest rates, in R$691.8 million, was mainly influenced by the average interest rates observed in , subordinated debt and in loans and onlendings.

Caused by the variation of the average interest rates of interest-bearing liabilities, the increase in expenses in amounts larger than those of the increase in revenues, the latter driven by the increase of the average interest rates of interest-earnings assets, helped reduce financial margins by R$106.4 million. The increase in revenues produced by the variation of the average balance of interest-earning asset, in amounts more expressive than those of the increase in the expenses produced by the variation of the average balance of interest-bearing liabilities, produced an overall increase of R$22.3 million in financial margin. Altogether, financial margin was reduced of R$84.1 million from 1Q2019 to 1Q2020.

The following table presents the allocation of variations in the interest incomes and expenses by the change in average volume of interesting-earning assets and interesting-bearing liabilities and the variation of the average interest rate over these assets and liabilities: (i) 1Q2020 vs 1Q2019, (ii) 2019 vs 2018 and (iii) 2018 vs 2017.

Table 9: Variations in Interest Income and Expenses: Volumes and Rates - R$ Million

	1Q2020/1Q2019			2019/2018			2018/2017		
	Increase / Decrease According to change in:			Increase / Decrease According to change in:			Increase / Decrease According to change in:		
	Average Volume	Interest Rate	Net Change	Average Volume	Interest Rate	Net Change	Average Volume	Interest Rate	Net Change
Interest-Earning Assets									
Loans, Leasing Operations and Other Receivables	77.6	5.3	82.8	506.7	(646.5)	(139.8)	368.2	(190.6)	177.6
Resale Pending Settlement	(68.8)	18.3	(50.6)	133.0	(12.6)	120.4	82.9	(18.4)	64.5
Securities and Derivatives	90.9	596.0	686.9	(69.9)	(327.1)	(397.0)	20.6	(402.8)	(382.2)
Interbank Deposits	(4.3)	2.2	(2.1)	(21.4)	6.8	(14.6)	(19.5)	(10.2)	(29.7)
Compulsories	(24.8)	(36.0)	(60.8)	14.3	(45.0)	(30.7)	93.8	(330.7)	(237.0)
Other	0.8	(0.4)	0.4	2.6	12.7	15.3	3.9	(23.7)	(19.9)
Total Interest-Earning Assets	**71.3**	**585.4**	**656.7**	**565.4**	**(1,011.8)**	**(446.4)**	**549.7**	**(976.4)**	**(426.7)**
Interest-Bearing Liabilities									
Interbank Deposits	(4.4)	0.1	(4.3)	(5.6)	1.1	(4.5)	2.0	10.9	12.9
Saving Deposits	(5.3)	24.1	18.8	(26.9)	26.9	0.0	(49.4)	126.1	76.7
Time Deposits	(27.3)	182.9	155.6	(140.4)	155.1	14.7	(231.0)	1,067.7	836.7
Money Market Funding	3.3	19.8	23.1	62.9	(9.7)	53.2	15.1	200.6	215.7
Subordinated Debt	(17.4)	(719.1)	(736.5)	(43.2)	138.8	95.5	(21.7)	(188.7)	(210.4)
Borrowings and Onlendings	7.5	(220.0)	(212.5)	77.2	106.3	183.6	32.9	(127.8)	(94.9)
Other	(5.4)	20.4	15.0	(66.0)	3.8	(62.2)	(31.6)	97.6	66.0
Total Interest-Bearing Liabilities	**(49.0)**	**(691.8)**	**(740.8)**	**(142.0)**	**422.3**	**280.3**	**(283.5)**	**1,186.3**	**902.8**

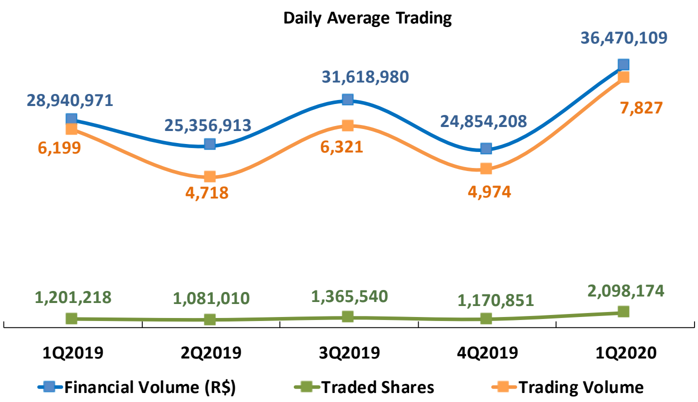
STOCK MARKET PERFORMANCE

Listed under Corporate Governance Level 1 since July 2007, and committed to the best market practices, Banrisul voluntarily adopts certain rules from other levels of Corporate Governance, strengthening and consolidating a transparent relationship with stakeholders in events, conferences and meetings in Brazil and abroad.

Banrisul's stock capital was R$5,200.0 million in March 31, 2020, represented by 408,974,477 shares (205,064,841 common shares and 203,912,636 preferred shares) in book entry form and without nominal value. The Bank's largest shareholder is the Government of the State of Rio Grande do Sul, which directly held 98.1% of common capital and 49.4% of total capital.

Banrisul is listed in eight indexes of B3 S.A. – Brasil, Bolsa, Balcão, and its PNB share (BRSR6) was among the 100 mostly traded share on the stock exchange. In 1Q2020, the average daily traded financial volume increased by 26.0% in relation to 1Q2019; in the same period, the daily average number of transactions increased 26.0%. Average financial volume increased 46.7% and the average number of transactions 57.4% in the last three months.

Graph 1: Average Financial Volume, Number of Trades and Number of Shares



In March 2020, Banrisul's market value reached R$4,879.1 million, decreasing 50.7% in comparison with March 2019 and 44.9% in relation to December 2019.

The trends throughout the last quarter for the average financial volume, the average number of transactions and, especially, market value, were observed in during periods of adversities in public health due to the proliferation of Covid-19, with significant consequences both in the domestic and international capital markets.

The table with Banrisul's ratings according to main risk classification agencies is as follows.

Table 10: Ratings from Risk Agencies

Fitch Ratings	
Foreign Currency - Long-Term IDR	BB-
Foreign Currency - Short-Term IDR	B
Local Currency - Long-Term IDR	BB-
Local Currency - short-Term IDR	B
National Rating - Long-Term Rating	A+(bra)
National Rating - Short-Term Rating	F1(bra)
Support Rating	4
Viability Rating	bb-
Tier II Capital Subordinated Notes	B
Outlook National Rating	Positive
Outlook Foreign-Currency. Long-Term IDR	Stable
Moody's	
Outlook	Stable
Bank Deposits	Ba3/NP
NSR Bank Deposits -Dom Curr	A1.br/BR-1
Individual Credit Risk	ba3
Counterparty Risk Assessment	Ba2(cr)/NP(cr)
Subordinate	B1
Standard & Poor's	
Issuer Credit Rating Global scale	BB-
Issuer Credit Rating - National scale	brAA+
Perspective	Stable
Individual Credit Profile (SACP)	bb-

ASSET EVOLUTION

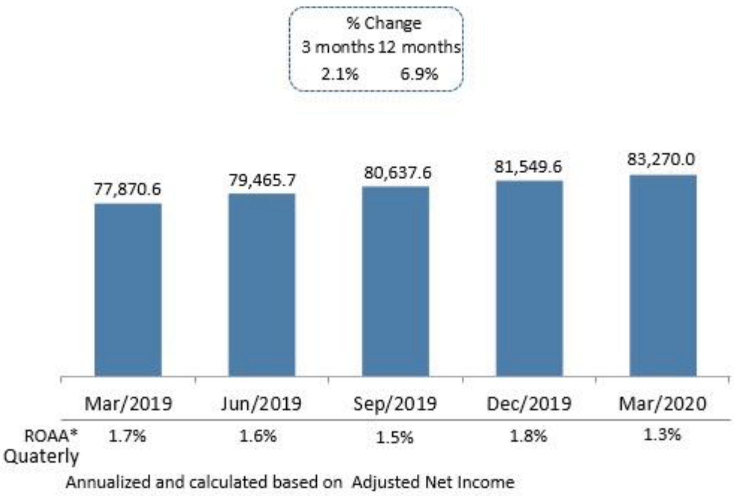
TOTAL ASSETS

Total assets reached R$83,270.0 million in March 2020, and are divided into (i) loans (43.5% of total assets); (ii) securities added to interbank deposits and cash (40.9%); (iii) compulsory deposits placed at the Central Bank of Brazil (8.0%) and (iv) other assets (7.6%).

In the last twelve months, total assets grew 6.9% (R$5,399.4 million), mostly from the increase of R$4,416.5 million in fund-raising (deposits, bank notes and subordinated bond). As to asset allocation, the balance of securities, jointly with net interbank investments, increased R$8,311.2 million, and credit portfolio increased R$1,883.9 million, while compulsory deposits placed at the Central Bank of Brazil decreased R$5,767.3 million in the period.

In 1Q2020, assets increased 2.1% (R$1,720.4 million), especially due to the increases of R$698.9 million in the subordinated debt, and of R$431.0 million in open market funding, while deposits remained stable, growing R$293.7 million. As to asset allocation, treasury increased R$6,930.0 million, loan book was stable and compulsory deposits decreased R$5,513.4 million.

Graph 2: Total Assets - R$ Million



SECURITIES AND DERIVATIVES

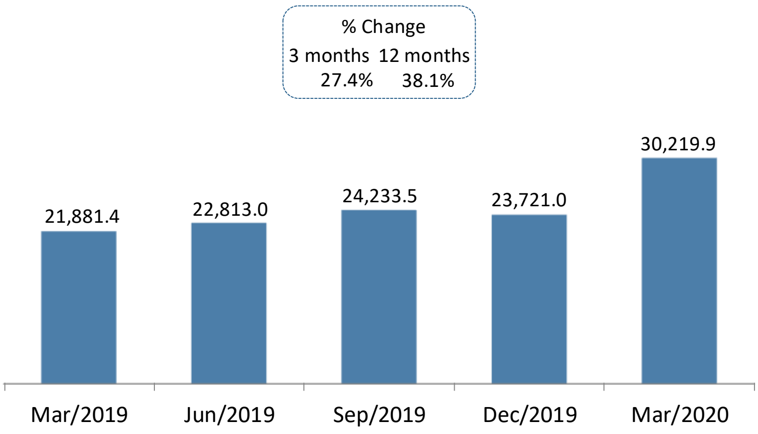
Securities, derivatives, interbank investments and cash, net of repo transactions, totaled R$30,219.9 million in March 2020, increasing 38.1% (R$8,338.5 million) from March 2019 and 27.4% (R$6,498.9 million) from December 2019.

The balance evolution from March 2019 was mainly driven by the increase in deposits and the decrease of reserve requirements at the Central Bank of Brazil, along with the increase of the credit portfolio.

In 1Q2020, the increase reflects particularly the reduction of compulsory deposits placed at the Central Bank of Brazil in a context of stable credit assets and flattish evolution of deposits.

Totaling R$19,066.8 million, the securities portfolio is distributed as follows: 56.0% (R$19,066.8 million) as "held to maturity", 21.1% (R$7,171.7 million) as interbank investments, 17.4% (R$5,942.7) in the trading book, 2.9% (R$981.5 million) as cash, 2.6% (R$877.6 million) as derivatives and R$2.1 million as "available for sale". Federal government bonds account for 93.6% of treasury investments.

Graph 3: Securities and Derivatives(1) - R$ Million

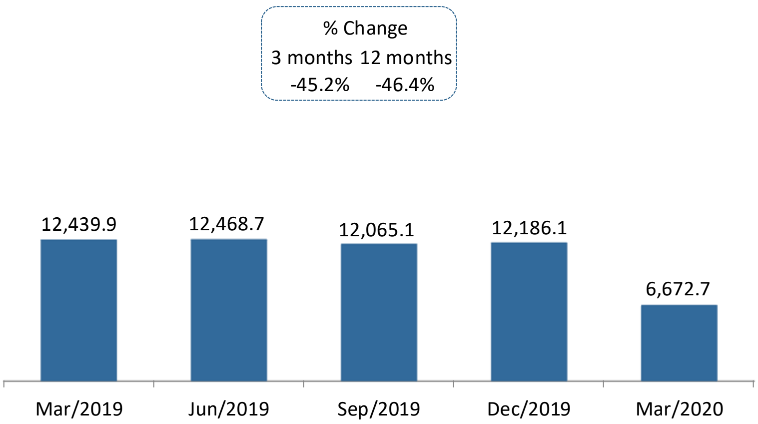


(1) Excluding repo transactions.

Compulsory Deposits placed at Central Bank of Brazil

The balance of compulsory deposits placed at Central Bank of Brazil amounted to R$6,672.7 million in March 2020, decreasing 46.4% (R$5,767.3) since March 2019 and 45.2% (R$5,513.4 million) since December 2019.

Graph 4: Compulsory Deposits placed at Central Bank of Brazil - R$ Million

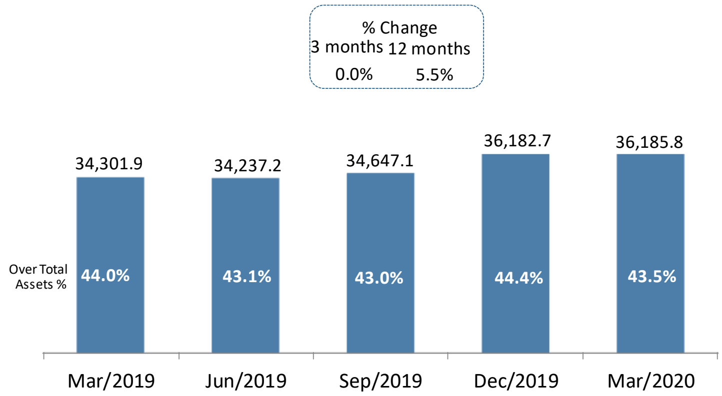


The decrease in compulsory deposits placed at Central Bank of Brazil was especially influenced by the retraction of reserve requirements over time deposits, R$5,636.0 million since March 2019 and R$5,439.4 since December 2019, respectively, reductions mostly impacted by the decrease in the levels of compulsory deposits over time deposits effective from March 2019, as per BACEN Circular No. 3993/20.

Credit Operations

Banrisul's credit portfolio totaled R$36,185.8 million in March 2020, increasing 5.5% (R$1,883.9 million) over March 2019 and flattish since December 2019, increasing R$3.1million. Expanded credit portfolio, which includes co-obligations and risks on granted guarantees, reached R$36,463.7 million in March 2020, increasing 4.8% (R$1,680.3 million) from March 2019 and flattish from December 2019, increasing R$38.1 million.

Graph 5: Credit Operations - R$ Million



In the last twelve months, the increase in the credit balance was mainly driven by the growth of R$1,628.7 million in credit to individuals, especially INSS payroll loans, and of R$300.6 million in rural loans, while offset by the decrease of R$222.6 million in long-term finance.

Comparing to December 2019, the credit balance was relatively stable, mainly driven by the increase of R$71.9 million in the exchange portfolio and of R$51.3 million in rural loans, while partially offset by the retractions of R$113.9 million in commercial portfolio and of R$ 8.7 million in long-term finance.

Breakdown of Credit by Company Size

Credit to companies totaled R$8,968.1 million in March 2020, and represented 24.8% of the total loan portfolio. 55.3% of the outstanding balance of corporate credit is allocated into micro, small and medium size companies.

In the last twelve months, credit to large-sized companies decreased 5.4% (R$229.2 million), with credit to micro, small and medium-sized companies remaining flattish, decreasing R$38.4 million. In the last three months, credit to micro, small and medium-sized companies increased 1.3% (R$64.4 million), with credit to large-sized companies increasing 1.9% (R$76.3 million).

Table 11: Breakdown of Credit to Companies by Company Size - R$ Million

	Mar 2020			Dec 2019			Mar 2019			Mar 2020/ Dec 2019	Mar 2020 / Mar 2019
	Balance	% Company Portfolio	% Total Portfolio	Balance	% Company Portfolio	% Total Portfolio	Balance	% Company Portfolio	% Total Portfolio		
Large Companies	4,006.5	44.7%	11.1%	3,930.2	44.5%	10.9%	4,235.7	45.9%	12.3%	1.9%	-5.4%
Total Middle/Small/Micro	4,961.6	55.3%	13.7%	4,897.2	55.5%	13.5%	5,000.0	54.1%	14.6%	1.3%	-0.8%
Middle Companies	3,079.3	34.3%	8.5%	3,085.8	35.0%	8.5%	3,366.4	36.4%	9.8%	-0.2%	-8.5%
Small Companies	1,424.6	15.9%	3.9%	1,350.7	15.3%	3.7%	1,217.1	13.2%	3.5%	5.5%	17.1%
Micro-Companies	457.7	5.1%	1.3%	460.7	5.2%	1.3%	416.5	4.5%	1.2%	-0.6%	9.9%
Total Companies	**8,968.1**	**100.0%**	**24.8%**	**8,827.4**	**100.0%**	**24.4%**	**9,235.7**	**100.0%**	**26.9%**	**1.6%**	**-2.9%**

Criteria: average monthly revenue (Micro - up to R$30,000; Small - up to R$400,000; Mid-sized - up to R$25 million). For Large companies: average monthly revenue above R$25 million or Total Asset above R$240 million.

Breakdown of Credit by Sector

The balance of credit operations segmented by sector of activity is presented as follows:

Table 12: Breakdown of Credit by Sector - R$ Million

	Mar 2020	Dec 2019	Sep 2019	Jun 2019	Mar 2019	Mar 2020/ Dec 2019	Mar 2020 / Mar 2019
Public Sector	**102.7**	**107.1**	**98.0**	**96.3**	**91.9**	**-4.2%**	**11.7%**
Public Management – Direct and Indirect	102.7	107.1	98.0	96.3	91.9	-4.2%	11.7%
Private Sector	**36,083.2**	**36,075.5**	**34,549.2**	**34,141.0**	**34,210.0**	**0.0%**	**5.5%**
Corporate	8,865.4	8,720.3	8,730.6	8,955.6	9,143.8	1.7%	-3.0%
Agricultural	229.5	232.9	241.1	236.5	244.5	-1.5%	-6.1%
Food, beverage and smoke	1,143.5	1,142.0	1,155.6	1,163.9	1,240.3	0.1%	-7.8%
Automotive	349.0	340.6	354.3	311.8	319.3	2.5%	9.3%
Pulp, wood and furniture	190.1	193.9	167.5	169.7	176.9	-2.0%	7.4%
Wholesale Food Business	475.5	444.7	427.2	479.4	463.8	6.9%	2.5%
Wholesale Business, except for food	472.0	448.7	438.7	432.0	482.5	5.2%	-2.2%
Retail Business – Others	663.9	622.0	616.2	608.5	613.8	6.7%	8.2%
Construction and Real Estate	826.0	816.6	827.1	988.5	1,002.1	1.2%	-17.6%
Education, Health and other Social Services	1,382.5	1,398.6	1,319.8	1,407.9	1,328.1	-1.2%	4.1%
Electronics and Computing	341.0	337.7	352.7	340.1	290.0	1.0%	17.6%
Financials and Insurance	448.0	449.8	534.8	490.0	501.1	-0.4%	-10.6%
Machine and Equipment	209.5	203.0	216.4	236.2	241.6	3.2%	-13.3%
Metallurgy	187.2	179.5	167.6	189.3	216.7	4.2%	-13.6%
Infrastructure Works	147.5	152.3	153.9	159.4	212.4	-3.1%	-30.6%
Oil and Natural Gas	381.3	374.1	351.8	352.8	365.6	1.9%	4.3%
Chemical and Petrochemical	442.1	427.4	471.3	435.1	473.8	3.4%	-6.7%
Private Services	203.2	202.5	198.8	198.5	199.7	0.3%	1.8%
Textile, Confections and Leather	217.3	197.2	196.3	201.0	204.1	10.2%	6.5%
Transportation	298.8	306.6	297.0	313.4	320.5	-2.5%	-6.8%
Others	257.6	250.0	242.6	241.4	247.1	3.0%	4.3%
Individuals	27,217.7	27,355.3	25,818.5	25,185.4	25,066.2	-0.5%	8.6%
Total	**36,185.8**	**36,182.7**	**34,647.1**	**34,237.2**	**34,301.9**	**0.0%**	**5.5%**

Breakdown of Credit by Portfolio

The breakdown of credit by portfolio presents both earmarked and non-earmarked loan assets. The non-earmarked portfolio, leasing and public sector are freely funded from time deposits and equity and comprised 76.9% of the total credit portfolio in March 2020. Development credit lines (long-term finance), agricultural, real estate finance and foreign exchange portfolios, which have specific funding sources and are used for mandatory credit allocation, represented 23.1% of total credit balance in March 2020.

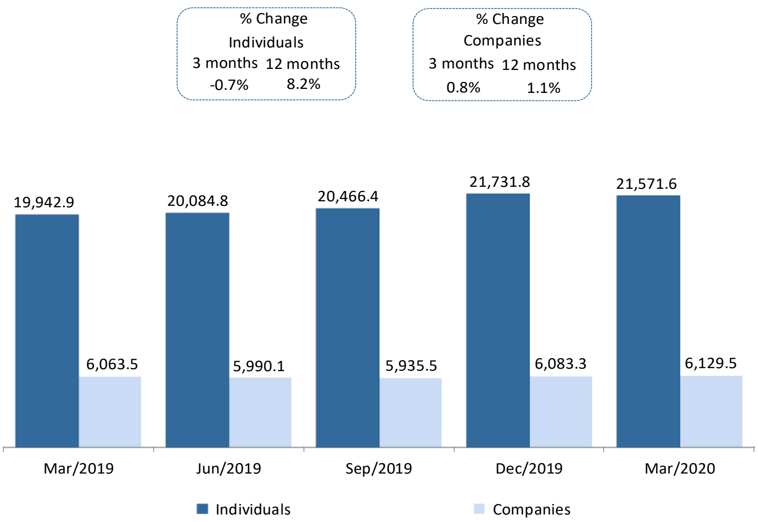
Table 13: Breakdown of Credit by Portfolio – R$ Million

	Mar 2020	Dec 2019	Sep 2019	Jun 2019	Mar 2019	Mar 2020/ Dec 2019	Mar 2020/ Mar 2019
Private Sector	**36,083.2**	**36,075.5**	**34,549.2**	**34,141.0**	**34,210.0**	**0.0%**	**5.5%**
Foreign Exchange	846.6	774.6	746.6	684.2	713.6	9.3%	18.6%
Non-direct	27,701.2	27,815.1	26,401.9	26,074.9	26,006.5	-0.4%	6.5%
Individuals(1)	21,571.6	21,731.8	20,466.4	20,084.8	19,942.9	-0.7%	8.2%
Companies	6,129.5	6,083.3	5,935.5	5,990.1	6,063.5	0.8%	1.1%
Long-term Financing	660.5	669.2	751.1	837.1	883.1	-1.3%	-25.2%
Real Estate Financing	4,135.7	4,126.9	4,096.8	4,209.3	4,167.9	0.2%	-0.8%
Leasing	26.6	28.4	25.7	23.9	26.9	-6.3%	-1.0%
Agricultural Financing	2,712.6	2,661.3	2,527.0	2,311.5	2,411.9	1.9%	12.5%
Public Sector	**102.7**	**107.1**	**98.0**	**96.3**	**91.9**	**-4.2%**	**11.7%**
Total of Credit-like Transactions	**36,185.8**	**36,182.7**	**34,647.1**	**34,237.2**	**34,301.9**	**0.0%**	**5.5%**
Co-obligation, sureties and guarantees	277.9	242.9	384.4	420.1	481.5	14.4%	-42.3%
Total	**36,463.7**	**36,425.5**	**35,031.5**	**34,657.3**	**34,783.4**	**0.1%**	**4.8%**

(1) Credits linked to acquired portfolio with recourse have been added to Credit to Individuals since March 2020, with adjusted effects on previous periods.

Comprising 76.6% of Banrisul's total loan book, the balance of non-earmarked credit portfolio at the end of March 2020 reached R$27,701.2 million. Within the non-earmarked credit portfolio, credit to individuals corresponded to 77.9% of the balance of the non-earmarked portfolio and to 59.6% of the total loan book in March 2020. Credit to companies represented 22.1% of the balance of non-earmarked credit and 16.9% of the total stock of credit in the same month.

Graph 6: Non-earmarked Credit Portfolio Evolution - Individuals and Companies - R$ Million



(1) Credits linked to acquired portfolio with recourse have been added to Credit to Individuals since March 2020, with adjusted effects on previous periods.

Real estate finance was stable, totaling R$4,135.7 million in March 2020, decreasing R$32.2 million from March 2019 and increasing R$8.9 million from December 2019. Real estate finance lines represented 11.4% of the Bank's total credit portfolio in March 2020, including R$20.6 million related to an operation involving the sale of credit with recourse.

Agricultural loans totaled R$2,712.6 million in March 2020, increasing 12.5% (R$300.6 million) from March 2019 and 1.9% (R$51.3 million) from December 2019. Agricultural loans represented 7.5% of the loan portfolio in March 2020.

Long-term finance totaled R$660.5 million in March 2020, with decreases of 25.2% (R$222.6 million) from March 2019 and of 1.3% (R$8.7 million) from December 2019.

Foreign exchange portfolio totaled R$846.6 million in March 2020, increasing 18.6% (R$132.9 million) from March 2019 and 9.3% (R$71.9 million) from December 2019.

Non-earmarked Credit

Composed by lower risk credit portfolios, non-earmarked credit to individuals reached R$21,571.6 million in March 2020, increasing 8.2% (R$1,628.7 million) from March 2020 and relative stability decreasing R$160.2 million from December 2019. Accounting for 74.6% of the non-direct lending to individuals and for 58.1% of the total non-earmarked portfolio, the non-earmarked portfolio is manly composed by payroll loans, which totaled R$16,082.8 million in March 2020. From the total amount of payroll loans, 62.1% (R$9,979.3 million) are credit operations originated at Banrisul's network, 36,1% (R$5,809.9 million) are credit operations originated at banking correspondents and 1.8% (R$293.7 million) are credit operations acquired with recourse.

The trend on the non-earmarked credit portfolio for individuals in twelve months was manly influenced by the increase of R$1,401.6 million in payroll loans, especially INSS payroll loans. Comparing to December 2019, the evolution of the non-earmarked portfolio was mostly driven by the retraction of R$194.7 million consumer loans, partially compensated by the increase of R$81.7 million in payroll loans.

Non-earmarked credit to companies reached R$6,129.5 million in March 2020 increasing 1.1% (R$66.0 million) from March 2019, mostly influenced by the increase of R$175.0 million in working capital lines, offset by the retraction of R$128.1 million in debtor accounts. Non-earmarked portfolio to companies was flattish from December 2019 to March 2020, increasing R$46.3 million.

Table 14: Composition of Non-Earmarked Credit - Individuals and Companies - R$ Million

	Mar 2020	Dec 2019	Sep 2019	Jun 2019	Mar 2019	Mar 2020 / Dec 2019	Mar 2020 / Mar 2019
Individuals	**21,571.6**	**21,731.8**	**20,466.4**	**20,084.8**	**19,942.9**	**-0.7%**	**8.2%**
Credit and Debit Card (1)	2,038.9	2,218.0	2,065.0	2,030.1	1,956.3	-8.1%	4.2%
Overdraft	518.1	443.1	539.9	538.3	536.7	16.9%	-3.5%
Payroll-deductible Loan(2)	16,082.8	16,001.1	15,537.8	14,993.4	14,681.3	0.5%	9.5%
Non Payroll-deductible Loan	2,086.5	2,281.2	1,558.6	1,751.2	2,002.7	-8.5%	4.2%
Other	845.3	788.4	765.0	771.8	766.0	7.2%	10.4%
Companies	**6,129.5**	**6,083.3**	**5,935.5**	**5,990.1**	**6,063.5**	**0.8%**	**1.1%**
Credit Card (1)	142.4	148.5	79.0	65.3	57.3	-4.1%	148.5%
Working Capital	4,152.5	4,060.5	3,877.0	3,979.6	3,977.5	2.3%	4.4%
Debtor Accounts	534.3	554.9	638.9	683.6	662.5	-3.7%	-19.3%
Compror/Vendor	12.6	13.7	15.0	17.9	32.9	-7.9%	-61.7%
Foreign Credit	133.3	117.9	119.6	115.2	123.6	13.1%	7.9%
Debt Instruments Discount	115.9	123.2	105.7	107.0	107.7	-6.0%	7.6%
Other	1,038.6	1,064.6	1,100.3	1,021.4	1,102.1	-2.4%	-5.8%
Total	**27,701.2**	**27,815.1**	**26,401.9**	**26,074.9**	**26,006.5**	**-0.4%**	**6.5%**

(1) Of the R$2,181.3 million balance, R$365.4 million refers to revolving credit card lines.
(2) Credits linked to acquired portfolio with recourse have been added to Credit to Individuals since March 2020, with adjusted effects on previous periods.

Breakdown of Credit Disbursement

Total credit grant reached R$11,331.2 million in 1Q2020, increasing 2.5% (R$272.5 million) in comparison to 1Q2019 and decreasing 18.4% (R$2,549.7 million) in comparison to 4Q2019.

From 1Q2019 to 1Q2020, the growth of credit concessions was mainly due to the increase of R$216.9 million in credit to individuals and of R$96.1 million in foreign exchange portfolio, while partially offset by the decrease of R$41.1 million in credit to companies.

From 4Q2019 to 1Q2020, the decrease in credit concessions was mainly due to the decrease of R$2,286.4 million in non-earmarked loans to individuals, driven by loans recorded in December 2019 to state civil servants linked to the financing of the year-end salary bonus and payroll loans originated by banking correspondents.

Table 15: Composition of Credit Grant Volumes by Credit Products - R$ Million

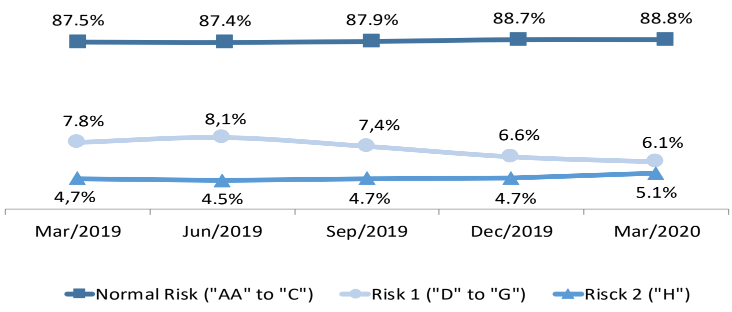
	1Q2020	1Q2019	1Q2020	4Q2019	3Q2019	2Q2019	1Q2019	1Q2020 / 4Q2019	1Q2020 / 1Q2019
Foreign Exchange	347.7	251.5	347.7	239.6	227.8	269.0	251.5	45.1%	38.3%
Non-earmarked (1)	10,448.8	10,273.0	10,448.8	12,929.7	11,389.1	10,784.2	10,273.0	-19.2%	1.7%
Individuals	7,054.0	6,837.1	7,054.0	9,340.4	7,832.0	7,126.1	6,837.1	-24.5%	3.2%
Companies	3,394.8	3,435.9	3,394.8	3,589.3	3,557.1	3,658.1	3,435.9	-5.4%	-1.2%
Leasing	1.2	1.2	1.2	5.5	5.2	0.2	1.2	-79.1%	-3.4%
Long-term Financing	39.1	54.5	39.1	61.7	71.5	33.3	54.5	-36.6%	-28.1%
Real Estate	183.3	213.1	183.3	208.2	207.9	207.6	213.1	-11.9%	-14.0%
Agricultural	311.1	265.5	311.1	436.4	679.3	466.8	265.5	-28.7%	17.2%
Total	**11,331.2**	**11,058.7**	**11,331.2**	**13,881.0**	**12,580.8**	**11,761.0**	**11,058.7**	**-18.4%**	**2.5%**

(1) Credit grant does not include receivables from credit and debit cards.

Breakdown of Credit by Rating

Normal credit risk operations, rated from AA to C according to the Resolution No. 2682/99 of the National Monetary Council, accounted for 88.8% of the credit portfolio in March 2020, increasing 1.3 pp. from March 2019 and 0.1 pp. from December 2019.

Graph 7: Credit Portfolio by Risk Levels (%)

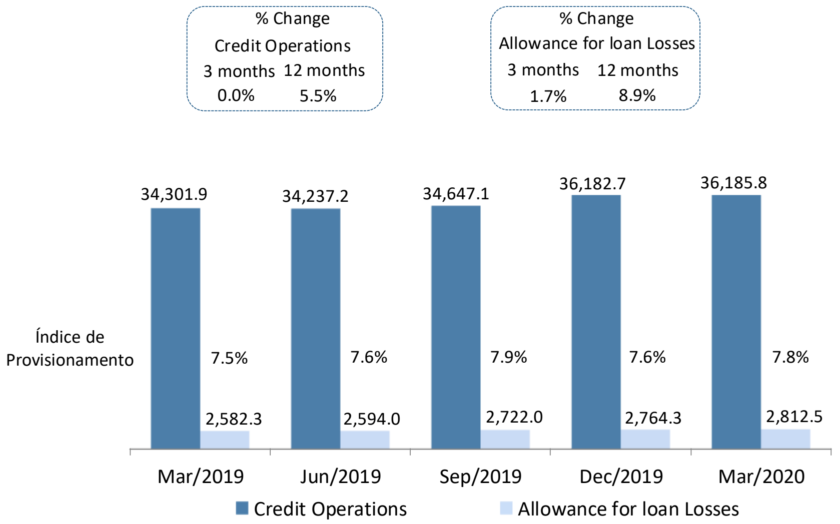


Allowance for Loan Losses

Representing 7.8% of the loan portfolio, allowance for loan losses totaled R$2,812.5 million in March 2020, increasing 0.3 pp. from March 2019 and 0.2 pp. from December 2019.

Allowance for loan losses increased 8.9% (R$230.2 million) in twelve months and 1.7% (R$48.1 million) in three months, reflecting the rolling over of the portfolio by risk rating and the increase in overdue credit operations.

Graph 8: Breakdown of Allowance for Loan Losses - R$ Million



The breakdown of the allowance for loan losses in March 2020, as per Resolution No. 2682/99 of the CMN, was as follows:

(i) R$1,163.9 million for operations with installments 60 days overdue;

(ii) R$1,648.6 million for contracts due or less than 60 days overdue.

Table 16: Balance of Allowance for Loan Losses - R$ Million

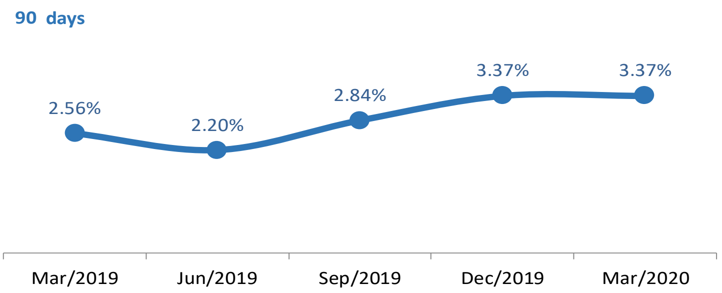
Risk Levels	Required Provision %	Portfolio	Relative Accumulated Share %	Past Due Credits	Receivable Credits	Minimum Provision		Total Provision	Provision Over Portfolio %
						Past Due	Receivables		
AA	0.0%	4,220.7	11.66%	0.0	4,220.7	0.0	0.0	0.0	0.00%
A	0.5%	17,459.3	59.91%	0.0	17,459.3	0.0	87.3	87.3	0.50%
B	1.0%	8,571.1	83.60%	0.0	8,571.1	0.0	85.7	85.7	1.00%
C	3.0%	1,870.2	88.77%	49.4	1,820.8	1.5	54.6	56.1	3.00%
D	10.0%	999.8	91.53%	81.6	918.3	8.2	91.8	100.0	10.00%
E	30.0%	411.0	92.67%	72.7	338.3	21.8	101.5	123.3	30.00%
F	50.0%	258.5	93.38%	85.5	173.0	42.8	86.5	129.3	50.00%
G	70.0%	547.8	94.89%	302.5	245.3	211.7	171.7	383.5	70.00%
H	100.0%	1,847.3	100.00%	877.9	969.4	877.9	969.4	1,847.3	100.00%
Total		**36,185.8**		**1,469.6**	**34,716.2**	**1,163.9**	**1,648.6**	**2,812.5**	**7.77%**

DEFAULT RATE

The default rate is the amount of credit operations overdue by more than 90 days in relation to the total amount of active credit operations.

NPLs above 90 days reached 3.37% of the loan book in March 2020, increasing 0.81 pp. in twelve months and stable in three months. 90-day plus overdue loans totaled R$1,221.0 million in March 2020, increasing 39.1% (R$342 million) from March 2019 and flattish from December 2019, increasing R$1.5 million.

Graph 9: Default Rate

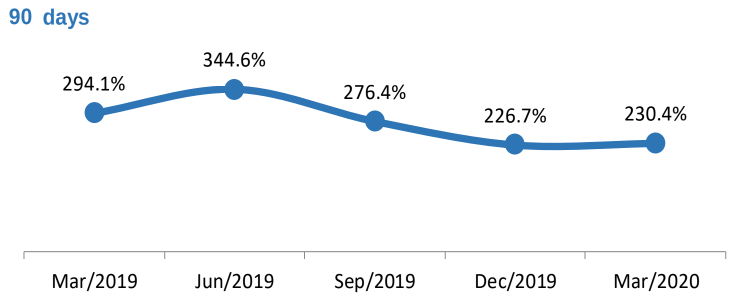


COVERAGE RATIO

The coverage ratio, the percentage between the allowance for loan losses and the balance of operations 90 days overdue over, shows the capacity to cover defaults with provisions and remains at comfortable levels.

In March 2020, coverage ratio for 90-day overdue transactions reached 230.4%, lower than in March 2019. The decrease of the coverage ratio is due to the increase of past due loans higher than the increase in the allowance for loan losses. In comparison to December 2019, cover ratio increased, reflecting the increase of allowance for loan losses.

Graph 10: Coverage Ratio



FUNDING

Consisting of deposits, bank notes and subordinated bond, funding totaled R$60,285.0 million in March 2020, an increase of 7.9% (R$4,416.5 million) from March 2019 mostly influenced by the increase of deposits. In the last three months, funding increase 1.3% (R$783.7 million), mainly influenced by the increase of R$698.9 million in the subordinated debt.

Table 17: Funding Composition per Product- R$ Million

	Mar 2020	Dec 2019	Sep 2019	Jun 2019	Mar 2019	Mar 2020 / Dec 2019	Mar 2020 / Mar 2019
Total Deposits	53,933.8	53,640.1	51,974.4	51,180.7	50,546.5	0.5%	6.7%
Time Deposits	40,343.8	40,330.2	39,574.4	38,921.5	38,344.4	0.0%	5.2%
Demand Deposits	2,793.3	3,229.0	2,583.1	2,720.1	2,818.1	-13.5%	-0.9%
Saving Deposits	9,705.6	9,622.2	9,488.7	9,366.6	9,195.7	0.9%	5.5%
Interbank Deposits	1,089.3	457.1	327.6	171.8	187.8	138.3%	479.9%
Other Deposits	1.8	1.7	0.6	0.7	0.4	9.1%	317.1%
Resources from Notes (1)	3,351.2	3,560.2	3,497.5	3,299.2	3,197.1	-5.9%	4.8%
Subordinated Debt	3,000.0	2,301.0	2,357.1	2,222.1	2,124.9	30.4%	41.2%
Total Funding	**60,285.0**	**59,501.3**	**57,829.1**	**56,702.0**	**55,868.5**	**1.3%**	**7.9%**
Assets Under Management	12,302.0	12,536.2	12,276.3	12,668.9	12,018.9	-1.9%	2.4%
Total Funding and Assets Under Management	**72,587.0**	**72,037.5**	**70,105.5**	**69,370.9**	**67,887.4**	**0.8%**	**6.9%**

(1) Bank Notes and Real Estate Notes.

Total Deposits

Total deposits reached R$53,933.8 million in March 2020, increasing 6.7% (R$3,387.3 million) from March 2019, mainly due to the increase of time deposits and interbank deposits. From December 2019, total deposits remained stable, increasing R$293.7 million driven by the growth of interbank deposits, offset by the decrease in demand deposits.

Time Deposits

Banrisul's main funding vehicle, time deposits totaled R$40,343.8 million in March 2020, increasing 5.2% (R$1,999.4 million) from March 2019 and relatively stable from December 2019, increasing R$13.6 million.

Demand Deposits

In March 2020, demand deposits reached R$2,793.3 million, flattish from March 2019, with decrease of R$24.8 million, and decreasing 13.5% (R$435.7 million) from December 2019, affected by the seasonal increase in incomes at year-end that temporarily increases the balances of checking accounts.

Saving Deposits

Savings deposits totaled R$9,705.6 million at the end of March 2020, increasing 5.5% (R$509.9 million) from March 2019 and flattish from December 2019, increasing R$83.4 million.

Resources from Notes

Bank and real estate notes reached R$3,351.2 million in March 2020, increasing 4.8% (R$154.1 million) from March 2019 and decreasing 5.9% (R$208.9 million) from December 2019.

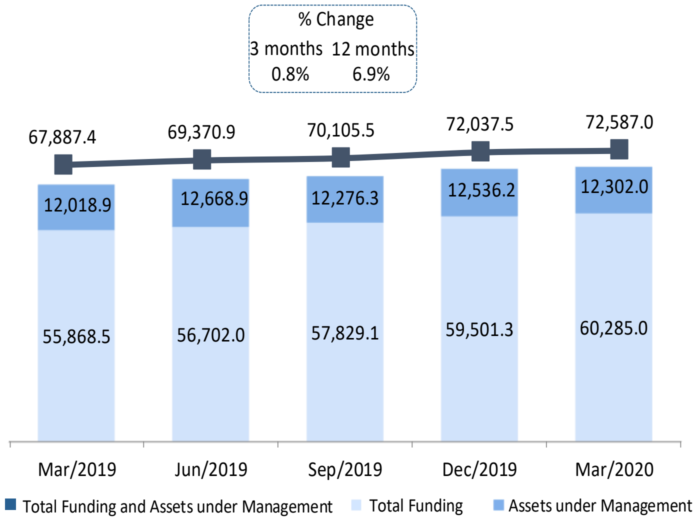
Subordinated Bond

The subordinate bond amounted to R$3,000.0 million at the end of March 2020, increasing 41.2% (R$875.1 million) from March 2019 and 30.4% (R$698.9 million) from December 2019, due to mark-to market and the exchange rate variation in those periods.

ASSETS UNDER MANAGEMENT

Assets under management totaled R$12,302.0 million at the end of March 2020, increasing 2.4% (R$283.1 million) from March 2019 and decreasing 1.9% (R$234.2 million) from December 2019. Banrisul mandate is conservatively oriented when managing third party assets, focusing on portfolio liquidity.

Graph 11: Funds Raised and Under Management - R$ Million



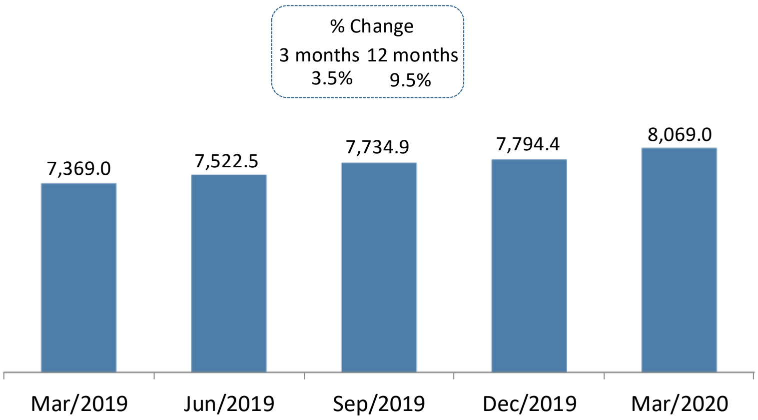
Shareholders' Equity

Banrisul's shareholders' equity reached R$8,069.0 million at the end of March 2020, an increase of 9.5% (R$700.1 million) from March 2019 and of 3.5% (R$274.7 million) from December 2019.

From March 2019, the evolution of shareholders' equity results from incorporating net income (after the payment/provision of interest on equity and dividends), the reassessment of R$109.5 million in actuarial liabilities related to post-employment benefits (pursuant the Committee of Accounting Pronouncement 33-R1) that took place in December 2019 and the adjustments of R$130.7 million in equity participation in subsidiaries abroad impacted by foreign exchange rates.

In comparison to December 2019, the evolution of shareholder's equity reflects the incorporation of results, the payment of interest on equity and the adjustments of R$$117.6 million in equity participation in subsidiaries abroad impacted by foreign exchange rates.

Graph 12: Shareholders' Equity - R$ Million



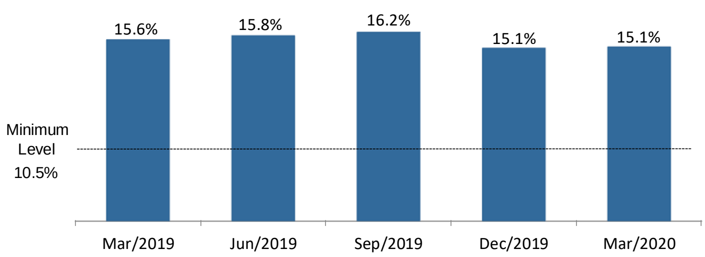
BASEL RATIO

Pursuant to CMN Resolutions No. 4192/13 and No. 4193/13, the assessment of Regulatory Capital and Risk-Weighted Assets is done over the Prudential Conglomerate. Reference equity reached R$6,546.6 million in March 2020, increasing R$224.6 million from March 2019, mostly by the incorporation of results of the period. The Tier II subordinated debt reduced R$177.7 million due to the application of the Basel III timeline over operations performed in accordance to legislation prior to CMN Resolution No. 4192/13. Quarter-on-quarter, reference equity increased R$107.6 million, mostly because of the incorporation of the net income recorded in the period, equity evaluation adjustments and treasury.

The total exposure of Risk Weighted Assets (RWA_{TOTAL}) reached R$43,234.4 million in March 2020, increasing R$2,650.8 million in twelve months mainly due to the increase of R$1,776.8 million in the credit risk share (RWA_{CPAD}), reflecting the reclassification (pursuant to new prudential conglomerate rules effective since March 2019) and by the increase of R$451.3 million in the operational risk (RWA_{OPAD}), and by the increase of R$422.6 million in market risk share (RWA_{MPAD}), mostly driven by the increase of the foreign exchange exposure (RWA_{CAM}). Risk-weighted assets increased R$500.5 million since December 2019, due to the increase of R$463.4 million in RWA_{MPAD}

Basel ratio reached 15.1% in March 2020, decreasing 0.5 pp. from March 2019. Core capital and Tier I capital reached 14.3% in March 2020, both above minimum requirements. Leverage ratio reached 7.2% in March 2020, the minimum set at 3.0%, in force since January 2018, as per CMN Resolution No. 4615/17.

Graph 13: Basel Ratio



EVOLUTION OF INCOME STATEMENT ACCOUNTS

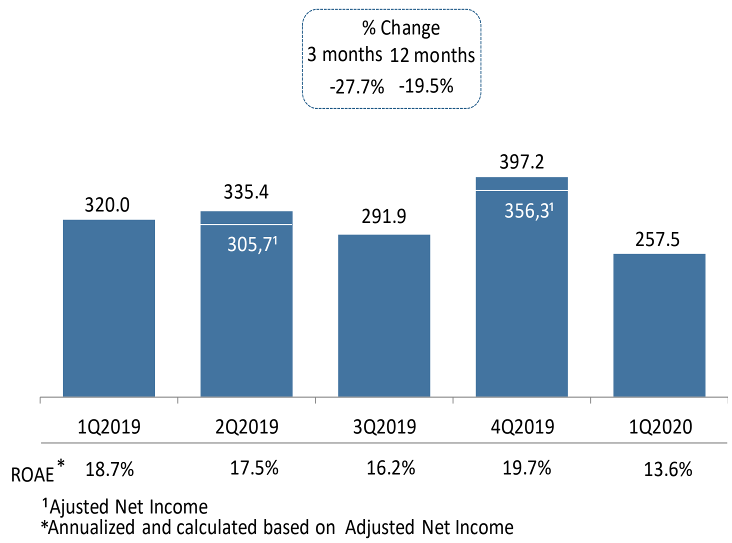
NET INCOME

Reported net income in 1Q2020 reached R$257.5 million, decreasing 19.5% (R$62.4 million) from 1Q2019. The evolution of net income in the last twelve months reflected the decrease of R$84.1 million in the financial margin, the increase of R$11.2 million in allowance for loan losses expenses, the growth of R$13.5 million in banking fees, the retraction of R$30.5 million in administrative expenses, and the reduction of in R$38.1 million in income tax, on account of smaller calculation basis and the changes in the CSLL rate as of March 2020, with rimpacts on deffered and current contributions.

Comparing to the managerial net income in 4Q2019, managerial net income in 1Q2020 decreased 27.7% (R$98.8 million) mostly influenced by the decrease of R$131.5 million in financial margin, the increase of R$31.5 million in expenses for loan losses, the R$25.7 million decrease in banking fees, the R$43.2 million decrease in administrative expenses, and the reduction of R$49.1 million in income tax, on account of smallercalculation basis and the changes in the CSLL rate as of March 2020, with impacts on deffered and current contributions.

Reported net income of 4Q2019 was impacted by one-off events such as: (i) the booking of labor provision and the reversal of civil lawsuits provisions, given the assessment of parameters and progress of legal proceedings, (ii) the tax effects derived from the two previous items, and (iii) the updating of the balance of tax credits and debts, deferred due to the increase in the CSLL rate to 20% from 15%, events treated as extraordinary for the purposes of income statement.

Graph 14: Net Income - R$ Million



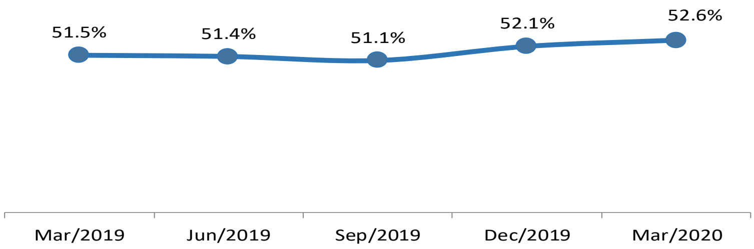
Return on Average Shareholders' Equity

Annualized return on average shareholders' equity reached 13.6% in 1Q2020, 5.1 pp. below 1Q2019, in an environment that combined (i) decreasing in financial margins, (ii) increasing expenses of allowance for loan losses; (iii) increasing in banking fees; and (iv) decreasing in administrative expenses.

Efficiency Ratio

The adjusted efficiency ratio reached 52.6% in the last twelve months accumulated until March 2020, from 51.5% in the last twelve months accumulated until March 2019. Efficiency ratio demonstrates the decrease of net interest income, unfavorable evolution of other revenues/expenses, increase of banking fees and decrease in administrative expenses.

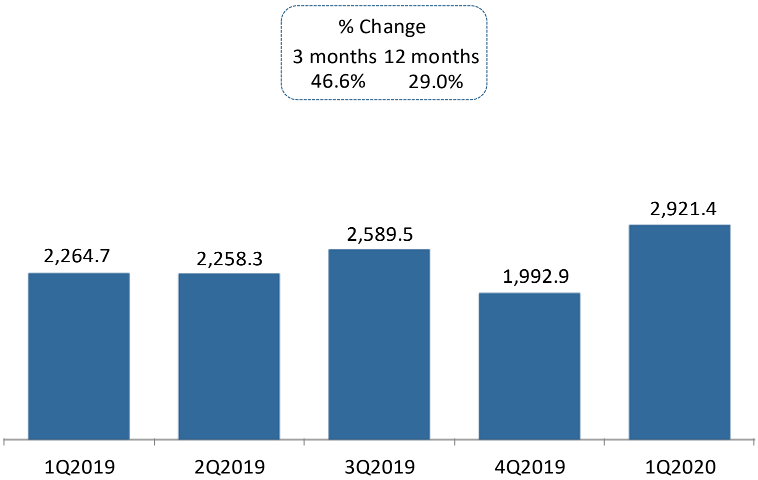
Graph 15: Adjusted Efficiency Ratio



FINANCIAL INCOME

Financial income reached R$2,921.4 million in 1Q2020, increasing 29.0% (R$656.7 million) from 1Q2019 and 46.6% (R$928.4 million) from 4Q2019. The trend of the effective Selic Rate and the exchange variation influenced financial intermediation revenues in those periods.

Graph 16: Financial Income - R$ Million



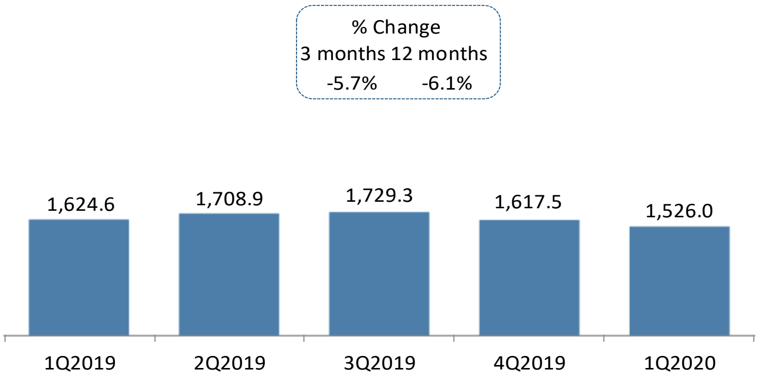
From 1Q2019 to 1Q2020, the trend in revenues from financial intermediation was mostly influenced by the increase of R$634.3 million in revenues from securities and derivatives results.

When comparing 1Q2020 to 4Q2019, the increase in revenues from financial intermediation was mostly influenced by the increases of R$785.8 million in revenues from securities and derivatives and of R$261.0 million in foreign exchange revenues, trend offset by the decrease of R$91.5 million in revenues from credit operations, and revenues from compulsory deposits in R$26.9 million.

REVENUES FROM CREDIT OPERATIONS

Revenues from credit operations, including revenues from leases and other credits, totaled R$1,526.0 million in 1Q2020, decreasing 6.1% (R$98.6 million) from 1Q2019 and 5.7% (R$91.5 million) from 4Q2019.

Graph 17: Revenues from Credit Operations - R$ Million



The trend of revenues from credit operations from 1Q2019 to 1Q2020 was mainly driven by the decrease of R$94.3 million in revenues from non-earmarked credit, lower flow of revenues of recovery of written-off credits in R$33.1 million, movement partially offset by the increase of R$26.8 million in revenues from long-term finance, mainly due to the exchange variation, and by the growth of R$7.5 million in revenues from rural loans.

The decreases in revenues from credit operations from 4Q2019 to 1Q2020 was mainly influenced by the drop of R$67.3 million in revenues from non-earmarked loans to individuals and of R$66.2 million in revenues from write-off recoveries, movement partially offset by the increase of R$48.5 million in revenues from long-term loans, especially, foreign exchange finance.

Revenues from Non-Earmarked Credit - Individuals and Companies

In 1Q2020, total non-earmarked credit revenues reached R$1,279.4 million, decreasing 6.9% (R$94.3 million) from 1Q2019 and 5.8% (R$78.9 million) from 4Q2019.

Table 18: Revenues from Non-Earmarked Credit - Individuals and Companies - R$ Million

	1Q2020	1Q2019	1Q2020	4Q2019	3Q2019	2Q2019	1Q2019	1Q2020 / 1Q2019
Individuals	**1,051.0**	**1,108.4**	**1,051.0**	**1,118.3**	**1,124.5**	**1,129.6**	**1,108.4**	**-5.2%**
Credit Card (1)	47.9	43.4	47.9	45.9	46.9	46.0	43.4	10.4%
Overdraft	116.1	171.8	116.1	171.8	178.2	181.8	171.8	-32.4%
Payroll Loan (2)	705.1	706.3	705.1	729.8	724.0	716.0	706.3	-0.2%
Non Payroll Loan - Personal Credit	146.3	149.7	146.3	135.0	139.2	148.4	149.7	-2.3%
Other	35.6	37.2	35.6	35.9	36.2	37.3	37.2	-4.3%
Companies	**228.4**	**265.3**	**228.4**	**240.0**	**271.3**	**258.4**	**265.3**	**-13.9%**
Credit Card (1)	2.7	1.2	2.7	2.1	1.8	1.5	1.2	116.2%
Working Capital	118.3	141.9	118.3	122.7	154.8	138.4	141.9	-16.7%
Debtor Accounts	71.6	81.2	71.6	73.0	77.9	80.3	81.2	-11.8%
Compror/Vendor	0.6	1.1	0.6	0.6	0.6	1.0	1.1	-48.5%
Foreign Credit	1.5	1.8	1.5	1.4	1.7	1.8	1.8	-17.5%
Discount of Receivables	8.1	8.5	8.1	8.9	8.2	8.4	8.5	-5.0%
Other	25.7	29.5	25.7	31.3	26.3	27.0	29.5	-13.0%
Total	**1,279.4**	**1,373.6**	**1,279.4**	**1,358.3**	**1,395.8**	**1,388.0**	**1,373.6**	**-6.9%**

(1) Refers to credit card revolving revenues.
(2) Credits linked to acquired portfolio with recourse have been added to Credit to Individuals since March 2020, with adjusted effects on previous periods.

Revenues from non-earmarked credit to individuals amounted to 82.1% of total non-earmarked credit revenues in 1Q2020 and decreased 5.2% (R$57.4 million) from 1Q2019 and 6.0% (R$67.3 million) from 4Q2019.

From 1Q2019 to 1Q2020, the decrease in the revenues from non-earmarked credit to individuals was mainly driven by the decrease of R$55.7 million in revenues from overdraft accounts. From 4Q2019 to 1Q2020, the decrease in revenues from non-earmarked credit to individuals was mainly driven by the decrease of R$55.7 million in overdraft accounts, and of R$24.7 million in revenues from payroll loans, partially offset by the increase of R$11.3 million in revenues from consumer loans, and of R$2 million in revenues from credit cards. The reduction in revenues from overdraft accounts reflects the new regulation from Bacen, which caps the maximum interest rate to 8% monthly.

Revenues from non-earmarked credit to companies decreased 13.9% (R$36.9 million) from 1Q2019 and 4.8% (R$11.6 million) from 4Q2019. The decrease in revenues from non-earmarked credit to companies between 1Q2020 and 1Q2019 was mainly influenced by the decrease in working capital and debit accounts. The decrease in revenues from non-earmarked corporate credit from 4Q2019 to 1Q2020 was mainly influenced by the decrease of working lines revenues and revenues from credit renegotiations. The decrease in the average rates, in line with the effective Selic Rate trend, impacted companies' credit revenue.

Table 19: Monthly Average Non-Earmarked Credit Rates - Individuals and Companies

	1Q2020	1Q2019	1Q2020	4Q2019	3Q2019	2Q2019	1Q2019
Individuals	**1.85%**	**2.13%**	**1.85%**	**2.02%**	**2.08%**	**2.12%**	**2.13%**
Credit Card (1)	7.64%	7.29%	7.64%	7.59%	7.71%	7.53%	7.29%
Overdraft	7.86%	12.00%	7.86%	12.01%	12.01%	12.00%	12.00%
Payroll-Loan (2)	1.52%	1.67%	1.52%	1.55%	1.59%	1.63%	1.67%
Payroll Loans – Own	1.54%	1.71%	1.54%	1.57%	1.61%	1.66%	1.71%
Payrol Loans – Acquired	0.94%	0.94%	0.94%	0.95%	0.95%	0.95%	0.94%
Non Payroll Loan - Personal Credit	2.24%	2.44%	2.24%	2.74%	2.77%	2.59%	2.44%
Other	1.44%	1.55%	1.44%	1.47%	1.50%	1.53%	1.55%
Companies	**1.28%**	**1.43%**	**1.28%**	**1.32%**	**1.41%**	**1.43%**	**1.43%**
Credit Card (1)	12.05%	11.90%	12.05%	11.89%	11.94%	11.96%	11.90%
Working Capital	0.99%	1.15%	0.99%	1.05%	1.14%	1.14%	1.15%
Debtor Accounts	4.12%	4.25%	4.12%	4.05%	4.07%	4.21%	4.25%
Compror/Vendor	1.22%	1.23%	1.22%	1.14%	1.24%	1.14%	1.23%
Discount of Receivables	1.62%	1.90%	1.62%	1.64%	1.73%	1.83%	1.90%
Other	0.64%	0.75%	0.64%	0.63%	0.74%	0.75%	0.75%
Total	**1.72%**	**1.95%**	**1.72%**	**1.85%**	**1.92%**	**1.95%**	**1.95%**

(1) Refers to credit card monthly average revolving rates.
(2) Credits linked to acquired portfolio with recourse have been added to Credit to Individuals since March 2020, with adjusted effects on previous periods.

The monthly average interest rates charged on non-earmarked credit transactions decreased 0.23 pp. from 1Q2019 to 1Q2020. The monthly average interest rates charged in non-earmarked personal credit transactions decreased 0.28 pp. from 1Q2019 to 1Q2020, mainly in overdraft accounts, and the monthly average interest rates charged in non-earmarked corporate credit transactions decreased 0.15 pp. in the same period.

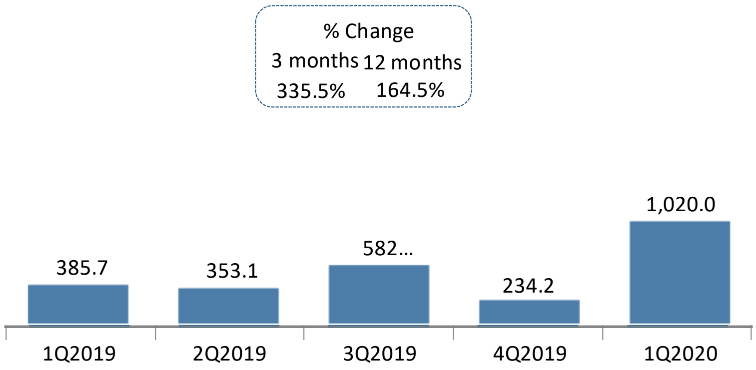
From 4Q2019 to 1Q2020, the average monthly rates of non-earmarked credit decreased 0.13 pp. The average monthly rates of non-earmarked credit to individuals retracted 0.17 pp. and the average monthly rate of non-earmarked credit to companies decreased 0.04 pp. in the same period.

The average monthly rates of non-earmarked credit to companies are influenced by competition in the credit market and the trend of the Selic rate. Monthly average interest rates on credit to individuals bore the carry-over effect upon the stock of operations with fixed interest rates, the impacts from competition and the new interest rates cap rules on overdraft accounts, as set forth by the Brazilian Central Bank and valid since January 2020.

Revenues from Securities and Derivatives

Revenues from securities and derivatives totaled R$1,020.0 million in 1Q2020, R$634.3 million above 1Q2019 and R$785.8 million above 4Q2019.

Graph 18: Revenues from Securities and Derivatives - R$ Million



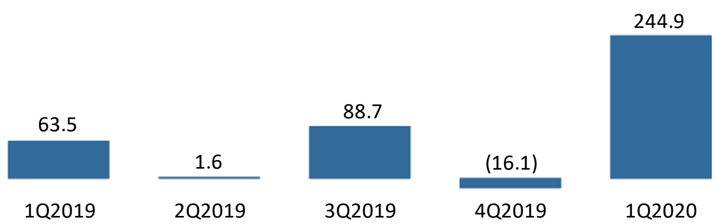
The year-on-year trend of treasury revenues in 1Q2020 resulted, from the increase of R$750.7 million in the income from financial derivative instruments, influenced by the exchange rate variation and the mark-to-market of the contracts in the period, offset by decrease of R$116.4 million in income from securities, due to the reduction of the Selic rate that went to 1.01% in 1Q2020 from 1.51% in 1Q2019, in a context of increasing treasury balance.

In comparison to 4Q2019, the increase in revenues from securities in 1Q2020 was mainly due to the increase of R$854.3 million in revenues from derivatives, due to exchange rate variations and the marking-to-market in the period, offset by the decrease of R$68.5 million in revenues from securities, due to the reduction of the Selic rate that went to 1.01% in 1Q2020 from 1.24% in 4Q2019, in a context of increasing treasury balance.

Revenues from Foreign Exchange

Revenues from foreign exchange transactions totaled R$244.9 million in 1Q2020, R$181.4 million above 1Q2019 and R$261.0 million above 4Q2019. Foreign exchange operations in Banrisul are matched to their funding in foreign currencies; hence, any variation in revenues is proportionally offset by the variation of costs with foreign currency loans and onlendings. The trend of revenues from foreign exchange transactions reflects the currency depreciation of 28.98% in 1Q2020 from the 0.57% in 1Q2019 and the currency valuation of 3.21% in 4Q2019.

Graph 19: Revenues from Foreign Exchange - R$ Million

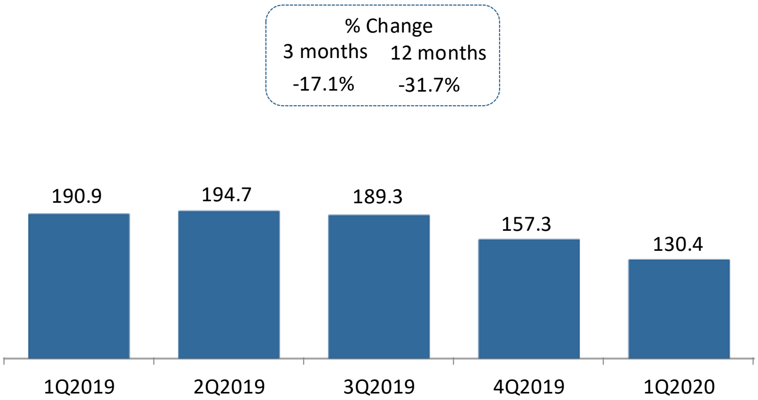


REVENUES FROM COMPULSORY DEPOSITS

Revenues from compulsory deposits reached R$130.4 million in 1Q2020, decreasing 31.7% (R$60.5 million) from 1Q2019 and 17.1% (R$26.9 million) from 4Q2019.

The trend in revenues from compulsory deposits in 1Q2020 from 4Q2019 reflects the decrease of the income due to the decrease of balance linked to reserve requirements upon time deposits, in line with the trend of Selic Rate, which remunerates said deposits.

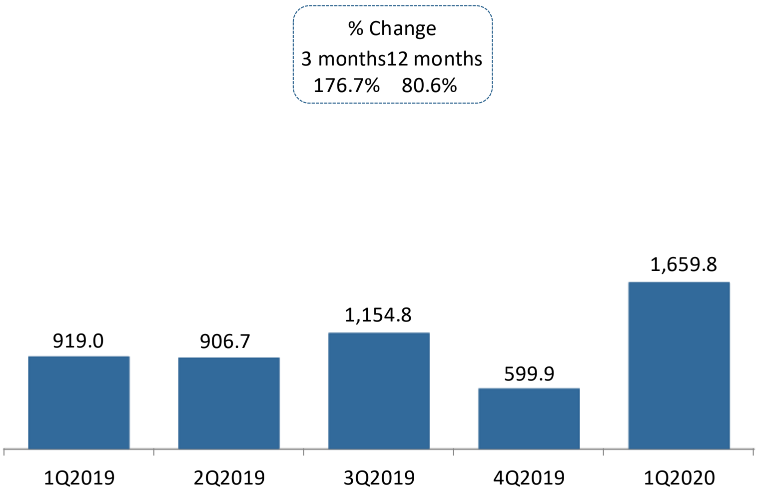
Graph 20: Revenues from Compulsory Deposits - R$ Million



FINANCIAL EXPENSES

Financial expenses totaled R$1,659.8 million in 1Q2020, increasing R$740.8 million from 1Q2019 and R$1,059.9 million from 4Q2019. The trend of financial expenses was mostly affected by the trend of Selic rate and by the exchange variation rate.

Graph 21: Financial Expenses - R$ Million



The increase in financial expenses from 1Q2019 to 1Q2020 was influenced by the growth of R$532.8 million in market funding expenses and of R$208.0 million in expenses with loans, assignments and onlendings.

From 4Q2019 to 1Q2020, the increase in financial expenses was driven by the increase of R$751.5 million in open market funding and of R$308.4 million in expenses with loans, assignments and onlendings.

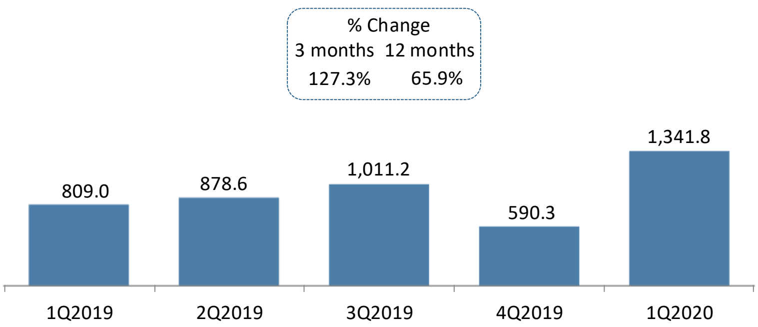
Expenses with Market Funding Operations

In 2019, expenses with market funding reached R$1,341.8 million in 1Q2020, R$532.8 million above 1Q2019 and R$751.5 million above 4Q2019.

The growth in funding expenses comparing 1Q2020 to 1Q2019 was mostly influenced by the increase of R$736.5 million in expenses with subordinated debt, due to foreign exchange variation and the mark-to-market of the liability, offset by the decrease of R$156.3 million in expenses with time deposits, of R$18.8 million in expenses with savings deposits, of R$23.1 million in expenses with repo transactions and of R$9.4 million in expenses with bank notes. The reduction of the effective Selic Rate - benchmark for the majority of the funding base - also produced impacts on the expenses in both periods.

From 4Q2019 to 1Q2020, the increase in expenses with market funding was mainly driven by the increase of R$848.3 million in expenses related to the subordinated debt, due to foreign exchange variation and mark-to-market, offset by the decrease of R$74.4 million in time deposits, of R$9.7 million in savings expenses, of R$8.4 million in expenses with bank notes and of R$5.4 million in expenses with repo transactions.

Graph 22: Expenses with Market Funding Operations - R$ Million

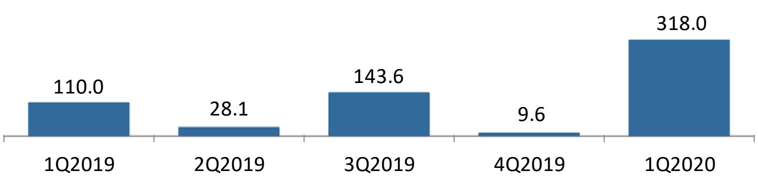


Expenses with Borrowings and Onlendings

Expenses with borrowings and onlendings totaled R$318.0 million in 1Q2020, R$208.0 million above 1Q2019 and R$308.4 million above 4Q2019.

The higher flow of expenses with borrowings and onlendings from 1Q2019 to 1Q2020 was mainly driven by the increase of foreign currency expenses due to exchange variation of the period.

Graph 23: Expenses with Borrowings and Onlendings - R$ Million



Funding Cost

Funding cost was calculated based on average balance of funding sources, from the balances at the end of the months over the analyzed periods, linked to the corresponding funding expenses and the cost of borrowings, adjusted by the results of derivative financial instruments, thus producing the average funding rates. Among the funding products liabilities are deposits, open market funding, resources from acceptance and issuance of securities, and the subordinated bond (net of the mark-to-market of swaps contracts), linked directly to their respective expenses for the calculation of the average cost.

The average funding cost of 0.92% in 1Q2020 was lower than the average funding costs of 1.35% in 1Q2019 and 1.11% in 4Q2019, in line with the effective Selic Rate. The most relevant items in the composition of the costs were time deposits, savings deposits and repo operations. The average funding cost reached 91.46% of the Selic Rate in 1Q2020, increasing 2.11 pp. since 1Q2019 and 2.13 pp. since 4Q2019.

Accounting for 63.6% of the average balance of all funding items shown in the following table, the average cost of time deposits reached 0.91% in 1Q2020, decreasing 0.45 pp. from 1Q2019 and 0.19 pp. from 4Q2019. The average cost with time deposits reached 89.75% of the Selic rate in 1Q2020, decreasing 0.43 pp. from 1Q2019 and 1.02 pp. from 4Q2019.

Adjusted to the changes in hedging derivatives, the average cost of the subordinated bond reached 1.32% in 1Q2020, 1.03 pp. lower than in 1Q2019 and 0.40 pp. lower than the cost in 4Q2019, impacted by the mark-to-market of the contracts.

Table 20: Funding Cost - R$ Million and %

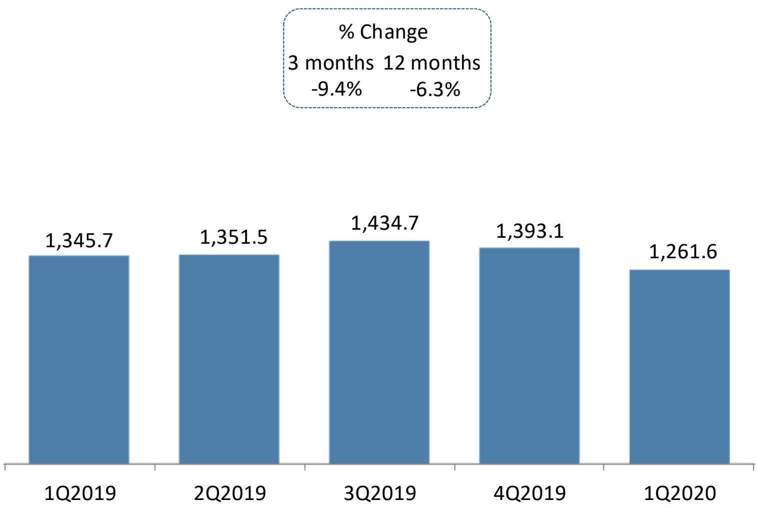
	1Q2020			4Q2019			1Q2019		
	Average Balance	**Accum. Expense**	**Average Cost**	**Average Balance**	**Accum. Expense**	**Average Cost**	**Average Balance**	**Accum. Expense**	**Average Cost**
Demand Deposits	2,889.8	-	-	2,725.6	-	-	2,824.0	-	-
Saving Deposits	9,657.6	(86.7)	0.90%	9,530.7	(96.4)	1.01%	9,177.7	(105.6)	1.15%
Time Deposits	40,192.1	(364.3)	0.91%	39,878.2	(438.7)	1.10%	38,157.1	(520.6)	1.36%
Interbank Deposits	691.8	(3.8)	0.54%	469.1	(2.8)	0.59%	138.7	(0.5)	0.34%
Other Deposits	1.7	-	-	1.1	-	-	0.4	-	-
Credit Guarantee Fund Expenses	-	(15.8)	-	-	(15.6)	-	-	(15.0)	-
Matched Transactions	3,687.9	(43.0)	1.17%	3,472.7	(48.4)	1.39%	3,868.6	(66.1)	1.71%
Funds from Acceptance and Issue of Securities	3,493.1	(36.0)	1.03%	3,560.7	(44.4)	1.25%	3,068.0	(45.5)	1.48%
Subordinated Debt (1)	2,575.4	(34.1)	1.32%	2,326.6	(40.0)	1.72%	2,058.5	(48.3)	2.35%
Total Average Balance / Total Expenses	**63,189.3**	**(583.7)**	**0.92%**	**61,964.6**	**(686.4)**	**1.11%**	**59,293.0**	**(801.6)**	**1.35%**
Selic			**1.01%**			**1.24%**			**1.51%**
Average Cost / Selic			**91.46%**			**89.33%**			**89.35%**
Cost of Time Deposits / Selic			**89.75%**			**88.73%**			**90.18%**

(1) Adjusted for gains and losses on hedge instruments (*swap*).

FINANCIAL MARGIN

Net interest income totaled R$1,261.6 million in 1Q2020, decreasing 6.3% (R$84.1 million) from 1Q2019 and 9.4% (R$131.5 million) from 4Q2019. The decrease in financial margin in 1Q2020 from 1Q2019 and 4Q2019 reflects an environment with: (i) decreasing Selic Rate, with effect over the interest rates of the commercial credit loan book and over funding, (ii) decrease in overdraft accounts interests, impacted by the new interest rates cap rules set forth by the Central Bank of Brazil, and (iii) lower flow of recovery of write-off loans.

Graph 24: Financial Margin - R$ Million



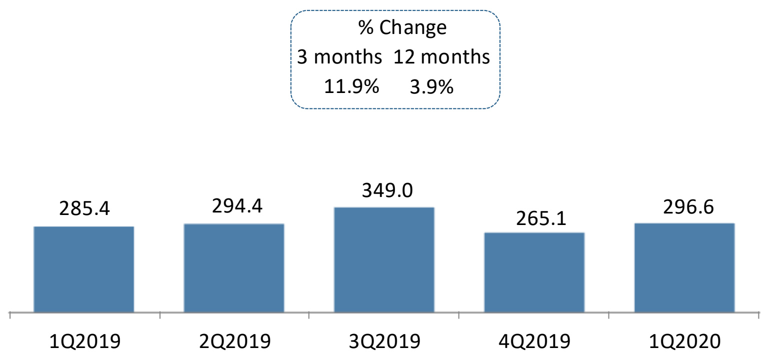
Allowance for Loan Losses

Expenses with allowance for loan losses totaled R$296.6 million in 1Q2020, increasing 3.9% (R$11.2 million) from 1Q2019 and 11.9% (R$31.5 million) from 4Q2019.

The increase in provision expenses for loan operations from 1Q2019 to 1Q2020 reflects mostly the rollover of the loan book by risk rating and the increasing amount of credit in arrears.

From 1Q2020 to 4Q2019, the increase of provision expenses for loan operations in 1Q2020 particularly reflects the rollover of the loan book by risk rating, the reversal of provisions in 4Q2019, due to the termination of credit operations already fully provisioned, while offset by the higher flow of recovery of fully provisioned written-off loans in 4Q2019.

Graph 25: Allowance for Loan Losses - R$ Million



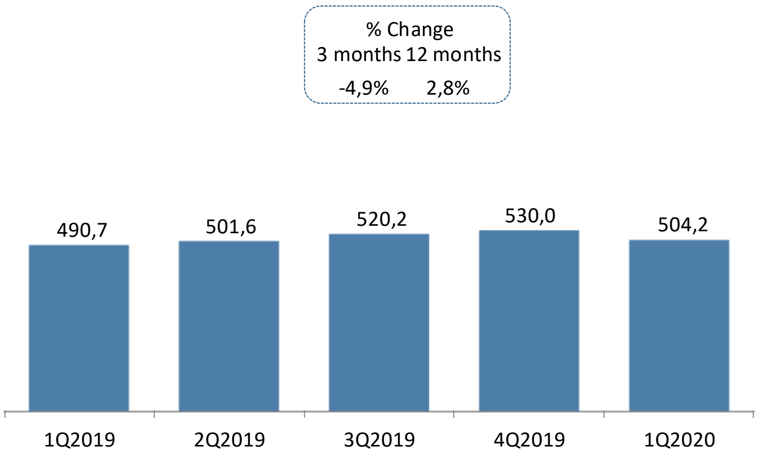
Revenues from Services and Banking Fees

Revenues from services and banking fees totaled R$504.2 million in 1Q2020, 2.8% (R$13.5 million) above 1Q2019 and 4.9% (R$25.7 million) below 4Q2019.

The trend from 1Q2019 to 1Q2020 was especially influenced by the increase of R$18.8 million in checking account fees and of R$4.1 million in insurance pension plan and savings bonds, while partially offset by lower MDR fees (R$10.0 million).

In comparison with 4Q2019, the trend of revenues from services and banking fees in 1Q2020 was mostly influenced by the lower in R$21.2 million amount of MDR fees.

Graph 26: Revenues from Services and Banking Fees - R$ Million



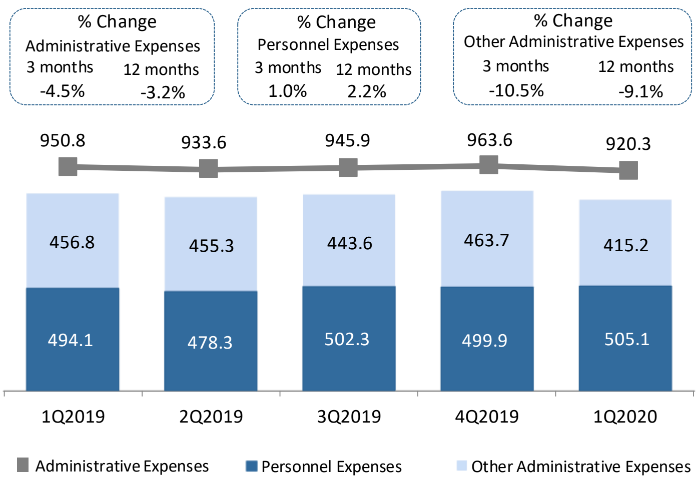
Administrative Expenses

Administrative expenses totaled R$920.3 million in 1Q2020, decreasing 3.2% (R$30.5 million) from 1Q2019 and 4.5% (R$43.2 million) from 4Q2019. In 1Q2019, 555 employees left the Bank in connection to the voluntary retirement plan.

Personnel expenses totaled R$505.1 million in 1Q2020, increasing 2.2% (R$11.0 million) from 1Q2019, impacted by the collective wage agreement and expenses related to the voluntary retirement plan. Other administrative expenses reached R$415.2 million in 1Q2020, decreasing 9.1% (R$41.5 million), mostly influenced by the decrease of R$26.1 million in expenses with specialized technical services, mainly the decrease of R$9.6 million in consulting services and third-party services.

From 4Q2019 to 1Q2020, personnel expenses increased 1.0% (R$5.2 million). Other administrative expenses decreased 10.5% (R$48.5 million) from 4Q2019, mainly driven by the decreases of R$31.2 million related to expenses with payroll loans origination by banking correspondents, of R$6.5 million with data processing expenses and of R$5.2 million with advertising, promotions and publicity.

Graph 27: Administrative Expenses - R$ Million



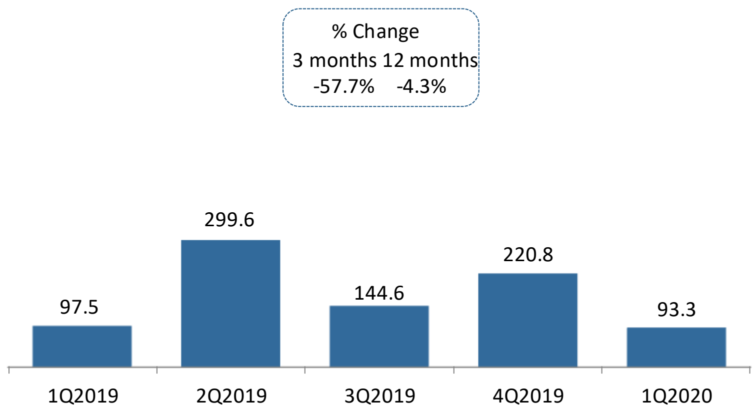
OTHER INCOME

Other income totaled R$93.3 million in 1Q2020, decreasing 4.3% (R$4.2 million) from 1Q2019 and 57.7% (R$127.5 million) from 4Q2019.

The decrease in other income from 1Q2019 to 1Q2020 was especially due to the decrease of R$14.9 million in revenues with the reversal of provisions for payments pending settlement, partially offset by the increase of R$5.8 million in revenues from the portability of loans.

From 4Q2019 to 1Q2020, the decrease in other income was mostly influenced by the decrease in revenues from the reversal of civil lawsuits provisions. Treated as one-off events in 4Q2019, for the purpose of results analisis, the reversal of R$120.8 million in provisions for civil lawsuits following the use of a new model for the provisioning of civil lawsuits, in which total lawsuits provisions deemed as probable loss are defined by the average cost of negative court decisions ruling and their respective judicial costs.

Graph 28: Other Adjusted Operating Income - R$ Million



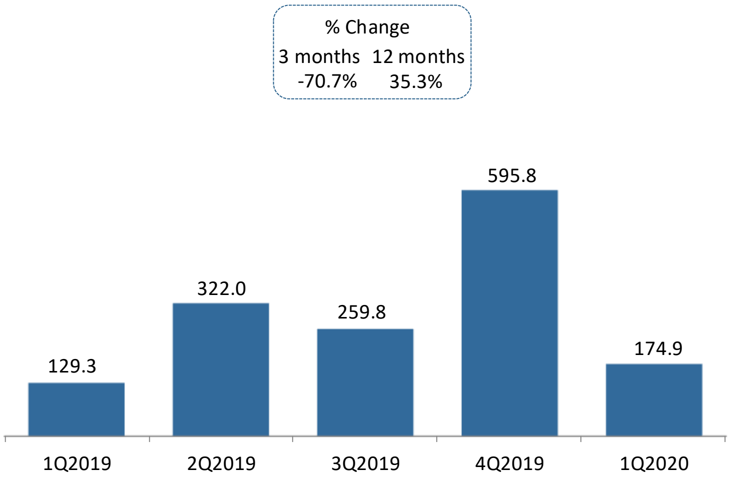
Other Expenses

Other expenses reached R$174.9 million in 1Q2020, increasing 35.3% (R$45.6 million) from 1Q2019 and decreasing 70.7% (R$421.0 million) from 4Q2019.

The increase of other expenses from 1Q2019 to 1Q2020 was particularly driven by the increases of R$18.6 million in labor and civil lawsuits, of R$7.5 million in expenses with "Banriclube de Vantagens" customer loyalty program, of R$6.0 million in expenses with portability of loan operations and of R$4.2 million in expenses within INSS payroll agreements.

In 4Q2019, for managerial purposes, extraordinary events included (i) the constitution of labor lawsuits provisions in the amount of R$429.0 million and (ii) the reversal of expenses with provision for civil claims in the amount of R$6.1 million. In 2019, given the trend of collective labor lawsuits, the risk perception of such lawsuits was altered, so that the process of estimating their values began. In view of this, management carried out the assessment of the estimated loss in collective labor lawsuits related to claims filled for the payment of the seventh and eighth working hours, deemed as overtime, and based on the analysis of the track record of disbursements in individual cases with similar requests. Based on such facts, a provision of R$429.0 was made for collective labor lawsuits, covering lawsuits pending final assessment in settlement processes and lawsuits with unfavorable decisions being judged by the Supreme Labor Court.

Graph 29: Other Expenses - R$ Million



SUMMARY CONSOLIDATED PRO FORMA BALANCE SHEET

Table 21: Summary Consolidated Pro Forma Balance Sheet - R$ Thousand

Assets	Mar 2020	Dec 2019	Sep 2019	Jun 2019	Mar 2019	Mar 2020 / Dec 2019	Mar 2020 / Mar 2019
Cash and Cash Equivalents	8,153,205	2,174,148	5,332,822	6,059,052	6,689,050	275.0%	21.9%
Financial Instruments	69,902,469	74,491,871	70,608,933	68,919,719	66,875,729	-6.2%	4.5%
Interbank Financial Investments	-	-	-	22,685	74,703	-	-
Compulsory Deposits at Central Bank	6,672,669	12,186,091	12,065,054	12,468,726	12,439,937	-45.2%	-46.4%
Securities and Derivatives	25,889,219	24,938,284	22,697,541	21,013,129	18,967,450	3.8%	36.5%
Credit Operations	33,193,366	32,979,599	31,640,533	31,269,189	31,278,410	0.6%	6.1%
Other Financial Assets	6,980,437	7,170,329	6,958,752	6,772,162	6,726,161	-2.6%	3.8%
Allowance for Loan Losses – associated to credit risk	(2,859,046)	(2,811,390)	(2,779,756)	(2,651,858)	(2,639,903)	1.7%	8.3%
Leasing Operations	25,824	28,958	26,809	25,686	28,971	-10.8%	-10.9%
Tax Credit	2,778,867	2,711,133	2,184,308	2,170,611	2,103,349	2.5%	32.1%
Other Assets	1,030,780	758,058	1,104,569	887,410	778,319	36.0%	32.4%
Investments in Participation in Affiliated and Subsidiaries	126,186	123,134	120,813	129,341	106,866	2.5%	18.1%
Gain	7,175	8,110	9,047	9,982	10,918	-11.5%	-34.3%
Property in Use	965,338	932,714	881,376	849,969	821,815	3.5%	17.5%
Intangible	1,623,874	1,615,362	1,608,167	1,607,154	1,601,399	0.5%	1.4%
Depreciation and Amortization	(1,317,888)	(1,264,941)	(1,212,469)	(1,167,504)	(1,116,849)	4.2%	18.0%
Total Assets	**83,270,006**	**81,549,589**	**80,637,566**	**79,465,734**	**77,870,596**	**2.1%**	**6.9%**
Liabilities	**Mar 2020**	**Dec 2019**	**Sep 2019**	**Jun 2019**	**Mar 2019**	**Mar 2020 / Dec 2019**	**Mar 2020 / Mar 2019**
Deposits and Other Financial Instruments	70,664,539	69,432,157	68,815,437	68,055,269	66,749,397	1.8%	5.9%
Deposits	53,933,796	53,640,084	51,974,447	51,180,715	50,546,486	0.5%	6.7%
Demand Deposits	2,793,272	3,228,976	2,583,129	2,720,053	2,818,114	-13.5%	-0.9%
Saving Deposits	9,705,603	9,622,161	9,488,702	9,366,609	9,195,670	0.9%	5.5%
Interbank Deposits	1,089,285	457,089	327,609	171,848	187,847	138.3%	479.9%
Time Deposits	40,343,814	40,330,188	39,574,373	38,921,522	38,344,418	0.0%	5.2%
Other Deposits	1,822	1,670	634	683	437	9.1%	316.9%
Money Market Funding	3,822,491	3,391,443	3,796,843	4,281,861	3,849,763	12.7%	-0.7%
Funds from Acceptance and Issue of Securities	3,351,222	3,560,166	3,497,542	3,299,226	3,197,121	-5.9%	4.8%
Borrowings and Onlendings	2,399,767	2,260,152	2,339,306	2,307,047	2,503,716	6.2%	-4.2%
Derivatives	-	-	-	-	4,125	-	-
Other Financial Liabilities	7,157,263	6,580,312	7,207,299	6,986,420	6,648,186	8.8%	7.7%
Provisions	1,892,030	1,936,040	1,656,247	1,638,535	1,560,632	-2.3%	21.2%
Deferred Tax Obligation	366,065	304,482	270,251	227,158	146,277	20.2%	150.3%
Other Liabilities	2,278,325	2,082,548	2,160,748	2,022,305	2,045,327	9.4%	11.4%
Shareholders' Equity	**8,069,047**	**7,794,362**	**7,734,883**	**7,522,467**	**7,368,963**	3.5%	9.5%
Total Liabilities and Shareholders' Equity	**83,270,006**	**81,549,589**	**80,637,566**	**79,465,734**	**77,870,596**	**2.1%**	**6.9%**

PRO FORMA CONSOLIDATED INCOME STATEMENT

Table 22: Pro Forma Consolidated Income Statement – R$ Thousand

	1Q2020	1Q2019	1Q2020	4Q2019	3Q2019	2Q2019	1Q2019	1Q2020/ 1Q2019	1Q2020/ 4Q2019
Financial Income	**2,921,366**	**2,264,697**	**2,921,366**	**1,992,941**	**2,589,498**	**2,258,278**	**2,264,697**	**46.6%**	**29.0%**
Lending and Leasing Operations and Other Credits	1,526,007	1,624,624	1,526,007	1,617,508	1,729,285	1,708,864	1,624,624	-5.7%	-6.1%
Securities	261,824	378,250	261,824	330,307	410,517	303,978	378,250	-20.7%	-30.8%
Derivatives	758,150	7,426	758,150	(96,115)	171,642	49,143	7,426	-888.8%	10,109.4%
Foreign Exchange	244,947	63,501	244,947	(16,065)	88,733	1,585	63,501	-1,624.7%	285.7%
Compulsory Investments	130,438	190,896	130,438	157,306	189,321	194,708	190,896	-17.1%	-31.7%
Financial Expenses	**(1,659,802)**	**(918,984)**	**(1,659,802)**	**(599,853)**	**(1,154,801)**	**(906,739)**	**(918,984)**	**176.7%**	**80.6%**
Funding Operations	(1,341,838)	(809,007)	(1,341,838)	(590,292)	(1,011,188)	(878,612)	(809,007)	127.3%	65.9%
Borrowings Assignments and Onlendings	(317,964)	(109,977)	(317,964)	(9,561)	(143,613)	(28,127)	(109,977)	3,225.6%	189.1%
Profit from Financial Income	**1,261,564**	**1,345,713**	**1,261,564**	**1,393,088**	**1,434,697**	**1,351,539**	**1,345,713**	**-9.4%**	**-6.3%**
Allowance for Loan Losses	**(296,608)**	**(285,421)**	**(296,608)**	**(265,123)**	**(348,990)**	**(294,382)**	**(285,421)**	**11.9%**	**3.9%**
Other Adjusted Operational Income	**608,371**	**599,435**	**608,371**	**650,459**	**667,862**	**637,438**	**599,435**	**-6.5%**	**1.5%**
Fees and Services	504,236	490,733	504,236	529,969	520,235	501,579	490,733	-4.9%	2.8%
Equity in Subsidiaries	10,849	11,244	10,849	20,456	2,983	11,914	11,244	-47.0%	-3.5%
Other Adjusted Income	93,286	97,458	93,286	100,034	144,644	123,945	97,458	-6.7%	-4.3%
Other Adjusted Operating Expenses	**(1,214,361)**	**(1,198,595)**	**(1,214,361)**	**(1,261,167)**	**(1,325,758)**	**(1,248,959)**	**(1,198,595)**	**-3.7%**	**1.3%**
Adjusted Personnel Expenses	(505,100)	(494,063)	(505,100)	(499,868)	(502,287)	(478,301)	(494,063)	1.0%	2.2%
Other Administrative Expenses	(415,249)	(456,779)	(415,249)	(463,723)	(443,570)	(455,337)	(456,779)	-10.5%	-9.1%
Tax Expenses	(119,160)	(118,502)	(119,160)	(124,717)	(120,070)	(119,399)	(118,502)	-4.5%	0.6%
Other Adjusted Expenses	(174,852)	(129,251)	(174,852)	(172,859)	(259,831)	(195,922)	(129,251)	1.2%	35.3%
Income from Adjusted Operations	**358,966**	**461,132**	**358,966**	**517,257**	**427,811**	**445,636**	**461,132**	**-30.6%**	**-22.2%**
Income Before Income Taxes	**358,966**	**461,132**	**358,966**	**517,257**	**427,811**	**445,636**	**461,132**	**-30.6%**	**-22.2%**
Income Tax and Social Contribution	**(69,268)**	**(107,392)**	**(69,268)**	**(118,415)**	**(103,349)**	**(106,557)**	**(107,392)**	**-41.5%**	**-35.5%**
Employee Profit Sharing	**(32,130)**	**(33,601)**	**(32,130)**	**(42,462)**	**(32,489)**	**(33,211)**	**(33,601)**	**-24.3%**	**-4.4%**
Non-Controlling Minority Interest	**(46)**	**(182)**	**(46)**	**(88)**	**(57)**	**(194)**	**(182)**	**-47.7%**	**-74.7%**
Adjusted Net Income	**257,522**	**319,957**	**257,522**	**356,292**	**291,916**	**305,674**	**319,957**	**-27.7%**	**-19.5%**
Restructuring of Pension Plans	-	-	-	-	-	49,528	-	-	-
Labor Provision	-	-	-	(429,036)	-	-	-	-	-
Tax Adjustments	-	-	-	126,840	-	-	-	-	-
Tax Effects	-	-	-	120,878	-	(19,811)	-	-	-
Tax Credits - CSLL EC 103/2019	-	-	-	222,180	-	-	-	-	-
Net Income	**257,522**	**319,957**	**257,522**	**397,154**	**291,916**	**335,391**	**319,957**	**-35.2%**	**-19.5%**

MANAGEMENT REPORT

We present the Management Report and the companyand consolidated Financial Statements of Banco do Estado do Rio Grande do Sul S.A. for the first quarter of 2020, prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

ECONOMIC SCENARIO

The first quarter of 2020 was marked by the increase of uncertainties in the global scenario, due to the Coronavirus - Covid-19 pandemic, which declined economic activity in several countries and a slowdown of the world economy, and increasing chances of a global recession.

As result, authorities in many nations put into practice sanitary, fiscal and monetary measures seeking to reduce the adverse effects of the worldwide pandemic. In China, primary source of the disease, the first restrictive and social distancing measures started at the end of January, with production stopping in some sectors, to which the Government reacted by offering economic stimulus that will not prevent a decrease of the country's GDP for the first quarter of the year, as available statistics have revealed so far. In turn, the occurrence of Covid-19 in Europe intensified the existing economic situation, which already had too restrictive of monetary policies stimulus tools, intensified by the little efforts from the most relevant countries to employ fiscal measures to boost activity. Aside from these issues, the economy in the region experienced a considerable decrease in exports, especially to China, an element that, together with the decrease of the domestic demand, drove trade and services down, resulting in the loss of dynamism of local activity in the period. In the United States, where the virus has quickly spread, the need to impose severe measures of social distancing in order to slow down the spread of the disease resulted in a significant decrease in household consumption, responsible for approximately 70% of the country's GDP, indicating that the GDP in the first quarter of this year will be greatly penalized by the pandemic.

In Brazil, where the first cases of Covid-19 observed at the end of February (source: Health Ministry), restrictions to prevent the spread of the disease since March, such as social distancing and the shutdown of unessential services, have reflected in a relevant decrease in trade and services, market segments that have already been struggling to recover before the pandemic, in a scenario of uncertainty regarding the continuity of the necessary reform plans towards a more consistent recovery of the domestic economic activity, with investors' mood remaining pessimistic. In the midst of this scenario of deepening domestic economic difficulties and idleness still high, inflation remained at comfortable levels, despite the significant devaluation of the Real against the US Dollar, with the Brazilian Real reaching the rate of R$5.20/US$1.00. Facing adverse circumstances, the Central Bank of Brazil set the Selic Interest Rate to its new historical low of 3.75% per year, in addition to announcing measures aimed at fostering credit and extending credit payment conditions in order to avoid an increase in defaults by individuals and companies and, consequently, an even greater drop in the gross domestic product, largely due to the negative economic effects of the Coronavirus.

In Rio Grande do Sul, with events of Covid-19 also appearing, the adoption of social distancing measures have had negative economic impacts, with most activities retracting, among which trade and services stand out, similarly to the national scenario. Indeed, the pandemic has caused a decrease not only in internal, but also in external demand, with unfavorable foreign trade in the period, in which the positive balance of US$1.2 billion accumulated in the first three months of 2020, dropped against the US$2.6 billion recorded in the same period of 2019, with decreases of 42.8% in exports and 28.8% in imports.

CORPORATE AND BUSINESS STRATEGY

CORPORATE STRATEGY

Banrisul is a retail bank whose Mission is to be the most important financial agent within Rio Grande do Sul, helping promote the economic and social development of the State. Taking not only its Mission into consideration, but also the Vision of being a profitable, solid and competitive public Bank, fully integrated with the communities and providing services with excellence, the Company's strategy was structured based on five pillars that drive its efforts:

Essence: reinforce the **commitment to** being a retail bank, with a focus on Rio Grande do Sul. To do this, it heavily invests in financial products for micro and small companies, and also for the agricultural sector, which is the basis of the economic development of the state. It is worth mentioning that such commitment helps Banrisul consolidate its mission, as well as bringing the Company closer to and strengthening customers' relations.

Employees: for Banrisul, the **strength of its employees** is key to achieve organizational success. To this end, the Bank has developed a challenging, agile environment, fostering the engagement and improving the management of human resources.

Efficiency: the Institution focuses on the **efficiency of management**, centering objectives on faster, simplified processes, improving IT infrastructure and architecture, improving risk management and also adhering to best management practices.

Transformation: following the **path of transformation**, through the implementation of new business models and new technologies, to maintain Banrisul's competitiveness.

Customer: considering the similarity of products offered in the financial market, the entry of new competitors and the targeting of customers by perception of value and innovation, Banrisul intensifies **focus on customer**, in order to provide the best experience in financial solutions and raise their level of satisfaction.

BUSINESS STRATEGY

Regarding its business strategy, the Company reinforces services to retail customers in the individual segment and expand the service to small and medium-sized companies. In this sense, the main highlights and strategies for these customers are detailed below.

The focus of commercial activity in the **individual segment** prioritizes, within the public sector, particularly payroll credit lines offered to civil servants and INSS retirees, as well as the to improve relationship with self-employed professionals, young public and high net-worth customers.

As for companies, the commercial drive is towards medium, small companies and micro-enterprises, focusing on the offering of credit products for collateralized working capital, which encompasses the acquisition of goods, investments in sustainable projects, advancement of receivables, receivable-backed working capital lines and credit cards, as well as the supply of acquiring equipment by Vero and services such as collection, payroll management and general management of electronic payments.

In relation to **earmarked credit lines**, the Bank promotes agricultural loans for funding, investment, marketing and industrialization of agricultural goods, serving family farmers, medium-sized producers, business farmers and rural cooperatives.

The diversification of the **service fees portfolio** as a way of generating revenues for the Institution is an important factor for covering fixed costs. Thus, the Bank focuses efforts on products such as credit cards, acquiring network, consortium and insurance, increasing the number of products used by its customers.

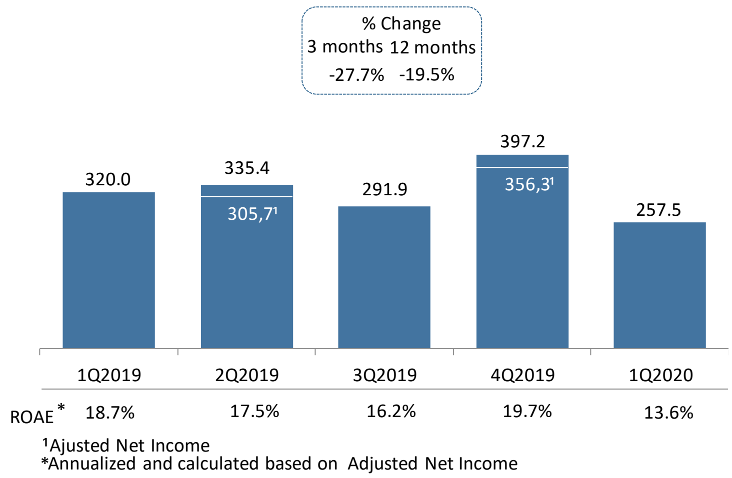
CONSOLIDATED PERFORMANCE

NET INCOME

1Q20 net income reached R$257.5 million, 19.5% (R$62.4 million) lower than in 1Q19. ROAE reached 13.6%. This performance reflects the decrease of R$84.1 million in NII, increase of R$11.2 million in allowance for loan losses, increase of R$13.5 millio in fee revenues and the decrease of R$30.5 million in administrative expenses, as well as the reduction of R$38.1 million in taxes (income tax and social contribution on net income), due to the the lower taxable income and the change in the social contribution tax rate as of March 2020, reflecting on the deferred and current amounts.

Measured by the concept of added value, Banrisul generated revenues of R$1,011.9 million in 1Q20, of which 46.2% (R$467.1 million) were used for payroll, 25.5% (R$258.5 million) for taxes, fees and contributions, 2.8% (R$28.7 million) for the payment of third party capital and 25.5% (R$257.6 million) for return on equity.

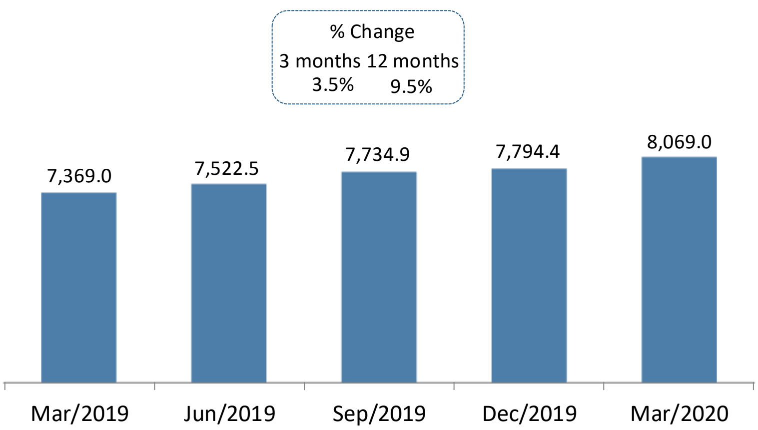
Graph 30: Net Income – R$ Million



EQUITY

Banrisul equity reached R$8,069.0 million as of March 2020. The growth of 9.5% (R$700.1 million) in twelve months originated from the incorporation of results (net of the payment and provisions of dividends and interest on capital), the reassessment of actuarial liabilities related to the post-employment benefits (CPC 33 – R1) and the exchange rate adjustments upon the equity accounts of branches abroad.

Graph 31: Equity - R$ Million



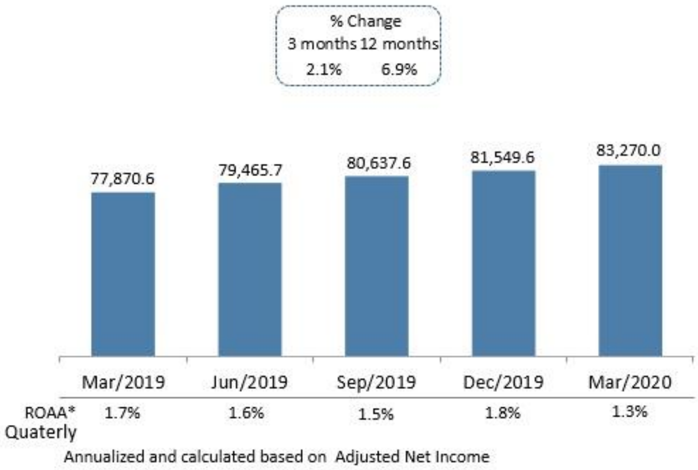
TOTAL ASSETS

Total assets reached R$83,270.0 million at the end of March 2020, an increase of 6.9% over the R$77,870.6 million in March 2019, mostly from the growth in funding (deposits, financial notes and subordinated debt). Total assets are broken down into credit assets (43.5% of total assets), securities, interbank investments and cash (40.9%), compulsory deposits (8.0%) and other assets (7.6%).

The portfolio of securities, including derivatives, interbank investments and cash, reached R$34,042.4 million at the end of March 2020, an increase of 32.3% (R$8,311.2 million) from March 2019, driven by the increase in deposits and in compulsory deposits, in a context of growing credit portfolio.

As internal technical studies confirm, Banrisul is financially capable of and intends to hold until maturity the securities classified as “held-to-maturity”, pursuant to Article 8 of the Central Bank of Brazil Circular Letter No. 3068/01.

Graph 32: Total Assets - R$ Million



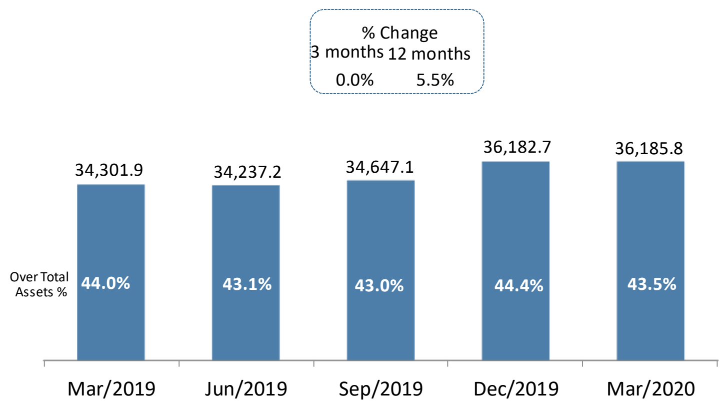
LOANS

Expanded loan portfolio, which includes sureties and guarantees, reached R$36,463.7 million in March 2020, including co-obligation and risk factors. Sureties and guarantees excluded, the balance of credit operations totaled R$36,185.8 million in March 2020, increasing 5.5% (R$1,883.9 million) in the last twelve months mainly due to the performance of non-earmarked credit portfolio, with a balance of R$27,701.2 million, increasing 6.5% (R$1,694.7 million) in one year.

The credit portfolio is classified by risk levels in accordance to procedures set forth by National Monetary Council (CMN) Resolution No. 2682/99. At the end of March 2020, Normal Risk operations, which include risk levels from AA to C, totaled R$32,121.3 million, representing 88.8% of the total portfolio. Operations classified as Risk 1, which include risk levels from D to G, totaled R$2,217.2 million and corresponded to 6.1% of the portfolio. Consisting exclusively of risk H credit operations, Risk 2 portfolio reached R$1,847.3 million or 5.1% of the total loan book.

Following general measures to curb the progress of Covid-19, the Bank has taken actions to help maintain economic activity and announced several measures to support customers. Banrisul make available R$14 billion in pre-approved credit to individuals and micro, small and medium-sized enterprises; increased Banricompras limit by 10%, granting more purchasing power for individuals to pay for purchases; for micro, small and medium-sized companies that have already used their credit limits, Banrisul offered an extra 10% limit. As to the extension of maturities of existing credit operations, Banrisul has developed a portfolio of products focusing on the negotiation of short-term debts (named –REPAC), with special emphasis on commercial credit, real estate (both mortgages and developers), rural loans, long-term credit lines and overdrafts accounts.

Graph 33: Loans - R$ Million



Individuals and Corporate Non-Earmarked Loans

Non-earmarked loans to individuals reflected the Company's business strategy, growing 8.2% (R$1,628.7 million) in the last twelve months and totaling R$21,571.6 million in March 2020, and include asset transfers recorded as credits linked to acquired portfolio pursuant to Circular Letter No. 3543/12 of the Central Bank of Brazil. The performance was especially influenced by the growth of payroll loans, which reached R$16,082.8 million in March 2020, of which R$9,979.3 million of own origination (transactions with customers), R$5,809.9 million of transactions produced by payroll loan correspondents and R$293.7 million related to portfolios acquired from other institutions. Non-earmarked corporate loans amounted to R$6,129.5 million in March 2020, with an increase of 1.1% (R$466.0 million) from March 2019, mainly due to the increase of R$175.0 million in working capital and the decrease of R$128.1 million in overdraft checking accounts. In January 2020, National Monetary Council Resolution No. 4765/19 came into force, limiting to 8% the maximum interest rate on overdraft and allowing banks to charge a fee for making limits available; Banrisul decided to exempt customers from the payment of the surcharge fee payment, regardless of the amount of the credit limit.

Agricultural Loans

In the first quarter of 2020, Banrisul was present in the agricultural sector within the state of Rio Grande do Sul, by offering funds for investment, cost financing, commercialization and industrialization, observing the guidelines set by the State Government for the sector and in line with the state financial system, supplying the demand for rural financing from small farmers, medium-sized producers and business farmers, in addition to agricultural cooperatives, agro-industries and other agribusiness companies. Banrisul continues to support rural businesses in the agricultural production chains and continues to make resources available at state official agricultural fairs, with emphasis on the participation in Expodireto Cotrijal 2020, in which R$259.7 million was granted in the form of credit lines, an increase of 101.7% in relation to the same event in 2019, boosted by the digital order protocol for resellers via the new BanriConecta tool. It is also noteworthy that, with the State facing the impact of a severe drought and the challenges of coping with the Covid-19 pandemic, solutions related to extending debt terms and insurance claims have intensified.

As of March 2020, 2,126 new operations were granted, amounting to R$245.3 million. Of these, 1,869 operations (R$144.9 million) were to individuals and 257 (R$100.4 million) to companies. The rural loan portfolio reached R$2,712.6 million in March 2020, totaling 52,042 operations.

Earmarked Loans

Real estate loans totaled R$4,135.7 million in March 2020, mostly stable from March 2019. Of this amount, R$3,602.1 million refers to the individuals' portfolio. In the period, 600 real estate financing operations were contracted, at the amount of R$144.5 million.

The long-term credit portfolio reached R$660.5 million in March 2020, a reduction of 25.2% (R$222.6 million) in relation to March 2019.

Pre-shipping (ACC) and post-shipping (ACE) foreign exchange contracts reached R$846.6 million in March 2020, increasing 18.6% (R$132.9 million) over March 2019.

Funds Raised and Under Management

In March 2020, funds raised and under management totaled R$72,587.0 million, an increase of 6.9% (R$4,699.6 million) from the same period in 2019, and included time deposits (share of 55.6%), savings deposits (13.4% share), demand deposits (3.8%), bank notes (4.6%), subordinated debt (4.1%) and assets under management (16.9%).

Total deposits reached R$53,933.8 million at the end of March 2020, increasing 6.7% (R$3,387.3 million) over March 2019. Time deposits reached R$40,343.8 million in March 2020, increasing 5.2% (R$1,999.4 million) in twelve months; savings deposits increased 5.5% (R$509.9 million) over March 2019, reaching R$9,705.6 million in March 2020 and demand deposits were mostly stable, decreasing R$24.8 million and totaling R$2,793.3 million at the end of March 2020.

With balance of R$3,000.0 million in March 2020, the subordinated debt increased 41.2% (R$875.1 million) over March 2019, influenced by the exchange rate and mark-to-market of the debt. Funds from bank notes and real estate bonds reached R$3,351.2 million in March 2020, increasing 4.8% (R$154.1 million) in twelve months. Funds under management increased 2.4% (R$283.1 million) in the last twelve months, amounting to R$12,302.0 million in March 2020.

PRODUCTS AND SERVICES

Vero Acquiring Network

Vero implemented a set of commercial actions in the first quarter of 2020, like: (i) the expansion of the acquiring portfolio, starting capturing operations with the GreenCard and Ticket cards; (ii) the implementation of new internet accreditation tools, and (iii) the launching of new applications in the Vero Store platform, to optimize Vero Smart solution management by customers.

Vero ended March 2020 with 145.3 thousand active accredited establishments (with transactions in the last twelve months), 3.4% higher than March 2019. In the first quarter, 82.1 million transactions were captured, of which 57.0 million with debit cards (2.7% year-on-year growth) and 25.1 million with credit cards (increase of 1.5% from the previous year). The total financial volume produced by the acquired transactions reached R$7.3 billion, 3.8% increase from March 2019. Of this amount, R$4.0 billion came from transactions with debit cards and R$3.3 billion came from transactions with credit cards.

At the end of the first quarter of 2020, in view of the Covid-19 pandemic, the Company worked to support and preserve customers. Measures to encourage the continuity of businesses that had to adapted their sales to delivery models were implemented, by providing POS equipment free of charge and exempted from minimum billing requirements, exempting from paying franchise fees and maintained MDR fees to the months of March and April, for customers using the Up, Free, Pro and Vero Loyalty Programs, as well as those enrolled into the floating rate plans.

Banricard Benefit and Business Cards

BanriCard ended March 2020 with 6,800 active customers. Revenues for the first quarter of 2020 reached R$342.6 million, stable since 1Q19. At the end of the first quarter of 2020, in view of the Covid-19 pandemic, the Company adopted measures to support and preserve customers. The deadline for submitting unpaid bills to notary protest was extended and payment extensions were granted for post payment agreements.

Banricompras

Banricompras is a zero-cost product for the sole use of Banrisul's customers, who may use checking account cards to pay for purchases at merchant stores affiliated to Banrisul. The payments can be debited at sight or on a future due date (pre-dated or in installments payment), with no annual fee, taxes or interest rate. In 1Q20, Banricompras reached R$3.4 billion in financial volume distributed over 41.6 million transactions, both 6.0% higher than 1Q19.

Credit Cards

In the first quarter of 2020, in partnership with MasterCard, Banrisul carried out the Torcida dos Campeões campaign for MasterCard cardholders. Advancing technologically and aiming at greater comfort and autonomy to customers, Banrisul made available in the first quarter of 2020 the functionality to change the credit card limit directly into the Banrisul Digital app, in addition to also offering the Virtual Credit Card for MasterCard Business customers, suitable for the corporate segment. During the period, the Bank launched a new, modern design for the University Credit Card, both for MasterCard and Visa, aligned to the needs of the segment. Finally, in compliance with Central Bank Circular No. 3918/18, Banrisul made changes to the foreign exchange conversion used in international purchases, fixing the amount in Reais as on the date of purchase.

Banrisul reached in March 2020, 1.2 million Mastercard and Visa credit cards issued, 6.4% more than in the same period of 2019. In 1Q20, the cards issued by Banrisul produced a financial turnover of R$1.7 billion, with 20.9 million transactions, growing 15.9% and 16.1%, respectively, in relation to the same period last year. Revenues from credit and credit card fees and BNDES cards totaled R$109.4 million in the first quarter of 2020.

Insurance

Banrisul offers customers a broad portfolio of Security products, such as individual and property insurance, capitalization bonds and private pension plans. Seeking solutions that meet customers' needs, the first quarter of 2020 was marked by the adequacy of the portfolio of Credit Financial Protection (life insurance backed loans), improvement of systems and processes and the adjustments of products for digital platforms, in addition to the launch of internal campaigns for home and car insurance.

In 1Q20, the financial volume of insurance premiums, social security contributions and capitalization products reached R$524.8 million, increasing 58.2% in relation to the previous year. Total revenues reached R$76.0 million in the first quarter of 2020, an increase of 6.5%, among which revenues from insurance commissions reached R$62.7 million. In March 2020, active insurance operations totaled 2.5 million contracts, representing a growth of 6.5% in the last twelve months.

Public Sector Relations

Banrisul's commercial strategy for the public sector in 1Q20 focused on the offering of tax collection services, accounts payable and fund-raising products. At the municipal level, negotiations guidelines for the acquisition of payrolls initiated in 2016 now encompasses 308 municipalities, allowing for the continuity of commercial actions towards this public.

BANRISUL'S CUSTOMER SERVICE

Service Network

Banrisul's service network was comprised of 1,117 service points in March 2020, of which 514 branches (491 in the state of Rio Grande do Sul, 17 in Santa Catarina, 4 in the other states of Brazil and 2 abroad), 181 service stations and 422 electronic service stations, all servicing customers throughout a wide range of locations.

Aware of the role it plays in the communities in which it operates, Banrisul has been working hard to find alternatives that minimize the impacts that measures to face Covid-19 have caused in Brazil, especially in the lives of customers and employees. In March, when the pandemic was confirmed, Banrisul adopted measures not to jeopardize business, such as different working hours for branches and shift schedules for employees, seeking to reduce customer concentration. In a scenario of so many uncertainties and unprecedented challenges, Banrisul has endeavored to ensure continuity of service, regardless of the available service channels, with the readiness and customer care that the moment requires.

DIGITAL CHANNELS

Banrisul continues its digitalization to offer the best customer experience. In order to do that, Banrisul's digital channels are constantly growing, representing 58.8% of all transactions carried out by the Company in 1Q20, considering all available channels (digitals, POS, ATM, correspondents, cashes and Banrifone - a phone channel for tendering clients -) regarding the 53.7% registered in 1Q19.

In the first quarter, Internet Banking (Home and Office Banking) and Mobile Banking (*Minha Conta*, *Afinidade* and *Office (App)*, accessed through Banrisul Digital) had 80.9 million accesses, 34.8% higher than in the same period of 2019, equivalent to an average of 898,800 daily accesses. The total number of operations carried out in these channels increased by 5.0%. Among these, the number of financial transactions and the financial turnover, which increased 20.8% and 10.7%, respectively, from 1Q19.

In the first quarter of 2020, several improvements were implemented, with emphasis on the new version of the Banrisul Digital app, which is gradually and continuously being made available, based on the feedback of customers. The digital channels become even more relevant due to the Covid-19 pandemic, as they are the main channels for maintaining customer relationship. It is also worth mentioning the implementation of services for the renegotiation of credit debts, the availability of the blocking service in the main menu and the increase of limits in the Minha Conta, Afinidade and Office App channels of the Banrisul digital app.

BANRISUL BANKING AGENTS - BANRIPONTO

Banriponto Banking Agents are commercial establishments able to process payments, deposits, transfers and withdrawals, among other banking services. Benefits for customers include time flexibility, convenience and freedom of choice, besides being able to select the nearest establishment. Banrisul maintains close relationship with its banking agents, prospecting, training, supporting and managing Banriponto network.

In the first quarter there were 153 smart vaults installed, aiming to increase the security in establishments, increasing the control in the rendering of accounts, mitigating risks and reducing back office operations in branches. In the same period, the 1,121 Banriponto Banking Agents accounted for 13.7 million transactions, with a financial volume of R$5.3 billion. Among these, 6 million transactions were made with the use of smart vaults, with a financial turnover of R$2.3 billion. At Banriponto Baking Agents, which sell INSS and Siape payroll loans and opens checking and savings accounts, 283 payroll loans were contracted, in the total amount of R$1.8 million.

SUBSIDIARIES AND AFFILIATES

BANRISUL CARTÕES S.A.

Banrisul Cartões S.A. manages Vero acquiring network and issues BanriCard benefits and corporate cards, with 145,300 active establishments accredited and 6,800 active agreements, respectively. In 1Q20, gross operating revenues totaled R$134.6 million, 4.5% lower than the same period last year. Among these, R$133.1 million were revenues from the acquiring network, decreasing 4.4% from the same period last year. The cost of services provided totaled R$36.5 million, whereas net administrative expenses, composed by personnel and other administrative expenses, totaled R$15.8 million. Financial revenues totaled R$36.0 million, of which 85.9% came from the discount of sales receivables. The anticipation of sales receivables amounted to R$1.1 billion in the period, representing 30.4% of the total financial product of captured transactions, a 19.6% increase from the same period last year. Banrisul Cartões net income of R$64.9 million in 1Q20 was 1.1% lower than the net income of the same period last year.

At the end of the first quarter of 2020, in view of the Covid-19 pandemic, the Company adopted measures to support and preserve customers, including Vero accredited companies and Banricard customers.

BANRISUL S.A. ADMINISTRADORA DE CONSÓRCIOS

Banrisul Consórcios manages sales pool groups for the acquisition of vehicles, trucks, motorcycles and real estate properties. Seeking to offer customers alternatives for the acquisition of goods, the Bank sells real estate and vehicles consortia groups with maturities of up to 200 months and 80 months, respectively. In the real estate segment, letters of credit can be used for housing construction, remodeling and enlargement, as well as for the acquisition of new properties, land, parking space and commercial rooms. In March 2020, Banrisul Consórcios managed 169 groups and had 70,300 active customers, totaling R$4.0 billion in outstanding letters of credit. In the period, 2,560 customers obtained purchases certificates at the equivalent amount of R$130.7 million for the acquisition of consumer goods. Net Income reached R$10.3 million in 1Q20.

BANRISUL S.A. CORRETORA DE VALORES MOBILIÁRIOS E CÂMBIO

The broker company operates with stocks, options, forward and future markets, private and public issued (treasury direct – for the trading of market offered federal securities and bonds) fixed income products, and is responsible for the management of the Banrisul's Assets Under Management portfolios, offering investment solutions and assets with quality and security, providing technical support to customers, helping them identify the best capital market opportunities. In 1Q20, Banrisul Corretora brokered R$2.6 billion in B3 S.A. – Brasil, Bolsa, Balcão, growth of 44.9% from 1Q19. Net income in 1Q20 was R$1.3 million.

BANRISUL ARMAZÉNS GERAIS S.A.

Banrisul Armazéns Gerais S.A. is a subsidiary which operates as dry dock (Grantee of the Brazilian federal revenue service, providing storage and logistics services to the public in general), general warehouse facility and in Electronic Document Management, Storage and Scanning. Net income was R$65,000 in 1Q20.

BANRISUL ICATU PARTICIPAÇÕES S.A.

Banrisul holds a stake of 49.9% of Banrisul Icatu Participações S.A. – BIPAR – holding company in partnership with Icatu Seguros SA. Through its subsidiaries, BIPAR sells life insurance, private pension plans products and savings bonds. Rio Grande Seguros e Previdência S.A. and Rio Grande Capitalização S.A. operate exclusively in the sale of Individual Insurance, Private Pension Plans and Saving Bonds in Banrisul's channels.

With a portfolio of 2.1 million customers, BIPAR expanded operations from the opening of Rio Grande Capitalização S.A., which started operations in September 2019. Rio Grande Seguros e Previdência S.A. produced revenues of R$379.6 million in 1Q20, equal to a growth of 74.7% over the same period last year. With a strong presence in Rio Grande do Sul, the insurance company has a market share of 14.7% within the Individuals Insurance market in the State, being the leader among insurers headquartered in the State. BIPAR net profit of R$18.5 million in 1Q20 was 15.1% higher than that in 1Q19.

BEM PROMOTORA DE VENDAS E SERVIÇOS S.A.

Bem Promotora de Vendas e Serviços, of which Banrisul owns 49.9% of the capital, acts as originator of payroll loans offered to INSS retirees and pensioners and federal civil servants. The balance of Banrisul's credit transactions originated through Bem's payroll loan platform reached R$5,809.8 million in March 2020. Bem Promotora ended March of 2020 with a net income of R$6.4 million.

CORPORATE GOVERNANCE

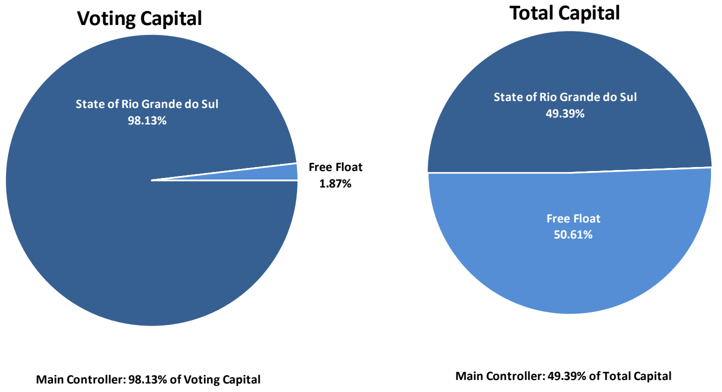
Listed on B3 S.A. - Brasil, Bolsa, Balcão (Brazilian Securities and Derivatives Stock Exchange) Corporate Governance Level 1, Banrisul fully meets the requirements of its listing level and other corporate governance's requirements as well, in line with best market practices, on behalf of greater transparency, fairness and proper accountability, while enhancing credibility of investors and customers.

Pursuant to CVM (Brazilian Securities and Exchange Commission) Instruction No. 381/2003, Banrisul informs that KPMG Auditores Independentes was hired in 2016 as the result of a bidding process (Public Bid 586/2015), as established by the Public Procurement Law No. 8666, provided services related to independent audit during the first quarter.

OWNERSHIP STRUCTURE

Banrisul has higher ownership dispersion than that required for the Level 1 of Corporate Governance: free float represents 50.6% of the total shares issued by the Bank, while the minimum required is 25%. As of March 2020, Banrisul's ownership structure is presented as follows:

Graph 34: Ownership Structure



INTEREST ON EQUITY AND DIVIDENDS PAYOUT POLICY

Since early 2008, Banrisul has been paying interest on equity every quarter, and historically has remunerated its shareholders with a payout policy higher than the minimum required level. In 1Q20, R$95.8 million were paid out as interests on equity and dividends, net of taxes.

INTERNAL CONTROLS AND COMPLIANCE

In accordance to the guidelines set by Internal Control Policies and Compliance Policy approved by Banrisul management in relation to internal control system the implementation of a corporate tool focused on improving the management of internal controls and compliance activities was continued. In addition, this tool will enable senior management to have a unified view of their processes and respective risks, assisting in documenting controls and following-up action plans to comply with regulatory entities, independent auditors, internal audit and Controls and Compliance Unit recommendations and to ensure greater interaction and integration among the three lines of defense.

The Policy for Preventing and Combating Money Laundering and Financing of Terrorism is widely disclosed to the staff and aims at keeping Banrisul in compliance with current legislation and best market practices. The procedures and tools for monitoring, detecting, analyzing and reporting to the Financial Activities Control Council (COAF) are constantly being evaluated, in order to guarantee the quality and effectiveness of the controls and activities related to the process, as required by regulators. To this end, a qualified team is maintained and dedicated to carrying out activities that focus on preventing money laundering and terrorist financing, carrying out daily monitoring of news in the media, new laws and regulations, as well as constantly seeking to develop training to qualify the Company's staff.

CAPITAL AND RISK MANAGEMENT

Capital management and credit, market, *Interest Risk Rate in the Banking Book* - IRRBB, liquidity, operational and socio-environmental risks integrated management is a strategic tool essential for a financial institution. The constant improvement in processes of: i) monitoring, control, evaluation, goal planning and capital requirements; and ii) identification, measurement, evaluation, monitoring, reporting, control and mitigation of risks allows the betterment of Banrisul's corporate governance practices, aligned to its strategic objectives.

The process of capital and risk management involves the participation of all hierarchical layers of the Institution and the companies comprising the Prudential Conglomerate (Banrisul S.A. Administradora de Consórcios, Banrisul S.A. Corretora de Valores Mobiliários e Câmbio, Banrisul Cartões S.A.), as well as its subsidiary Banrisul Armazéns Gerais S.A. The processes are mapped, sorted and consolidated according to the exposures features of the transactions, in accordance with the recommendations of regulatory agencies.

Integrated Management Structure

The capital and risk integrated management structure of Banrisul Group is coordinated by the Corporate Risks Management Department, responsible for capital management and for managing credit, market, IRRBB, liquidity, operational and socio-environmental risks with the support of the Chief Control and Risk Officer. The information produced by the department subsidizes the Risk Committee (advisory body to the Board of Directors), and other Management Committees, the Executive Board and the Board of Directors in the decision-making process. The Control and Risk Executive Officer supervises that department, and the Board of Directors is responsible for the released information related to risk management.

The institutional structures of capital management and corporative risks management are reviewed at least annually and are available on the Banrisul Investors Relations website at Corporate Governance > Risk Management, as well as other public reports relating to Risk Management and the calculation of the amount of Risk-Weighted Assets – RWA, Reference Equity - RE and Leverage Ratio.

Capital Management

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

According to definitions set forth by the National Monetary Council's (CMN) definitions, the minimum capital calculation considers the 8% multiplier, F-factor denominator, of and the Principal Capital Additional-ACP of 2.50%, valid from January 2019, the minimum requirement for the Basel Rate, which is the sum of these two factors applied to the total amount of RWA, was 10.5%.

The calculation and submission of information in relation to the Additional Core Capital (ACC) have been required since January 2016. This additional capital has the following composition as of January 2019: (*i*) Additional Conservation Core Capital (2.5% of the RWA amount); (*ii*) Additional Countercyclical Core Capital (up to 2.5% of the RWA amount), and (*iii*) Additional Systemic Importance Core Capital (up to 2% of the RWA amount). Currently, Banrisul is subject only to the Additional Conservation Core Capital.

The world pandemic scenario, which has affected several nations in this first quarter of 2020, in addition to having consequences to public health, will have consequences in all sectors of the world economy. In this way, regulators have sought measures that make requirements more flexible. In relation to Regulatory Capital requirements, it is worth mentioning the National Monetary Council Resolution No. 4783, of March 16, 2020, which reduces the RWA levels when determining the amount of the Additional Conservation Core Capital portion for the next 2 years, commencing April 1, 2020.

Credit Risk

Credit risk is defined as the possibility of losses associated with the failure to meeting obligations by the counterparty in accordance to the agreed terms: devaluation or reduction of remuneration, expected gains on financial instrument arising from the deterioration of the credit quality of the counterparty, the intervening party or the mitigating instrument; restructuring of financial instruments; and the credit exposure recovery costs on troublesome assets.

The structure of Credit Risk assessment is based on models of Application and Behavior Score statistical methodologies and/or on the principle of collegiate technical decision, and thresholds of credit and risk limits corresponding to the various decision-making levels are defined, aimed at speeding up credit grant, on the grounds of technically pre-defined credit limits for customers, according to the maximum exposures that Banrisul is willing to operate with each one of them, given the risk/return relation. These models are in constant validation and are periodically updated to maintain credit risk exposure at levels considered acceptable by the Company Management.

Market Risk

Market risk is defined as the possibility of losses arising from fluctuation on market values of instruments held by the institution. This definition includes the risk of changes in interest rates and stock prices, for instruments classified in the trading book, and foreign exchange risk and commodity prices, for instruments classified in the trading book or banking portfolio.

The management of market risk in Banrisul is segregated between transactions classified as "to trade", which comprises transactions in financial instruments, including derivatives, held for trading, intended for the hedge of other elements of the trading book, and that are not subject to the limitation of its negotiability, and transactions classified in the non-trading banking book portfolio, which consists of all transactions of the Institution that are not classified in the trading portfolio, such as the loan portfolio, the securities held to maturity, the time deposits funding, the savings deposits and other transactions held to maturity.

In the period, Banrisul has disclosed the interest-rate variation risk measurement metric, known as the IRRBB, to be used embedded into the loan portfolio, which is defined as the existing or prospective risk of the impact of adverse movements of interest rates on capital and in the Company's results, according to Central Bank of Brazil Circular No. 3876/18, effective from January 1, 2019. Another highlight was the Central Bank of Brazil Circular No. 3984/20, which established new calculation procedures for foreign exchange exposures of financial institutions.

Also noteworthy is the ongoing implementation of the requirements of CMN Resolution No. 4557/17, which provides for the new integrated risk management structure through the preparation and execution of action plans in conjunction with consulting firms.

Liquidity Risk

The liquidity risk consists on the possibility of occurring losses resulting from the lack of sufficient liquid funds to efficiently honor expected and unexpected obligations, current and future, including those in connection to collaterals, without affecting its daily obligations and without incurring in significant losses; and the possibility the institution not being able to trade assets at market prices due to their relevant amount in relation to average usually traded volume, or to some market discontinuity.

In the period, the liquidity risk monitoring processes did not report the occurrence of liquidity crisis events, with risk indicators remaining at adequate levels in accordance with the risk policy and the limits set forth in the Risk Appetite Statement.

Operational Risk

The operational risk is defined as the possibility of losses resulting from external events or failure, deficiency or inadequacy of internal processes, people and systems. The management of operational risks aims at obtaining control over the risks, seeking to minimize them to protect the Bank and, hence, safeguard its equity and the interests of customers, shareholders, employees and stakeholders in general.

Concluded in 1Q20, the operational risk analysis encompasses all administrative areas of the Parent Company, the Prudential Conglomerate, and subsidiaries within Banrisul Group, enabling Banrisul's risk matrix to be updated. In addition, projects and activities are being carried out to adapt the operational risk database to comply with Central Bank of Brazil Circular No. 3979/20.

Facing the Covid-19 pandemic, aware of the health precautions recommended by the World Health Organization and the social distancing measures determined by governments, Banrisul has continued operating and taken measures to help minimize the exposure of customers and employees to contagion, adapting all that was necessary, from credit policies to operating routines. The main measures taken by Banrisul focusing on operating routines, the following stand out: activation of operating contingency continuity plans; employees in remote work without compromising activities; widely marketing of digital and self-service channels, with tutorials on how to access services and encouraging the use of such channels; and minimizing number of employees per branch, who are working on shift schedules, and also in observance of restrictions linked to coping with the pandemic and with the adoption of further hygiene measures.

Socio-Environmental Risk

Socio-environmental risk is defined as the possibility of losses arising from social and environmental damages and must be identified by financial institutions as a component of the various risk modalities to which they are exposed to. Its management should consider routines and procedures that identify, classify, evaluate, monitor, mitigate and control the risk present in the institution's activities and operations.

Under management since the commencing date of CMN Resolution No. 4327/14 social and environmental risk has been included in the list of risks that must be managed in an integrated manner with other relevant risks affecting the Company, starting at the beginning of the validity of CMN Resolution No. 4557/17. Therefore, it has been incorporated into the Risk Appetite Statement and stress tests. In compliance with CMN Circular No. 3979/20, projects and activities are being carried out with a view to making database adjustments to identify operating losses linked to socio-environmental risks.

BASEL RATIO

As put forth by National Monetary Council Resolutions No. 4192/13 and No. 4193/13, regulatory capital and risk-weighted assets are calculated for the Prudential Conglomerate. In March 2020, reference equity reached R$6,546.6 million, increasing R$224.6 million in relation to March 2019, mainly due to the incorporation of results of the period. Tier II Capital decreased R$177.7 million, due to the application of the Basel III schedule on instruments based on regulations prior to the released of the National Monetary Council Resolution No. 4192/13.

The total exposure of risk-weighted assets (RWA_{TOTAL}) reached R$43,234.4 million in March 2020, increasing R$2,650.8 million in comparison to March 2019, mainly due to the growth of R$1,776.8 million in credit risk (RWA_{CPAD}) in line with the increase of credit operations, reflecting the new prudential rule for classification of large companies, effective March 2019, and by the increase of R$451.3 million in operational risk (RWA_{OPAD}), and by the increase of R$422.6 million in market risk (RWA_{MPAD}), mainly due to the increase of the foreign exchange risk (RWA_{CAM}).

Taking into account the values of reference equity and of risk-weighted assets, Basel ratio reached 15.1% in March 2020, decreasing 0.5 pp. from March 2019. Core capital and Tier I Capital reached 14.3% in March 2020, both above minimum requirements. Leverage ratio calculated for March 2020 was 7.2%, with a minimum defined in 3.0% in force since January of 2018 according to National Monetary Council Resolution No. 4615/17.

TECHNOLOGICAL MODERNIZATION

TECHNOLOGY AND INFORMATION SECURITY

Aligned with the transformation strategy, Banrisul is looking for new business models combined with the use of innovative technologies, essential for the Bank to remain competitive in the market. Banrisul's technological modernization process includes the digital transformation trend, the expansion of IT infrastructure and has been increasingly committed to the security of information. In 1Q20, Banrisul invested R$81.4 million in technological modernization.

The improvement and modernization of the IT infrastructure provided an increase in resources and increasing information security and availability. It is noteworthy the leap in technological quality regarding the corporate storage solution, due to the acquisition of one of the best storage solutions on the market, boosting performance for virtualized servers and databases; and the proof of concept of a Robotic Process Automation - RPA solution, which will enable the automation of processes with a reduction in the labor cost in various system operations.

As to systems development, improvements and tools were implemented into supporting areas for the development of corporate systems, with the main objective of fostering agility, modernity and security in the development and administration of systems. Through the analysis of code security standards, some systems developed by Banrisul started to be validated by security standards during early development stages, in order to reduce vulnerabilities and increase security.

In the first quarter of 2020, Banrisul participated in the Proof of Concept (POC) of the Brazilian Banking Association (ABBC), as a member of the working group dedicated to quickly implementing and testing the standards of the UK's Open Banking Implementation Entity (OBIE), one of the main Open Banking APIs, in a test environment, for checking registration information and transference of funds between accounts, triggered by third-party applications. Like Banrisul, other banks were participating in the discussions about this implementation. The Proof of Concept also had the presence of several Fintechs associated with the Brazilian Digital Credit Association (ABCD).

Due to the Covid-19 pandemic, the Contingency Plan for remote work was activated at the end of the first quarter of 2020. In a few days, Banrisul installed and configured the entire infrastructure to support videoconference solutions, allowing a thousand conferences in the first week of remote work, as well as expanding links with the telecom operators so that employees could remotely access the Bank's digital environment, in compliance with the recommendations for social distancing and ensuring the continuity of the services provided by the Bank.

Digital Transformation

Involving the Institution's business and technology areas, Digital Transformation has the mission of promoting a favorable environment for digital ecosystems, keeping Banrisul competitive in this new arena of the banking system. In the first quarter of 2020, the initiatives were centered in consolidating new procedures, reinforcing the alignment of the solutions developed to the Institution's strategic objectives; the constant promotion of the agile method culture, through training and lectures sessions involving all the Bank's business and technology areas; and in measures to modernize technological processes and tools to support the development of new products in a more expedite, fluid way, aiming at the ongoing search for new technological frontiers.

In the first quarter of 2020, improvements were carried out, such as the provision of products and services for non-customers Individual Micro Entrepreneurs (MEIs), the availability of features to alter credit card limits within the Banrisul Digital app, fostering customer autonomy; and improvements in the user experience in the "Investing" process, adding more transparency and agility to users. Also noteworthy is the improvement of the user experience when subscribing and managing Vero RePay, Vero's recurring payment solution; the optimization of the Vero accreditation process, aiming at significantly reducing the average time to complete the process of acquiring a payment method solution; and the implementation of Agrofácil, the new credit system for agricultural financing, which simplifies the service to rural producers when serviced at branches.

HUMAN RESOURCES

Banrisul ended the first quarter of 2020 with 10,237 employees, 45% female and 55% male, and 1,929 graduate and undergraduate interns. During the period, internal selection processes were carried out, enabling carrier progression, as well as encouraging the search for areas of activity aligned with employees' knowledge and motivations.

Employees are the means to achieve organizational success, which is why Banrisul continuously seeks incentives for the development and improvement of its work force. In the first quarter of 2020, R$5.2 million were invested in corporate education, as well as participation in 17.7 thousand hours of on-site courses and 50.4 thousand hours of distance learning, with 14.7 thousand participations. Banrisul also encourages the qualification of employees through offering partial scholarships for undergraduate, graduate, master's and doctorate courses.

Considering the recommendations of gubernatorial public health agencies, the attempt to reduce COVID - 19 contagion curve within the State and in Brazil, and also to maintain business continuity and the servicing of customers in such an exceptional moment , Banrisul has adopt shift work schedules for employees involving both remote work and on-site work, as well as placed risk group employees and interns in distance activities the presence of face-to-face work for employees and interns in risk groups in mandatory remote work task, having approximately 63% of the head count in social distancing. Likewise, on-site training and qualification activities were suspended. Customer service activities at branches must be carried out upon scheduling, in order to avoid the gathering of people and ensure the necessary safety and care actions.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Banrisul's Social and Environmental Responsibility Policy establishes the sustainability guidelines for the Bank’s as well as for all the companies within Banrisul Group. Since 2013, the Bank follows the United Nations Global Compact initiative, developed with the objective of mobilizing the international business community into adopting in their business practices internationally accepted values in the areas of human rights, labor relations, environment and corruption fighting.

Among the measures to continuously improve the integration of these principles into the business strategy, culture and daily operations, the participation in various forums stands out, such as interinstitutional commissions, state programs and committees that encourage environmental preservation and sustainable agriculture. By means of the *Programa Sementes Banrisul* (Banrisul Seeds Program), the Bank distributed in 1Q20 around 24 million seeds to 717 beneficiaries, including the partnership with the State Education Department and Emater aimed at serving communities with students in socially vulnerable situations. The program is in line with the objective of stimulating sustainable rural development strategies in the communities where the Bank operates. Among actions favoring social environments, the project “*Coletor de Tampinhas*” (plastic lid collector) stands out, used to recycle plastic caps for the purchase of walking canes for visually impaired individuals. In the socio-educational context, the Pescar Banrisul Project, aimed at young people in vulnerable situations, started its 17th class in February 2020.

AWARDS

January/2020. Banrisul's equity funds are among the most profitable in the market.

Banrisul Equity and Banrisul Dividends funds were featured in the financial publication Valor Investe.

March / 2020. Banrisul is the preferred brand for company managers and market executives in the RS in the Public Company category in Rio Grande do Sul.

According to the Marcas de Quem Decide survey, promoted by Jornal do Comércio in partnership with Qualidata, Banrisul is among the five most remembered and preferred brands in the Bank category. The Company is also among the five most remembered brands in the Digital Certification category.

ACKNOWLEDGMENT

At the end of the first quarter, we started facing a challenging period at both national and global scales. Even so, Banrisul remained firmly committed to customers, investors and employees, ensuring the continuity of all business and services provided by the Company.

In hopes of a favorable scenario for overcoming these challenges and resuming economic growth, we will continue to seek solutions to mitigating the impacts and are grateful for the confidence placed in Banrisul. Count on us!

Management

FINANCIAL STATEMENTS

BALANCE SHEET

(In Thousands of Reais)

		Parent Company			Consolidated
ASSETS	**Note**	**03/31/2020**	**12/31/2019**	**03/31/2020**	**12/31/2019**
Cash	4	8,151,905	2,172,860	8,153,205	2,174,148
Financial Instruments		67,996,465	72,406,015	69,902,469	74,491,871
Compulsory Deposits of Central Bank of Brazil	6	6,672,669	12,186,091	6,672,669	12,186,091
Securities and Derivative Financial Instruments	7	25,600,517	24,620,918	25,889,219	24,938,284
Trading Securities		5,665,787	5,618,271	5,942,731	5,923,423
Securities available for sale		173	171	2,109	2,662
Securities Held to Maturity		19,056,996	18,871,167	19,066,818	18,880,890
Derivative Financial Instruments		877,561	131,309	877,561	131,309
Loans	8	33,193,366	32,979,599	33,193,366	32,979,599
Other Financial Assets	9	5,360,638	5,399,979	6,980,437	7,170,329
Provisions for Expected Losses Associated with Credit Risk	8e	(2,856,549)	(2,809,530)	(2,859,046)	(2,811,390)
Leases		25,824	28,958	25,824	28,958
Lease Receivables	8	29,358	31,482	29,358	31,482
Provisions for Expected Losses	8e	(3,534)	(2,524)	(3,534)	(2,524)
Tax Credit	10	2,773,474	2,705,430	2,778,867	2,711,133
Other Assets	11	1,105,063	858,751	1,030,780	758,058
Investments in Associates and Subsidiaries	12	1,708,405	1,630,018	126,186	123,134
Goodwill	12	7,175	8,110	7,175	8,110
Fixed Assets for Use	13	861,604	835,579	965,338	932,714
Intangible	14	1,621,436	1,613,140	1,623,874	1,615,362
Depreciation and Amortization	13 and 14	(1,285,779)	(1,235,107)	(1,317,888)	(1,264,941)
TOTAL ASSETS		82,939,748	80,994,796	83,270,006	81,549,589
LIABILITIES AND EQUITY					
Deposits and Other Financial Instruments		70,474,275	69,032,680	70,664,539	69,432,157
Deposits	15	53,966,080	53,672,965	53,933,796	53,640,084
Demand Deposits		2,802,609	3,237,941	2,793,272	3,228,976
Saving Deposits		9,705,603	9,622,161	9,705,603	9,622,161
Interbank Deposits		1,089,285	457,089	1,089,285	457,089
Time Deposits		40,366,761	40,354,104	40,343,814	40,330,188
Other Deposits		1,822	1,670	1,822	1,670
Funding in the Open Market	15	4,067,506	3,577,107	3,822,491	3,391,443
Resources of Acceptances and Issuance of Securities	15	3,611,437	3,847,623	3,351,222	3,560,166
Loan Obligations	16	890,727	708,838	890,752	708,929
Onlendings	17	1,509,015	1,551,223	1,509,015	1,551,223
Other Financial Liabilities	18	6,429,510	5,674,924	7,157,263	6,580,312
Provisions	19	1,885,122	1,929,279	1,892,030	1,936,040
Deferred Tax Liabilities	10b	365,572	302,648	366,065	304,482
Other liabilities	20	2,147,771	1,937,822	2,278,325	2,082,548
EQUITY	21	**8,067,008**	**7,792,367**	**8,069,047**	**7,794,362**
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		2,872,851	2,872,851	2,872,851	2,872,851
Other Comprehensive Results		(168,447)	(284,995)	(168,447)	(284,995)
Accumulated profits		158,093	-	158,093	-
Non-controlling Interest		-	-	2,039	1,995
TOTAL LIABILITIES AND EQUITY		**82,939,748**	**80,994,796**	**83,270,006**	**81,549,589**

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

INCOME STATEMENT

(In Thousands of Reais, except Earnings per Share)

	Note	Parent Company 01/01 to 03/31/2020	Parent Company 01/01 to 03/31/2019	Consolidated 01/01 to 03/31/2020	Consolidated 01/01 to 03/31/2019
INCOME FROM FINANCIAL INTERMEDIATION		**2,916,979**	**2,257,362**	**2,921,366**	**2,264,697**
Credit, Leasing and Other Loans		1,526,007	1,624,624	1,526,007	1,624,624
Securities		257,437	370,915	261,824	378,250
Derivative Financial Instruments		758,150	7,426	758,150	7,426
Foreign Exchange		244,947	63,501	244,947	63,501
Compulsory Investments		130,438	190,896	130,438	190,896
EXPENSES FROM FINANCIAL INTERMEDIATION		**(1,663,341)**	**(924,298)**	**(1,659,802)**	**(918,984)**
Funding Operations in the Market		(1,345,377)	(814,327)	(1,341,838)	(809,007)
Borrowings, Assignments and Onlendings		(317,964)	(109,971)	(317,964)	(109,977)
INCOME FROM FINANCIAL INTERMEDIATION		**1,253,638**	**1,333,064**	**1,261,564**	**1,345,713**
Provisions for Expected Losses Associated with Credit Risk		**(296,292)**	**(285,208)**	**(296,608)**	**(285,421)**
OTHER OPERATING INCOME		**509,331**	**506,073**	**608,371**	**599,435**
Income from Bank Fees	22a	318,283	299,209	504,236	490,733
Result of Participation in Associates and Subsidiaries		88,618	88,503	10,849	11,244
Other Income	22b	102,430	118,361	93,286	97,458
Other Operating Expenses		**(1,148,160)**	**(1,132,620)**	**(1,214,361)**	**(1,198,595)**
Personnel expenses	23a	(500,671)	(490,341)	(505,100)	(494,063)
Other Administrative Expenses	23b	(389,145)	(422,799)	(415,249)	(456,779)
Tax Expenses		(94,308)	(92,693)	(119,160)	(118,502)
Other Expenses	23c	(164,036)	(126,787)	(174,852)	(129,251)
Operational result		**318,517**	**421,309**	**358,966**	**461,132**
INCOME BEFORE INCOME TAX AND PROFIT SHARING		**318,517**	**421,309**	**358,966**	**461,132**
INCOME TAX AND SOCIAL CONTRIBUTION	24	**(28,856)**	**(67,753)**	**(69,268)**	**(107,392)**
Current		(35,075)	(63,143)	(76,301)	(102,282)
Deferred		6,219	(4,610)	7,033	(5,110)
EMPLOYEE PROFIT SHARING		**(32,139)**	**(33,599)**	**(32,130)**	**(33,601)**
NON-CONTROLLING INTEREST		**-**	**-**	**(46)**	**(182)**
NET INCOME		**257,522**	**319,957**	**257,522**	**319,957**
Earnings per Share					
Earning per Thousand Shares (R$)					
Commom Shares		0.63	0.78	0.63	0.78
Preferred Shares A		0.62	0.80	0.62	0.80
Preferred Shares B		0.63	0.78	0.63	0.78
Attributable Net Income (R$)					
Commom Shares		129,134	160,418	129,134	160,418
Preferred Shares A		847	1,162	847	1,162
Preferred Shares B		127,541	158,377	127,541	158,377

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

STATEMENT OF COMPREHENSIVE INCOME

(In Thousands of Reais, except Earnings per Share)

	Parent Company		Consolidated	
	01/01 to 03/31/2020	**01/01 to 03/31/2019**	**01/01 to 03/31/2020**	**01/01 to 03/31/2019**
NET INCOME	**257,522**	**319,957**	**257,522**	**319,957**
Non-controlling interest	-	-	46	182
Net Income for the Period Attributable to Shareholders	**257,522**	**319,957**	**257,568**	**320,139**
Items Subject to Reclassification into the Income Statement	**116,548**	**2,163**	**116,548**	**2,163**
Securities available for sale	(1,060)	(84)	(1,060)	(84)
Change in Market Value	(1,408)	(89)	(1,408)	(89)
Tax Effect	348	5	348	5
Foreign Exchange Variations on Investments Abroad	117,608	2,247	117,608	2,247
Comprehensive Income for the Period, Net of Tax Income and Social Contribution	**116,548**	**2,163**	**116,548**	**2,163**
Total Comprehensive Income for the Period, Net of Tax Income and Social Contribution	**374,070**	**322,120**	**374,116**	**322,302**
Comprehensive Income Attributable to Controllers	374,070	322,120	374,070	322,120
Comprehensive Income Attributable to Non-Controllers	-	-	46	182

The accompanying notes are an integral part of these Financial Statements

STATEMENT OF CHANGES IN EQUITY

(In Thousands of Reais)

	Note	Share]Capital	Capital Reserves	Profit Reserves: Legal	Profit Reserves: Statutory	Profit Reserves: For Expansion	Other Valuation Adjustment	Retained Earnings	**Total Parent Company**	Non-Controlling Interest	**Total Consolidated**
Balance as of January 01, 2019		**4,396,719**	**4,511**	**529,055**	**1,892,138**	**644,112**	**(191,464)**	**-**	**7,275,071**	**3,832**	**7,278,903**
Other Valuation Adjustments		-	-	-	-						
Mark-to-Market of Available-for-Sale Securities		-	-	-	-	-	(84)	-	(84)	-	(84)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	2,247	-	2,247	-	2,247
Change in Non-Controlling Interest		-	-	-	-	-	-	-	-	185	185
Reclassification to Results for Future Years		-	-	-	-		-	(104,567)	(104,567)	-	(104,567)
Net Income						-	-	319,957	319,957	-	319,957
Allocation of Net Income	21 (c)	-	-	-	-						
Interest on Equity		-	-		-	-	-	(127,678)	(127,678)	-	(127,678)
Balance as of March 31, 2019		**4,396,719**	**4,511**	**529,055**	**1,892,138**	**644,112**	**(189,301)**	**87,712**	**7,364,946**	**4,017**	**7,368,963**
Balance as of January 01, 2020		**5,200,000**	**4,511**	**596,276**	**2,069,074**	**207,501**	**(284,995)**	**-**	**7,792,367**	**1,995**	**7,794,362**
Other Valuation Adjustments		---	---	---	---						
Mark-to-Market of Available-for-Sale Securities		-	-	-	-	-	(1,060)	-	(1,060)	-	(1,060)
Foreign Exchange Effects on Investments Abroad		-	-	-	-	-	117,608	-	117,608	-	117,608
Change in Non-Controlling Interest		-	-	-	-	-	-	-	-	44	44
Reclassification to Results for Future Years						-	-	1,538	1,538	-	1,538
Net Income		-	-	-	-	-	-	257,522	257,522	-	257,522
Allocation of Net Income	21 (c)										
Interest on Equity		-	-	-	-	-	-	(100,967)	(100,967)	-	(100,967)
Balance as of March 31, 2019		**5,200,000**	**4,511**	**596,276**	**2,069,074**	**207,501**	**(168,447)**	**158,093**	**8,067,008**	**2,039**	**8,069,047**

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

CASH FLOW STATEMENT

(In Thousands of Reais)

	Parent Company		Consolidated	
	01/01 to 03/31/2020	01/01 to 03/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
CASH FLOW FROM OPERATING ACTIVITIES				
Income Before Taxes on Income and Employee Profit Sharing	**318,517**	**421,309**	**358,966**	**461,132**
Adjustments to Income Before Income Tax and Employee Profit Sharing				
Depreciation and Amortization	52,222	50,566	54,282	51,605
Share of Profit of Equity Accounted Investees	(88,618)	(88,503)	(10,849)	(11,244)
Deferred Taxes	(6,219)	4,610	(7,033)	5,110
Income from Subordinated Debt	792,222	(55,746)	792,222	(55,746)
Provisions for Expected Losses Associated with Credit Risk	296,292	285,208	296,608	285,421
Provision for Contingencies	89,029	69,231	89,206	69,434
Adjusted Income Before Income Tax and Employee Profit Sharing	**1,453,445**	**686,675**	**1,573,402**	**805,712**
Changes in Assets and Liabilities	**4,791,776**	**(730,139)**	**4,680,365**	**(1,139,233)**
Decrease in Interbank Deposits	-	4,860	-	4,860
(Increase) Reduction in Central Bank Compulsory Deposits	5,513,422	(277,917)	5,513,422	(277,917)
(Increase) in Trading Securities	(47,516)	(58,172)	(19,308)	(321,535)
(Increase) in Derivative Financial Instruments	(746,252)	(22,684)	(746,252)	(22,684)
(Increase) in Interbank and Interbranch Accounts	(460,378)	(801,998)	(460,378)	(801,998)
(Increase) in Loans	(1,414)	941	(1,414)	941
(Increase) Decrease in Leases	41,227	215,193	192,099	39,328
Decrease in Other Receivables	(68,044)	211,886	(67,734)	212,387
(Increase) in Other Assets	(199,225)	(65,296)	(225,699)	(89,788)
Increase (Decrease) in Deposits	293,115	(320,955)	293,712	(317,624)
Increase (Decrease) in Repurchase Agreements (Repos)	490,399	(31,851)	431,048	(78,839)
Increase (Decrease) in Funds from Acceptance and Issuance of Securities	(236,186)	361,381	(208,944)	357,120
Increase (Decrease) in Borrowings	139,681	(110,852)	139,615	(111,031)
Increase (Decrease) in Other Liabilities	55,641	376,998	(121,994)	516,867
Decrease in Provisions	(133,186)	(40,288)	(133,216)	(40,396)
Increase (Decrease) in Deferred Tax Liabilities	62,924	(277,066)	61,583	(277,088)
Increase in other Liabilities	153,265	168,255	105,404	136,556
Income Tax and Social Contribution Paid	(65,697)	(62,574)	(71,579)	(68,392)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**6,245,221**	**(43,464)**	**6,253,767**	**(333,521)**
CASH FLOW FROM INVESTING ACTIVITIES				
Dividends Received from Subsidiary	31,500	19,895	31,500	19,895
(Increase) Decrease in Securities Available for Sale	(1,062)	983	(507)	287,406
(Increase) Decrease in Securities Held to Maturity	(185,829)	1,462,364	(185,928)	1,467,165
Disposal of Investments	1,083	62	1,083	62
Disposal of Property and Equipment	48	161	991	161
Write Off of Intangible Assets	-	1,917	-	1,917
Acquisition of Investments	(297)	(95)	(2,730)	(135)
Acquisition of Property and Equipment	(26,687)	(9,403)	(34,231)	(13,313)
Acquisition of Intangible Assets	(8,296)	(7,822)	(8,296)	(7,822)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**(189,540)**	**1,468,062**	**(198,118)**	**1,755,336**
CASH FLOW FROM FINANCING ACTIVITIES				
Subordinated Debt	-	111,493	-	111,493
Payment of interest on Subordinated Debt	(93,277)	(82,883)	(93,277)	(82,883)
Interest on Equity Paid	(100,967)	(172,678)	(100,967)	(172,678)
Change in Non-Controlling Interest	-	-	44	185
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**(194,244)**	**(144,068)**	**(194,200)**	**(143,883)**
Effects of the Exchange Rate Variation on Cash and Cash Equivalents	117,608	2,247	117,608	2,247
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**5,979,045**	**1,282,777**	**5,979,057**	**1,280,179**
Cash and Cash Equivalents at the Beginning of the Period	2,172,860	5,399,451	2,174,148	5,408,871
Cash and Cash Equivalents at the End of the Period	8,151,905	6,682,228	8,153,205	6,689,050

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 03/31/2020	01/01 to 03/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
INCOME (a)	**3,051,375**	**2,389,959**	**3,232,255**	**2,567,702**
Financial Income	2,926,954	2,257,597	2,931,341	2,264,932
Services Rendered and Bank Fees Income	318,283	299,209	504,236	490,733
Provisions for Expected Losses Associated with Credit Risk	(296,292)	(285,208)	(296,608)	(285,421)
Other	102,430	118,361	93,286	97,458
FINANCIAL INTERMEDIATION EXPENSES (b)	**(1,663,341)**	**(924,298)**	**(1,659,802)**	**(918,984)**
INPUTS ACQUIRED FROM THIRD PARTIES (c)	**(481,880)**	**(470,006)**	**(517,110)**	**(505,778)**
Supplies, Energy and Other	(327,034)	(294,212)	(349,842)	(312,596)
Third-party Services	(144,871)	(175,559)	(157,293)	(192,947)
Assets Value Impairment	(9,975)	(235)	(9,975)	(235)
GROSS ADDED VALUE (d=a-b-c)	**906,154**	**995,655**	**1,055,343**	**1,142,940**
DEPRECIATION AND AMORTIZATION (e)	**(52,222)**	**(50,566)**	**(54,282)**	**(51,605)**
PRODUCED BY THE BANK (f=d-e)	**853,932**	**945,089**	**1,001,061**	**1,091,335**
ADDED VALUE RECEIVED IN TRANSFER (g)	**88,618**	**88,503**	**10,849**	**11,244**
Equity in earnings (losses) in subsidiaries	88,618	88,503	10,849	11,244
ADDED VALUE FOR DISTRIBUTION (h=f+g)	**942,550**	**1,033,592**	**1,011,910**	**1,102,579**
DISTRIBUTION OF ADDED VALUE	**942,550**	**1,033,592**	**1,011,910**	**1,102,579**
Personnel	**463,077**	**455,772**	**467,119**	**459,224**
Salaries	351,091	345,835	354,365	348,434
Benefits	90,474	88,497	90,953	88,971
FGTS	21,512	21,440	21,801	21,819
Taxes, Fees and Contributions	**192,897**	**228,615**	**258,539**	**294,334**
Federal	174,779	212,188	232,456	269,482
State	5	4	11	73
Local	18,113	16,423	26,072	24,779
Debit remuneration	**29,054**	**29,248**	**28,684**	**28,882**
Rentals	29,054	29,248	28,684	28,882
Equity remuneration	**257,522**	**319,957**	**257,568**	**320,139**
Interest on Equity	100,967	127,678	100,967	127,678
Retained Earnings	156,555	192,279	156,555	192,279
Non-Controlling Interests	-	-	46	182

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 individual and consolidated Financial Statements of Banco do Estado do Rio Grande do Sul S. A. (Banrisul), amounts expressed in thousands of Reais (unless otherwise indicated) and presented as follows:

NOTE 01 - OPERATIONS

Banco do Estado do Rio Grande do Sul S. A. (“Banrisul” or “Institution”) is a corporation controlled by the Estado do Rio Grande Sul, publicly traded, which acts as a multiple-service bank, 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 individual and consolidated 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 CVM Resolution No. 4720/19 and BACEN Circular No. 3959/19. The main objective of these standards is to bring similarity with the guidelines for the presentation of financial statements in accordance with international accounting standards as defined by the International Financial Reporting Standards - IFRS. The main implemented changes were: balance sheet accounts 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; and the inclusion of the Statement of Comprehensive Income. The restatements of comparative balances and nomeclatures are shown in item “f”, below.

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

(b) Banrisul's individual financial statements include Banrisul’s Brazilian operations as well as the operations of its foreign branches (Miami and Grand Cayman). The sum of assets and liabilities, income and expenses reported by foreign branches, before eliminations, are summarized as follows:

Assets	03/31/2020	03/31/2019
Loans	**590,464**	**455,881**
Loans in Brazil	457,145	337,969
Other Lending activities	133,319	117,912
Other Assets	**212,496**	**217,533**
Property and Equipment	**44**	**39**
Total Assets	**803,004**	**673,453**

Liabilities and Equity	03/31/2020	03/31/2019
Deposits	**240,060**	**231,974**
Deposits in Brazil	197,267	196,883
Other Deposits	42,793	35,091
Other Obligations	**55**	**1,821**
Other Liabilities	**38,013**	**36,197**
Equity	**524,876**	**403,461**
Total Liabilities and Equity	**803,004**	**673,453**

Income Statement	01/01 to 03/31/2020	01/01 to 03/31/2019
Financial Intermediation Income	5,557	6,110
Financial Intermediation Expenses	(604)	(719)
Other Income (Expenses)	(1,145)	(864)
Net Income	**3,808**	**4,527**

The effects of foreign exchange variation on the operations of foreign branches are recognized in the Income Statement according to the nature of the corresponding assets and liabilities, and the exchange variation adjustments arising from the conversion process are recorded as a component of Shareholders' Equity, amounting to R$117,608 (03/31/2019 – R$72,247).

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

		Ownership Interest	
	Activity	03/31/2020	03/31/2019
Banrisul Armazéns Gerais S. A.	Services	99.50%	99.50%
Banrisul S. A. Corretora de Valores Mobiliários e Câmbio	Broker	98.98%	98.98%
Banrisul S. A. Administradora de Consórcios	Consortia Management	99.68%	99.68%
Banrisul Cartões S. A.	Payment Options	99.78%	99.78%
Banrisul Giro Fundo de Investimento Renda Fixa Curto Prazo	Investment Funds	100.00%	100.00%

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

(e) The financial statements prepared for the reported year were approved by the Board of Directors on May 6, 2020.

(f) Restatement of Comparative Balances.

The Balance Sheet of December 31, 2019, the Income Statements and the Cash Flow Statements of March 31, 2019 were reclassified according to CMN Resolution No. 4720/19 and BACEN Circular No. 3959/19, and are presented for comparison purposes. Therefore, the nomenclatures and the balances presented in these financial statements differ from those presented in past periods in the following line items:

BALANCE SHEET

ASSETS				Parent Company
From	**To**	**Reported on 12/31/2019**	**Reclassification**	**12/31/2019 (Restatement)**
Cash		1,161,173	(1,161,173)	
	Cash and Cash Equivalent	-	1,161,173	1,161,173
Interbank Investments		1,011,687	(1,011,687)	-
	Cash and Cash Equivalent	-	1,011,687	1,011,687
Interbank Accounts		13,282,051	(13,282,051)	-
	Compulsory Deposits - Central Bank of Brazil	-	12,186,091	12,186,091
	Other Financial Assets	-	1,095,960	1,095,960
Inerbranch Acccounts		125,338	(125,338)	-
	Other Financial Assets	-	125,338	125,338
Loans	Loans	30,468,839	2,510,760	32,979,599
	Allowance for Loan Losses	-	(2,510,760)	(2,510,760)
Other Receivables		7,068,765	(7,068,765)	-
	Other Financial Assets	-	4,178,681	4,178,681
	Other Assets	-	483,424	483,424
	Deferred Tax Assets	-	2,705,430	2,705,430
	Allowance for Loan Losses	-	(298,770)	(298,770)
Other Assets		375,327	(375,327)	-
	Other Assets	-	375,327	375,327
Investments		1,644,747	(1,644,747)	-
	Investments in Subsidiaries and Affiliated	-	1,630,018	1,630,018
	Goodwill	-	8,110	8,110
	Securities and Derivative Financial Instruments- Title. for Trading	-	6,619	6,619
Property and Equipment	Property and Equipment	250,483	585,096	835,579
Accumulated depreciation	Depreciation and Amortization	-	(585,096)	(585,096)
Intangible Assets	Intangible Assets	963,129	650,011	1,613,140
Accumulated Amortization	Depreciation and Amortization	-	(650,011)	(650,011)
TOTAL		**56,351,539**	**-**	**56,351,539**

LIABILITIES				Parent Company
From	**To**	**Posted on 12/31/2019**	**Reclassification**	**12/31/2019 (Restatement)**
Interbank Accounts		81,645	(81,645)	-
	Other Financial Liabilities	-	81,645	81,645
Interbranch Accounts		228,696	(228,696)	-
	Other Financial Liabilities	-	228,696	228,696
Other Liabilities		9,356,144	(9,356,144)	-
	Other Financial Liabilities	-	5,364,583	5,364,583
	Provisions	-	1,929,279	1,929,279
	Other Liabilities	-	1,759,634	1,759,634
	Deferred Tax Liabilities	-	302,648	302,648
Deferred Income		178,188	(178,188)	-
	Other Liabilities	-	178,188	178,188
TOTAL		**9,844,673**	**-**	**9,844,673**

ASSETS				Consolidated
From	**To**	**Posted on 12/31/2019**	**Reclassification**	**12/31/2019 (Restatement)**
Cash		1,161,179	(1,161,179)	-
	Cash and Cash Equivalent	-	1,161,179	1,161,179
Interbank Investments		1,012,969	(1,012,969)	-
	Cash and Cash Equivalent	-	1,012,969	1,012,969
Interbank Accounts		14,947,092	(14,947,092)	-
	Compulsory Deposits - Central Bank of Brazil	-	12,186,091	12,186,091
	Other Financial Assets	-	2,761,001	2,761,001
Inerbranch Acccounts		125,338	(125,338)	-
	Other Financial Assets	-	125,338	125,338
Loans	Loans	30,468,839	2,510,760	32,979,599
	Allowance for Loan Losses	-	(2,510,760)	(2,510,760)
Other Receivables		7,073,482	(7,073,482)	-
	Other Financial Assets	-	4,283,990	4,283,990
	Other Assets	-	378,989	378,989
	Deferred Tax Assets	-	2,711,133	2,711,133
	Allowance for Loan Losses	-	(300,630)	(300,630)
Other Assets		379,069	(379,069)	-
	Other Assets	-	379,069	379,069
Investments		137,937	(137,937)	-
	Investments in Subsidiaries and Affiliated	-	123,134	123,134
	Goodwill	-	8,110	8,110
	Securities and Derivative Financial Instruments - Title. for Trading	-	6,693	6,693
Property and Equipment	Property and Equipment	319,839	612,875	932,714
Accumulated depreciation	Depreciation and Amortization	-	(612,875)	(612,875)
Intangible Assets	Intangible Assets	963,296	652,066	1,615,362
Accumulated Amortization	Depreciation and Amortization	-	(652,066)	(652,066)
TOTAL		**56,589,040**	**-**	**56,589,040**

LIABILITIES				Consolidated
From	To	Posted on 12/31/2019	Reclassification	12/31/2019 (Restatement)
Interbank Accounts		81,645	(81,645)	-
	Other Financial Liabilities	-	81,645	81,645
Interbranch Accounts		225,768	(225,768)	-
	Other Financial Liabilities	-	225,768	225,768
Other Liabilities		10,417,781	(10,417,781)	-
	Other Financial Liabilities	-	6,272,899	6,272,899
	Provisions	-	1,936,040	1,936,040
	Other Liabilities	-	1,904,360	1,904,360
	Deferred Tax Liabilities	-	304,482	304,482
Deferred Income		178,188	(178,188)	-
	Other Liabilities	-	178,188	178,188
TOTAL		**10,903,382**	**-**	**10,903,382**

INCOME STATEMENT				Parent Company
From	To	Posted on 12/31/2019	Reclassification	12/31/2019 (Restatement)
Loans		1,606,040	(1,606,040)	-
	Loans, Leasing Operations and Other Receivables	-	1,606,040	1,606,040
Leasing Operations		1,677	(1,677)	-
	Loans, Leasing Operations and Other Receivables	-	1,677	1,677
Sales or Transfer of Financial Assets		16,907	(16,907)	-
	Loans, Leasing Operations and Other Receivables	-	16,907	16,907
Income from Services Rendered		35,740	(35,740)	-
Income from Bank Fees		263,469	(263,469)	-
	Income from Bank Fees	-	299,209	299,209
TOTAL		**1,923,833**	**-**	**1,923,833**

INCOME STATEMENT				Consolidated
From	To	Posted on 12/31/2019	Reclassification	12/31/2019 (Restatement)
Loans		1,606,040	(1,606,040)	-
	Loans, Leasing Operations and Other Receivables	-	1,606,040	1,606,040
Leasing Operations		1,677	(1,677)	-
	Loans, Leasing Operations and Other Receivables	-	1,677	1,677
Sales or Transfer of Financial Assets		16,907	(16,907)	-
	Loans, Leasing Operations and Other Receivables	-	16,907	16,907
Income from Services Rendered		227,254	(227,254)	-
Income from Bank Fees		263,479	(263,479)	-
	Income from Bank Fees	-	490,733	490,733
TOTAL		**2,115,357**	**-**	**2,115,357**

CASH FLOW STATEMENT				Parent Company
From	To	Posted on 12/31/2019	Reclassification	12/31/2019 (Restatement)
(Increase) in Interbank and Interbranch Accounts		(29,888)	29,888	-
	(Increase) in Compulsory Deposits - Central Bank of Brazil	-	(277,917)	(277,917)
	(Increase) in Other Financial Assets	-	(50,317)	(50,317)
	Increase in Other Financial Liabilities	-	298,346	298,346
Decrease in Other Receivables		487,917	(487,917)	-
	Reduction in Other Financial Assets	-	265,510	265,510
	Reduction in Other Assets	-	10,521	10,521
	Reduction of Deferred Taxes	-	211,886	211,886
(Increase) in Other Assets		(75,817)	75,817	-
	(Increase) in Other Assets	-	(75,817)	(75,817)
(Decrease) in Other Liabilities		(139,418)	139,418	-
	Increase in Other Financial Liabilities		78,652	78,652
	Increase in Other Liabilities	-	99,284	99,284
	(Decrease) in Provisions	-	(40,288)	(40,288)
	(Decrease) in Deferred Tax Liabilities	-	(277,066)	(277,066)
Increase in Deferred Income		68,971	(68,971)	-
	Increase in Other Liabilities	-	68,971	68,971
Disposal of Investments		26	36	62
	(Increase) in Trading Securities	-	(36)	(36)
TOTAL		**311,791**	**-**	**311,791**

CASH FLOW STATEMENT				Consolidated
From	To	Posted on 12/31/2019	Reclassification	12/31/2019 (Restatement)
(Increase) in Interbank and Interbranch Accounts		(114,980)	114,980	-
	(Increase) in Compulsory Deposits - Central Bank of Brazil	-	(277,917)	(277,917)
	(Increase) in Other Financial Assets	-	(141,295)	(141,295)
	Increase in Other Financial Liabilities	-	304,232	304,232
Decrease in Other Receivables		381,132	(381,132)	-
	Reduction in Other Financial Assets	-	180,623	180,623
	(Increase) in Other Assets	-	(11,878)	(11,878)
	Reduction of Deferred Taxes	-	212,387	212,387
((Increase) in Other Assets		(77,910)	77,910	-
	(Increase) in Other Assets	-	(77,910)	(77,910)
(Decrease) in Other Liabilities		(37,264)	37,264	-
	Increase in Other Financial Liabilities	-	212,635	212,635
	Increase in Other Liabilities	-	67,585	67,585
	(Decrease) in Provisions	-	(40,396)	(40,396)
	(Decrease) in Deferred Tax Liabilities	-	(277,088)	(277,088)
Increase in Deferred Income		68,971	(68,971)	-
	Increase in Other Liabilities	-	68,971	68,971
Decrease in Securities Held to Maturity		1,483,823	(16,658)	1,467,165
	Reduction in Trading Securities	-	16,658	16,658
Disposal of Investments		26	36	62
	(Increase) in Trading Securities	-	(36)	(36)
TOTAL		**1,703,798**	**-**	**1,703,798**

NOTE 03 - SIGNIFICANT ACCOUNTING POLICIES

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

(a) Income and Expenses

Income and expenses are recorded on an accrual basis.

(b) Cash and Cash Equivalents

For purposes of the cash flows statements (as defined in CMN Resolution No. 3604/08), cash and cash equivalents comprise cash and readily convertible, highly liquid interbank investments, with original maturity not exceeding ninety days and that have an insignificant risk of change in their fair value.

(c) Interbank Investments

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

(d) Securities

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

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

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

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

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

(e) Derivative Financial Instruments

Derivative financial instruments are classified at the date of acquisition, in accordance with management’s intent to use them as protective (hedge) instruments or not, in accordance with BACEN Circular No. 3082/02. Transactions involving financial instruments carried out at customers’ requests or at the Bank’s discretion, or which do not meet the criteria for hedge accounting (mainly derivatives used to manage the overall risk exposure) are recorded at market value, with gains and losses recognized directly in the income statement.

Derivative financial instruments are measured at fair value on the contract date. The method for recognizing subsequent changes in the fair value of derivatives depends on whether the derivative is designated or not as a hedging instrument. This being the case, they are recorded according to the nature of the item being hedged. The Bank uses hedge accounting and assigns the derivative contracts to hedge its subordinated debts (Note 18) and as a hedge of fair value of recognized assets or liabilities or a firm commitment (market risk hedge).

On initial designation of the hedge, Banrisul formally documents the relationship between hedging instruments and hedged items, as well as the objectives of risk management and the strategy behind the various hedge transactions. Both at the beginning of the hedge and on an ongoing basis, the Bank also registers its assessment that derivatives used in hedging transactions are highly effective in offsetting changes in fair value or the cash flows of the hedged items.

The fair values of the various derivative instruments used for hedging purposes are disclosed in Note 07.

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 derivative contracts used for hedging its US dollar denominated subordinate debt against foreign exchange variation, with a USD 523.185 million notional amount due on February 2, 2022, described in Note 18. As of March 31, 2020, the only current derivatives refer to swap transactions.

The fair value variations of derivatives designated and qualified as market risk hedges are recorded in the income statement, together with any changes in fair value of the hedged asset or liability attributable to the hedged risk (Note 07 (d)). The gains or losses related to this operation are recognized in the income statement as “Income from Financial Intermediation”.

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

All loans and leases are classified based on Management’s risk assessment, taking into account the economic scenario, past experience and specific risks related to transactions, debtors and guarantors, pursuant to National Monetary Council (CMN) Resolution No. 2682/99, which requires a periodic analysis of the portfolio and classification into nine risk levels, from AA to H. A summary of this classification is presented in Note 08.e

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. 2682/99, i.e., the rating assigned before the renegotiation is maintained. Renegotiated loans that had previously been written-off against the allowance for loan losses and controlled in memorandum accounts are rated level H. Any gains on renegotiation are recognized as income only when actually received (Note 08 (e)).

(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 08 (f).

(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 market value through recognition of a provision, according to current regulations; and Prepaid Expenses, corresponding to investments whose benefits will occur in future years.

(i) Investments and Goodwill

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

(j) Permanent Assets

Property and equipment in use comprise mainly land and buildings. As set forth by CMN Resolution No. 4535/16, from January 1, 2017, 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 lifespan, as presented below:

Permanent Assets	Estimated Lifespan 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, lifespan is reviewed once a year and the corresponding review report produced.

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 – 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	Estimated Lifespan in Years
Payroll Services	5 and 10
Softwares	3 and 7

Acquisition of Payroll Services

Public Sector - refers to agreements to obtain exclusive rights for the tendering of payroll services to the State of Rio Grande do Sul, to the Judiciary Branch of the State of Rio Grande do Sul, local town halls and other public agencies. Internal analysis and independent studies were conducted and no evidence of impairment related to these assets has been identified (Note 14(c)).

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, from three to seven years.

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

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

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

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

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

(l) Impairment of Assets

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

(m) Foreign Currency Conversion

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

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

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

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

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

These are stated at cost plus charges accrued through the reporting date, recognized on a “pro rata die” basis. The amounts and terms are shown in Notes 15, 16 and 17.

(o) Contingent Reserves, Assets and Liabilities and Tax, Labor and Civil Contingencies

Contingent reserves, 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.

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

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

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

(p) Income tax and Social Contribution

Deferred tax assets or income tax and social contribution liabilities for were calculated based on the rates in effect on the date of the financial statements, and in the perspective of estimated realization for these credits in the period of validity of these rates on temporary differences, and recorded under “Tax Credits” 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 tax credits will occur upon the realization of temporary differences and the respective recorded provisions.

Provision for income tax is recorded at the base rate of 15% of taxable income, plus an additional 10%. For financial and similar companies, the social contribution on profit calculated up to August 2015 considered the rate of 15%. For the period between September 2015 and December 2018, the rate was changed to 20%, according to Law No. 13169/15, returning to the rate of 15% as of January 2019. As per the Article 32 of Constitutional Amendment No. 103, released in November 2019, the social contribution rate calculated on the net profit of financial companies increased to 20% from 15%, effective as of March 2020. For all other companies, the contribution social contribution is calculated considering the rate of 9%.

The composition of the amounts of income tax and social contribution, the statement of their calculations, the origin and estimated realization of tax credits, are presented in Notes 10 and 24.

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

- **Post-Employment Obligations** – Banrisul sponsors FBSS – Fundação Banrisul de Seguridade Social (Banrisul Social Security Foundation) and CABERGS – Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul (Medical Assistance for Employees of Banco do Estado do Rio Grande do Sul) which, respectively, ensure the provision of retirement benefits and medical care to its employees.

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

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

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

The actuarial valuation is established based on assumptions and projections of interest rates, inflation, increases in benefits, life expectancy, the effect of any limitation upon the contribution of the employer in the cost of future benefits and contributions or third-party contributions that reduce the ultimate cost of those benefits to the Bank, among others. The actuarial valuation and its assumptions and projections are updated on an annual basis at the end of each year. Actuarial gains and losses resulting from adjustments based on experience and changes in actuarial assumptions are recognized directly in Equity, as Valuation Adjustments.

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

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

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

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

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

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

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

- it controls a resource, which is the ability to use the surplus to generate future benefits;
- this control is the result of past events (contributions paid by the Bank and service provided by the employee); and

• future economic benefits to the Bank are available in the form of reductions in future contributions or of cash refund, either directly to the Bank, or indirectly to compensate for the deficit of another post-employment benefit plan (in compliance with law).

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

(r) Earnings per Share

The institution calculates earnings per thousand shares by dividing the weighted average number of total common and preferred shares outstanding during the period by the net income for the period.

Earnings per share is disclosed in accordance with CVM Rule No. 636/10.

NOTE 04 - CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Cash	**981,446**	**1,161,173**	**981,458**	**1,161,179**
In Local Currency	696,043	892,713	696,055	892,719
In Foreign Currency	285,403	268,460	285,403	268,460
Interbank Investments	**7,170,459**	**1,011,687**	**7,171,747**	**1,012,969**
Reverse Repurchase Agreements (1)	7,160,004	1,003,615	7,161,292	1,004,897
Investments in Interbank Deposits (2)	10,455	8,072	10,455	8,072
Total	**8,151,905**	**2,172,860**	**8,153,205**	**2,174,148**

(1) Composed by the contract types shown in note 05.
(2) Deposits with an original maturity of 90 days or less and that present insignificant risk of a change in fair value.

NOTE 05 - INTERBANK INVESTMENTS

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Reverse Purchase Agreements	**7,160,004**	**1,003,615**	**7,161,292**	**1,004,897**
Reverse Repurchase Agreements - Own Portfolio				
Financial Treasury Letter - LFT	1,500,005	1,554	1,500,005	1,554
National Treasury Letter – LTN	3,000,000	1,002,061	3,000,000	1,002,061
Financial Treasury Bills – NTN	2,659,999	-	2,659,999	-
Bank Deposit Certificates	-	-	1,288	1,282
Interbank Deposits	**10,455**	**8,072**	**10,455**	**8,072**
Interbank Deposits	10,455	8,072	10,455	8,072
Total	**7,170,459**	**1,011,687**	**7,171,747**	**1,012,969**

NOTE 06 - COMPULSORY DEPOSITS - CENTRAL BANK OF BRAZIL

		Banrisul e Banrisul Consolidado	
Compulsory Deposits - BACEN	**Form of Remuneration**	**31/03/2020**	**31/12/2019**
Demand deposits and other resources	Without Remuneration	460,510	556,265
Savings Deposits	Savings	1,934,961	1,912,007
Other Deposits	Without Remuneration	45,326	46,561
Time Deposits	SELIC	4,231,872	9,671,258
Total		**6,672,669**	**12,186,091**

(1) Variation in the balance resulting from the reduction of the reserve requirement rate on these funds, in accordance with Bacen Circular 3,993 / 20.

NOTE 07 – PORTFOLIO OF SECUIRITES AND DERIVATIVE FINANCIAL INSTRUMENTS

Breakdown of the portfolio of Securities and Derivative financial instruments:

	Parent Company		Consolidated	
	03/31/2020	**03/31/2019**	**03/31/2020**	**03/31/2019**
Trading Securities	5,665,787	5,618,271	5,942,731	5,923,423
Available-for-sale Securities	173	171	2,109	2,662
Held-to-Maturity Securities	19,056,996	18,871,167	19,066,818	18,880,890
Derivative financial instruments	877,561	131,309	877,561	131,309
Total	**25,600,517**	**24,620,918**	**25,889,219**	**24,938,284**

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 average 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 future curves.

(a) Trading Securities

Breakdown of Trading Securities per type, at fair value:

	Parent Company		Consolidated	
	03/31/2020	**03/31/2019**	**03/31/2020**	**03/31/2019**
Financial Treasury Bills – LFT	5,639,223	5,584,929	5,647,105	5,592,735
Shares of Publicly-Held Companies	7,770	14,699	7,770	14,699
Fixed Income Fund Shares	-	-	238,193	270,468
Referenced Fund Shares	-	-	19,608	15,729
Other Fund Shares	12,020	12,024	23,207	23,099
Others	6,774	6,619	6,848	6,693
Total	**5,665,787**	**5,618,271**	**5,942,731**	**5,923,423**

Breakdown per maturity:

	Parent Company		Consolidated	
	Amortized Cost	**Fair Value**	**Amortized Cost**	**Fair Value**
Without Maturity	20,857	26,564	278,732	284,439
3 to 12 months	890,788	890,782	890,788	890,782
1 to 3 years	317,210	317,089	317,210	317,089
3 to 5 years	2,689,580	2,689,065	2,689,580	2,689,065
5 to 15 years	1,743,073	1,742,287	1,762,142	1,761,356
Total as of 12/31/2019	**5,661,508**	**5,665,787**	**5,938,452**	**5,942,731**
Total as of 12/31/2018	**5,604,408**	**5,618,271**	**5,909,561**	**5,923,423**

In accordance with Central Bank regulations, these securities are classified as current assets at their fair value.

(b) Available-for-Sale Securities

Breakdown of Available-for-Sale Securities per type, at fair value:

	Parent Company		Consolidated	
	03/31/2020	**03/31/2019**	**03/31/2020**	**03/31/2019**
Privatization Certificates	-	-	10	9
Fixed Income Fund Shares	173	171	173	171
Real Estate Fund Shares	-	-	1,926	2,482
Total	**173**	**171**	**2,109**	**2,662**

Breakdown per maturity:

	Parent Company		Consolidated	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Without Maturity	173	173	1,937	2,109
Total as of 03/31/2020	**173**	**173**	**1,937**	**2,109**
Total as of 03/31/2019	**171**	**171**	**1,849**	**2,662**

(c) Held-to-Maturity Securities

Breakdown of Held-to-Maturity Securities per Type, at amortized cost (cost plus accrued income):

	Parent Company		Consolidated	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Federal Government Securities				
Financial Treasury Bills – LFT	18,958,255	18,951,838	18,968,077	18,961,660
Federal Bonds - CVS	80,511	78,715	80,511	78,715
Certificate of Real Estate Receivables – CRI	18,230	17,073	18,230	17,073
Total as of 03/31/2020	**19,056,996**	**19,047,626**	**19,066,818**	**19,057,448**
Total as of 03/31/2019	**18,871,167**	**18,871,220**	**18,880,890**	**18,880,943**

Breakdown per maturity:

	Banrisul		Banrisul Consolidado	
	03/31/2020	12/31/2019	03/31/2020	03/31/2019
Up to 3 months	-	2,748	-	2,748
3 to 12 months	1,564,667	-	1,564,667	-
1 to 3 years	1,645,574	2,247,515	1,650,831	2,252,719
3 to 5 years	10,566,987	9,822,099	10,571,552	9,826,618
5 to 15 years	5,279,768	6,798,805	5,279,768	6,798,805
Total	**19,056,996**	**18,871,167**	**19,066,818**	**18,880,890**

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

(d) Derivative Financial Instruments

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

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

With this objective, swap transactions are long-term, aligned with the flow and maturity of the foreign funding maturing to the extent that portions of the external funding have natural hedges.

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 the hedged item (subordinated debt) and the hedging instrument (swaps):

				Parent Company and Consolidated	
				03/31/2020	03/31/2019
Derivatives Used as Fair Value Hedge	**Notional Value**	**Amortized cost**	**Mark-to-Market**	**Fair Value**	**Fair Value**
Hedging Instrument					
Swaps	2,102,648	611,898	265,663	877,561	131,309
Foreign Currency (USD)	2,102,648	611,898	265,663	877,561	131,309
Hedged Item					
Subordinated Debt (Note 18)	917,665	2,731,018	265,959	2,996,977	2,293,245
Foreign Currency (USD)	917,665	2,731,018	265,959	2,996,977	2,293,245

The following table shows the breakdown of the derivatives (asset and liability legs) 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) + 7.375% p.a.	2,102,647	628,746	265,583	894,329
Liabilities				
% of Interbank Deposit Rate (CDI)	(2,102,647)	(16,848)	80	(16,768)
Net Adjustment as of 03/31/2020		**611,898**	**265,663**	**877,561**
Net Adjustment as of 12/31/2019		**11,074**	**120,235**	**131,309**

(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**
Assets					
Foreign Currency (USD) + 7.375% p.a.	2,102,648	894,329	-	29,651	864,678
Liabilities					
% of Interbank Deposit Rate (CDI)	(2,102,648)	(16,768)	-	(379)	(16,389)
Net Adjustment as of 03/31/2020		**877,561**	**-**	**29,272**	**848,289**
Net Adjustment as of 12/31/2019		**131,309**	**4,509**	**4,754**	**122,046**

(1) Values presented net of the notional value.

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

The margin received by Banrisul as guarantee in operations involving derivatives consists of Interbank deposits in the amount of R$799,054.

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

NOTE 08 - LOANS, LEASE 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**	**03/31/2020**	**03/31/2019**
Loans and Discounted Receivables	344,652	13,653,318	7,098,545	1,221,448	700,809	252,614	167,758	486,569	1,483,249	25,408,962	25,296,657
Financing	104,925	337,717	221,677	89,694	52,737	7,475	1,636	1,990	18,506	836,357	790,907
Rural and Agro-Industrial Financing	500,257	1,325,671	459,046	209,963	60,207	38,830	24,654	16,796	77,026	2,712,450	2,661,169
Real Estate Financing	2,903,681	603,391	252,542	103,803	92,310	4,954	47,487	705	106,289	4,115,162	4,104,558
Loans Assigned with Recourse [1]	14,166	5,621	248	358	167	-	-	-	-	20,560	22,305
Infrastructure and Development Financing	8,566	48,991	5,475	36,843	-	-	-	-	-	99,875	104,003
Subtotal Loans	**3,876,247**	**15,974,709**	**8,037,533**	**1,662,109**	**906,230**	**303,873**	**241,535**	**506,060**	**1,685,070**	**33,193,366**	**32,979,599**
Lease Operations	1,444	5,263	5,010	4,023	10,824	696	102	4	1,992	29,358	31,482
Advances on Foreign Exchange Contracts [2]	1,243	199,466	145,530	143,836	59,401	102,264	10,272	40,342	14,632	716,986	643,595
Other Receivables [3]	53,256	1,279,822	383,008	60,275	23,380	4,144	6,613	1,422	144,498	1,956,418	2,181,931
Acquired Portfolio with Recourse (Note 09)	288,549	-	-	-	-	-	-	-	1,137	289,686	346,063
Total Credit Portfolio	**4,220,739**	**17,459,260**	**8,571,081**	**1,870,243**	**999,835**	**410,977**	**258,522**	**547,828**	**1,847,329**	**36,185,814**	**36,182,670**
Recourse and Guarantees Granted [4]	151,312	49,390	21,402	11,764	28,590	-	4,287	10,314	792	277,851	242,851
Total as of 03/31/2020	**4,372,051**	**17,508,650**	**8,592,483**	**1,882,007**	**1,028,425**	**410,977**	**262,809**	**558,142**	**1,848,121**	**36,463,665**	**36,425,521**
Total as of 03/31/2019	**4,154,745**	**19,586,641**	**6,401,449**	**1,965,565**	**982,258**	**432,015**	**280,212**	**681,003**	**1,698,782**		**36,182,670**

(1) Refers to contract of 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, presented net with related liabilities in Other Liabilities - Foreign Exchange Portfolio/Other Credits (Note 15.
(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**	**03/31/2020**	**03/31/2019**
Falling Due	**4,219,776**	**17,436,988**	**8,527,280**	**1,822,887**	**942,135**	**359,310**	**206,072**	**349,505**	**1,154,451**	**35,018,404**	**35,011,849**
01 to 30 days	117,263	1,482,542	587,962	162,622	69,657	40,217	13,397	30,444	37,638	2,541,742	2,526,260
31 to 60 days	121,192	977,961	578,353	113,845	41,542	14,412	8,516	13,694	21,485	1,891,000	1,775,910
61 to 90 days	164,769	997,496	363,949	144,556	53,651	15,939	10,124	13,334	28,735	1,792,553	1,479,750
91 to 180 days	226,422	1,987,763	776,772	305,778	86,816	54,653	21,966	25,773	84,286	3,570,229	3,715,365
181 to 360 days	292,444	2,548,634	1,144,804	307,118	118,537	92,297	28,004	19,021	102,407	4,653,266	5,045,560
Over 360 days	3,297,686	9,442,592	5,075,440	788,968	571,932	141,792	124,065	247,239	879,900	20,569,614	20,469,004
Past Due	**963**	**22,272**	**22,404**	**10,076**	**9,013**	**6,152**	**2,211**	**6,291**	**4,493**	**83,875**	**72,737**
Up to 14 days	963	22,272	22,404	10,076	9,013	6,152	2,211	6,291	4,493	83,875	72,737
Subtotal	**4,220,739**	**17,459,260**	**8,549,684**	**1,832,963**	**951,148**	**365,462**	**208,283**	**355,796**	**1,158,944**	**35,102,279**	**35,084,586**
	Non-Performing Contracts [(1)]										
Falling Due	**-**	**-**	**-**	**-**	**175**	**13,728**	**10,973**	**126,809**	**287,570**	**439,255**	**448,993**
01 to 30 days	-	-	-	-	1	225	160	2,670	10,068	13,124	13,520
31 to 60 days	-	-	-	-	1	213	157	2,652	9,634	12,657	13,294
61 to 90 days	-	-	-	-	1	202	155	2,649	9,187	12,194	13,072
91 to 180 days	-	-	-	-	2	632	471	7,947	25,800	34,852	37,623
181 to 360 days	-	-	-	-	4	1,272	944	15,905	47,361	65,486	68,802
Over 360 days	-	-	-	-	166	11,184	9,086	94,986	185,520	300,942	302,682
Past Due	**-**	**-**	**21,397**	**37,280**	**48,512**	**31,787**	**39,266**	**65,223**	**400,815**	**644,280**	**649,091**
01 to 14 days	-	-	-	-	1	27	63	114	1,997	2,202	2,788
15 to 30 days	-	-	21,397	9,543	10,836	3,995	3,989	5,186	17,502	72,448	126,564
31 to 60 days	-	-	-	27,737	11,090	5,152	8,433	6,966	18,579	77,957	59,899
61 to 90 days	-	-	-	-	26,585	5,872	7,544	9,804	21,699	71,504	56,225
91 to 180 days	-	-	-	-	-	16,741	19,237	43,153	74,932	154,063	212,079
181 to 360 days	-	-	-	-	-	-	-	-	252,236	252,236	177,892
Over 360 days	-	-	-	-	-	-	-	-	13,870	13,870	13,644
Subtotal	**-**	**-**	**21,397**	**37,280**	**48,687**	**45,515**	**50,239**	**192,032**	**688,385**	**1,083,535**	**1,098,084**
Total as of 03/31/2020	**4,220,739**	**17,459,260**	**8,571,081**	**1,870,243**	**999,835**	**410,977**	**258,522**	**547,828**	**1,847,329**	**36,185,814**	
Total as of 03/31/2019	**4,154,745**	**19,586,641**	**6,401,449**	**1,965,565**	**982,258**	**432,015**	**280,212**	**681,003**	**1,698,782**		**36,182,670**

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

(c) Credit Portfolio Breakdown by Business Sector

	Parent Company and Consolidated	
	03/31/2020	03/31/2019
Public Sector	**102,660**	**107,143**
Government – Direct and Indirect Administration	102,660	107,143
Private Sector	**36,083,154**	**36,075,527**
Companies	8,865,448	8,720,259
Rural	229,460	232,935
Food, Beverages and Tobacco	1,143,501	1,141,974
Automotive	348,980	340,582
Cellulose, Wood and Furniture	190,091	193,899
Food Wholesale Trade	475,470	444,732
Wholesale Trade (except food)	471,979	448,688
Retail Trade – Other	663,888	621,992
Construction and Real Estate	826,023	816,551
Education, Health and other Social Services	1,382,507	1,398,591
Electrical and Electronics	341,037	337,725
Financial and Insurance	447,998	449,821
Machines and equipment	209,465	203,043
Metallurgy	187,155	179,541
Infrastructure Works	147,506	152,292
Oil and Natural Gas	381,338	374,089
Chemical and Petrochemical	442,138	427,422
Private Services	203,223	202,531
Textile, Clothing and Leather	217,268	197,229
Transportation	298,797	306,606
Others	257,624	250,016
Individuals	27,217,706	27,355,268
Total Loans	**36,185,814**	**36,182,670**

(d) Loans Concentration

	Parent Company and Consolidated			
	03/31/2020		03/31/2019	
	Value	% of Portfolio	Value	% of Portfolio
Largest Debtor	172,907	0,48	201,188	0,56
Next 10 Largest Debtors	1,117,016	3,09	1,154,163	3,19
Next 20 Largest Debtors	1,422,433	3,93	1,380,888	3,82
Next 50 Largest Debtors	1,566,031	4,33	1,507,401	4,17
Next 100 Largest Debtors	1,299,632	3,59	1,304,384	3,60

(e) Changes in Allowances

The following table shows the changes of the Allowance for Loan Losses, Doubtful Lease Receivables and Other Receivables with Lending Characteristics:

	Parent Company and Consolidated	
	01/01 to 03/31/2020	01/01 to 03/31/2019
Opening Balance	**2,764,335**	**2,612,055**
Allowance Recorded in the Period	296,389	285,312
Write-Offs	(248,263)	(315,099)
Ending Balance	**2,812,461**	**2,582,268**
Allowance for Loan Losses	2,551,977	2,464,832
Allowance for Doubtful Lease Receivables	3,534	2,127
Allowance for Losses on Other Receivables with Lending Characteristics (1)	256,950	115,309

(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.

The change in the Allowance for Other Contracts with Credit Risk is as follows:

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Opening Balance	**47,719**	**47,904**	**49,579**	**59,754**
Allowance/(Reversal) Recorded in the Period	(97)	(104)	540	109
Write-Offs	-	(1)	-	(101)
Final Balance (Note 09)	**47,622**	**47,799**	**50,119**	**59,762**

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

			Parent Company and Consolidated
Risk Level	Credit Portfolio	Minimum Allowance Required by CMN Resolution No. 2682/99	Recorded Allowance
AA	4,220,739	0.00%	-
A	17,459,260	0.50%	87,296
B	8,571,081	1.00%	85,711
C	1,870,243	3.00%	56,107
D	999,835	10.00%	99,984
E	410,977	30.00%	123,293
F	258,522	50.00%	129,261
G	547,828	70.00%	383,480
H	1,847,329	100.00%	1,847,329
Total as of 03/31/2020	**36,185,814**		**2,812,461**
Total as of 03/31/2019	**36,182,670**		**2,764,335**

(g) Recovery and Renegotiation of Credits

Recoveries of loans previously written off as losses were recognized as income from lending operations and amounted to R$52,379 (1Q/2019 - R$585,486) in the period, net of related losses.

The balance of renegotiated loans during the period amounted to R$107,715 (1Q/2018 - R$131,167). Pursuant to CMN Resolution No. 2682/99, these transactions remain classified in the same rating they were before the renegotiation; written off credit operations are classified in risk level H following renegotiation.

NOTE 09 - OTHER RECEIVABLES

						Parent Company
	Up 12 Months	Above 12 Months	Total em 03/31/2020	Up 12 Months	Above 12 Months	Total em 12/31/2019
Interfinancial Relations	107,816	1,089,358	1,197,174	21,560	1,074,400	1,095,960
Credits with the National Housing System (1)	-	1,089,358	1,089,358	-	1,074,400	1,074,400
Outstanding Payments and Receipts	99,189	-	99,189	3,442	-	3,442
Others	8,627	-	8,627	18,118	-	18,118
Interdependence Relations	18,065	-	18,065	125,338	-	125,338
Foreign Exchange Portfolio	984,411	5,317	989,728	715,084	1,624	716,708
Income Receivable	106,035	-	106,035	105,717	-	105,717
Guarantee Deposit	-	470,226	470,226	-	476,790	476,790
Payments to Reimburse	52,698	5,271	57,969	57,273	6,823	64,096
Securities and Receivables (2)	1,975,154	234,272	2,209,426	2,216,377	232,404	2,448,781
Credits Linked to Acquired Operations with Recorurse (Note 08 (a))	170,950	118,736	289,686	177,757	168,306	346,063
Others	22,329	-	22,329	20,526	-	20,526
Total	**3,437,458**	**1,923,180**	**5,360,638**	**3,439,632**	**1,960,347**	**5,399,979**

						Consolidated
	Up 12 Months	Above 12 Months	Total em 03/31/2020	Up 12 Months	Above 12 Months	Total em 12/31/2019
Interfinancial Relations	1,626,415	1,089,358	2,715,773	1,686,601	1,074,400	2,761,001
Credits with the National Housing System (1)	-	1,089,358	1,089,358	-	1,074,400	1,074,400
Outstanding Payments and Receipts	1,617,788	-	1,617,788	1,668,483	-	1,668,483
Others	8,627	-	8,627	18,118	-	18,118
Interdependence Relations	18,065	-	18,065	125,338	-	125,338
Foreign Exchange Portfolio	984,411	5,317	989,728	715,084	1,624	716,708
Income Receivable	113,611	-	113,611	113,739	-	113,739
Trading and Intermediation of Values	17,693	-	17,693	19,567	-	19,567
Guarantee Deposit	8,608	470,226	478,834	-	485,380	485,380
Reimbursable Payments	53,081	5,271	58,352	57,345	6,823	64,168
Securities and Receivables (2)	2,041,239	234,272	2,275,511	2,284,595	232,404	2,516,999
Credits Linked to Acquired Operations with Recourse (Note 08 (a))	170,950	118,736	289,686	177,757	168,306	346,063
Others	23,184	-	23,184	21,366	-	21,366
Total	**5,057,257**	**1,923,180**	**6,980,437**	**5,201,392**	**1,968,937**	**7,170,329**

(1) Credits with the National Housing System are composed of:
(a) R$183,527 (12/31/2019 - R$188,895), 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$903,132 (12/31/2019 – R$882,829), refers to principal and interest installments over acquired credit portfolios to which Banrisul will be entitled to at the time of novation and that are indexed according to the original contracts, i.e., TR + 6.17% p.a. for loans using own funding and TR + 3.12% p.a. for loans with FGTS funding.
(c) R$2,669 (12/31/2019 – R$2,676), refers to the balance of own portfolio contracts using resources from the FGTS, with FCVS coverage, approved and ready for novation, indexed to TR + 3.12% p.a.

National Housing System (SFH) - Acquired Portfolio - From October 2002 to March 2005, Banrisul acquired from the State Government of Rio Grande do Sul receivables related to the Salary Variation Compensation Fund (FCVS). The acquisition terms include a clause guaranteeing financial settlement by the State Government of non-performing contracts, if any. On March 31, 2019, the receivables were stated at the acquisition cost including interest accrued at the rate used to determine the purchase price, amounting to R$1,086,659 (12/31/2019 - R$1,071,724). The face value is R$134,480 (12/31/2019 - R$1,122,641). 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 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.

(1) Notes and Credit Receivables 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". Management understands that there is no need to set up a provision. As of December 31, 2019, these judicial deposits amount to R$171,594 (12/31/2018 - R$168,675) and are indexed to TR and interest9
(b) Non-credit-like receivables, acquired by the Bank from the State Government of Rio Grande do Sul, in the amount of R$58,535(12/31/2019 - R$59,344) related to receivables arising from transactions of the State Government of Rio Grande do Sul or its controlled entities, with the municipality of cities in the State of Rio Grande do Sul. These receivables have yields from 0.50% to 12.01% p.a., plus TR or IGP-M variation with maturity through 2029;
(c) Debit and Credit Cards: receivables from cardholders when using Banricompras and cards from Visa and MasterCard issued by Banrisul. As of December 31, 2019, totaled R$1,815,753 (12/31/2019 – R$2,042,249) in the Parent Company and in the Consolidated; and
(d) Credits Receivable related to BanriCard business and benefit agreements and the acquiring network Vero in the amount of R$44,013 (12/31/2019 – R$46,698) in the Consolidated.

NOTE 10 - TAX CREDITS

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

(a) Tax Credits - the balances of tax credits, segregated according to their origins and disbursements, are represented by:

				Parent Company
	Balance on 12/31/2019	**Constitution**	**Realization**	**Balance on 12/31/2020**
Allowance for Loan Losses	1,339,439	130,020	(120,431)	1,349,028
Provision for Labor Risks	465,744	27,578	(54,093)	439,229
Provision for Tax Risks	152,721	4,760	(953)	156,528
Mark-to-Market Adjustment - MTM	50,238	65,361	-	115,599
Other Temporary Provisions	697,311	16,904	(1,099)	713,116
Total Tax Credits on Temporary Differences	**2,705,453**	**244,623**	**(176,576)**	**2,773,500**
Unregistered Credits	(23)	(3)	-	(26)
Total Tax Credits Recorded	**2,705,430**	**244,620**	**(176,576)**	**2,773,474**
Deferred Tax Liabilities	(302,648)	(63,005)	81	(365,572)
Deferred Liabilities Net of Tax Credit	**2,402,782**	**181,615**	**(176,495)**	**2,407,902**

				Consolidated
	Balance on 12/31/2019	**Constitution**	**Realization**	**Balance on 12/31/2020**
Allowance for Loan Losses	1,340,645	130,020	(120,544)	1,350,121
Provision for Labor Risks	468,010	27,616	(54,082)	441,544
Provision for Tax Risks	153,385	4,760	(1,199)	156,946
Mark-to-Market Adjustment - MTM	50,238	65,361	-	115,599
Other Temporary Provisions	698,878	16,904	(1,099)	714,683
Total Tax Credits on Temporary Differences	**2,711,156**	**244,661**	**(176,924)**	**2,778,893**
Unregistered Credits	(23)	(3)	-	(26)
Total Tax Credits Recorded	**2,711,133**	**244,658**	**(176,924)**	**2,778,867**
Deferred Tax Liabilities	(304,482)	(61,664)	81	(366,065)
Deferred Liabilities Net of Tax Credit	**2,406,651**	**182,994**	**(176,843)**	**2,412,802**

The expectation of realizing these credits is as follows:

				Parent Company	Consolidated
		Temporary Differences			
Year	Income tax	Social contribution	Total	Registered Totals	Registered Totals
2020	627,746	469,931	1,097,677	1,097,677	1,098,037
2021	255,769	187,018	442,787	442,787	443,268
2022	186,270	144,389	330,659	330,659	331,141
2023	159,682	123,540	283,222	283,222	283,703
2024	108,391	92,567	200,958	200,958	201,439
2025 to 2027	118,582	123,951	242,533	242,533	244,559
2028 to 2030	86,293	89,345	175,638	175,638	176,720
2031	14	12	26	-	-
Total as of 03/31/2020	**1,542,747**	**1,230,753**	**2,773,500**	**2,773,474**	**2,778,867**
Total as of 03/31/2019	**1,499,069**	**1,206,384**	**2,705,453**	**2,705,430**	**2,711,133**

The total present value of tax credits is R$ 2,364,514, calculated according to the expected realization of temporary differences at the average funding rate, projected for the corresponding periods.

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

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Excess Depreciation	10,354	10,434	10,354	10,434
Fair Value Adjustment of Trading Securities	84,855	23,901	85,153	25,540
Renegotiated Operations Law No. 12,715/12	174,674	172,624	174,674	172,624
Actuarial Surplus	95,689	95,689	95,884	95,884
Total	**365,572**	**302,648**	**366,065**	**304,482**

NOTE 11 - OTHER ASSETS

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Advances to Employees	20,780	3,062	21,029	3,460
Escrow Deposits	72,202	6,490	95,935	8,104
Post-employment Benefit Plans (Note 26)	212,012	212,012	212,585	212,585
Other Receivables – Domestic	326,811	136,555	324,021	130,976
Assets not in USE net of provision for devaluation	227,111	226,816	229,248	229,746
Prepaid expenses	143,102	148,511	146,357	149,323
Others	103,045	125,305	1,605	23,864
Total	**1,105,063**	**858,751**	**1,030,780**	**758,058**

NOTE 12 - INVESTMENTS IN AFFILIATES AND SUBSIDIARIES AND GOODWILL

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Investments in Domestic Subsidiaries and associates	**1,708,405**	**1,630,018**	**126,186**	**123,134**
Investments in Subsidiaries	1,587,737	1,511,794	-	-
Investments in Associates	120,668	118,224	126,186	123,134
Goodwill from Investment Acquisitions [(1)]	**7,175**	**8,110**	**7,175**	**8,110**

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

					Parent Company
As of March 31, 2020	Adjusted Equity	Participation in Capital (%)	Investment	Net Income	Equity Results
Subsidiaries	**1,592,305**		**1,587,737**	**76,550**	**76,365**
Banrisul Armazéns Gerais S. A.	51,280	99.50	51,022	65	65
Banrisul S. A. Corretora de Valores Mobiliários e Câmbio	88,506	98.98	87,607	1,265	1,252
Banrisul S. A. Administradora de Consórcios	278,321	99.68	277,439	10,274	10,241
Banrisul Cartões S. A.	1,174,198	99.78	1,171,669	64,946	64,807
Affiliated	**252,860**		**120,668**	**21,283**	**12,253**
Bem Promotora de Vendas e Serviços S. A.	40,972	49.90	20,445	6,375	3,181
Banrisul Icatu Participações S. A.	198,982	49.99	99,471	18,531	9,264
VG8JV Tecnologia S. A.	12,906	5.83	752	(3,623)	(192)

					Consolidated
As of March 31, 2020	Adjusted Equity	Participation in Capital (%)	Investment	Net Income	Equity Results
Affiliated	**252,860**		**126,186**	**21,283**	**10,849**
Bem Promotora de Vendas e Serviços S. A.	40,972	49.90	20,445	6,375	3,181
Banrisul Icatu Participações S. A.	198,982	49.99	99,471	18,531	9,264
VG8JV Tecnologia S. A.	12,906	48.59	6,270	(3,623)	(1,596)

					Parent Company and Consolidated
As of March 31, 2020	Adjusted Equity	Participation in Capital (%)	Investment	Net Income	Equity Results
Subsidiaries	**1,516,178**		**1,511,794**	**76,768**	**77,259**
Banrisul Armazéns Gerais S. A.	51,215	99.50	50,957	303	974
Banrisul S. A. Corretora de Valores Mobiliários e Câmbio	87,241	98.98	86,355	748	741
Banrisul S. A. Administradora de Consórcios	268,471	99.68	267,620	10,050	10,019
Banrisul Cartões S. A.	1,109,251	99.78	1,106,862	65,667	65,525
Affiliated	**246,857**		**118,224**	**22,503**	**11,244**
Bem Promotora de Vendas e Serviços S. A.	43,505	49.90	21,709	6,407	3,197
Banrisul Icatu Participações S. A.	191,729	49.99	95,845	16,096	8,047
VG8JV Tecnologia S. A.	11,623	5.76	670	-	-

					Consolidated
As of March 31, 2020	Adjusted Equity	Participation in Capital (%)	Investment	Net Income	Equity Results
Affiliated	**246,857**		**123,134**	**22,503**	**11,244**
Bem Promotora de Vendas e Serviços S. A.	43,505	49.90	21,709	6,407	3,197
Banrisul Icatu Participações S. A.	191,729	49.99	95,845	16,096	8,047
VG8JV Tecnologia S. A.	11,623	48.00	5,580	-	-

NOTE 13 – PROPRIETY AND EQUIPMENTS

							Parent Company
	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Software	Others	Total
As of December 31, 2019							
Original Cost	125,147	1,646	224,000	133,305	327,720	23,761	835,579
Accumulated Depreciation	(95,468)	-	(130,257)	(80,570)	(261,266)	(17,535)	(585,096)
Net Balance as of December 31, 2019	**29,679**	**1,646**	**93,743**	**52,735**	**66,454**	**6,226**	**250,483**
Acquisitions	16,389	488	6,355	1,393	2,048	14	26,687
Disposals – Cost	(99)	-	(163)	(395)	(5)	-	(662)
Disposals – Accumulated Depreciation	99	-	139	374	2	-	614
Depreciation	(147)	-	(1,169)	(1,249)	(2,658)	(276)	(5,499)
Net Transfers – Cost	-	(320)	-	123	201	(4)	-
Net Transfers – Accumulated Depreciation	-	-	-	65	(72)	7	-
Net Change	**16,242**	**168**	**5,162**	**311**	**(484)**	**(259)**	**21,140**
As of March 31, 2020							
Original Cost	141,437	1,814	230,192	134,426	329,964	23,771	861,604
Accumulated Depreciation	(95,516)	-	(131,287)	(81,380)	(263,994)	(17,804)	(589,981)
Net Balance as of March 31, 2020	**45,921**	**1,814**	**98,905**	**53,046**	**65,970**	**5,967**	**271,623**

							Consolidated
	Property in Use	Equipment in Inventory	Facilities	Equipment in Use	Software	Others	Total
As of December 31, 2019							
Original Cost	140,855	29,169	232,300	139,681	328,879	61,830	932,714
Accumulated Depreciation	(100,406)	-	(135,945)	(85,030)	(262,172)	(29,322)	(612,875)
Net Balance as of December 31, 2019	**40,449**	**29,169**	**96,355**	**54,651**	**66,707**	**32,508**	**319,839**
Acquisitions	17,584	4,415	6,453	1,409	2,095	2,275	34,231
Disposals – Cost	(99)	(1)	(163)	(395)	(12)	(937)	(1,607)
Disposals – Accumulated Depreciation	99	-	139	374	3	1	616
Depreciation	(189)	-	(1,338)	(1,348)	(4,372)	(298)	(7,545)
Net Transfers – Cost	-	(4,918)	1	123	37,973	(33,179)	-
Net Transfers – Accumulated Depreciation	4	-	(1)	61	(9,707)	9,643	-
Net Change	**17,399**	**(504)**	**5,091**	**224**	**25,980**	**(22,495)**	**25,695**
As of March 31, 2020							
Original Cost	158,340	28,665	238,591	140,818	368,935	29,989	965,338
Accumulated Depreciation	(100,492)	-	(137,145)	(85,943)	(276,248)	(19,976)	(619,804)
Net Balance as of March 31, 2020	**57,848**	**28,665**	**101,446**	**54,875**	**92,687**	**10,013**	**345,534**

NOTE 14 – INTANGIBLE ASSETS

	Software Use Rights	Right from Acquisition of Payroll operations [1]	Others	Total
				Parent Company
As of December 31, 2019				
Original Cost	141,607	1,469,815	1,718	1,613,140
Accumulated Depreciation	(84,838)	(564,505)	(668)	(650,011)
Net Balance as of December 31, 2019	**56,769**	**905,310**	**1,050**	**963,129**
Acquisitions	5,043	3,253	-	8,296
Amortization	(3,491)	(42,296)	-	(45,787)
Net Change	**1,552**	**(39,043)**	**-**	**(37,491)**
As of March 31, 2020				
Original Cost	146,650	1,473,068	1,718	1,621,436
Accumulated Depreciation	(88,329)	(606,801)	(668)	(695,798)
Net Balance as of March 31, 2020	**58,321**	**866,267**	**1,050**	**925,638**

	Software Use Rights	Right from Acquisition of Payroll operations [1]	Others	Total
				Consolidated
As of December 31, 2019				
Original Cost	143,763	1,469,815	1,784	1,615,362
Accumulated Depreciation	(86,893)	(564,505)	(668)	(652,066)
Net Balance as of December 31, 2019	**56,870**	**905,310**	**1,116**	**963,296**
Acquisitions	5,043	3,253	216	8,512
Amortization	(3,506)	(42,296)	(216)	(46,018)
Cost Net Transfers	47	-	(47)	-
Net Change	**1,584**	**(39,043)**	**(47)**	**(37,506)**
As of March 31, 2020				
Original Cost	148,852	1,473,068	1,954	1,623,874
Accumulated Depreciation	(90,398)	(606,801)	(885)	(698,084)
Net Balance as of March 31, 2020	**58,454**	**866,267**	**1,069**	**925,790**

(1) The net balance of R$866,267 (**03/31/2019** - R$905,310) is comprised of:

a) R$771,227 (**03/31/2019** - R$802,493) related to the agreement signed with the State of Rio Grande do Sul granting Banrisul the exclusive right of servicing the payroll of state civil servants for the next ten years. No indications that these assets are impaired were identified;

b) R$19,200 (**03/31/2019** - R$22,400) related to the agreement signed with the Judiciary Power of the State of Rio Grande do Sul to provide payroll services to the Court of Justice's servants for a period of 5 years. The contract also establishes that the Judiciary Power must centralize at Banrisul all of its financial transactions and investments of cash and cash equivalents, with the exception of investments subject to agreements with the Federal Government, and that Banrisul will not receive any remuneration, payment or fees due by the provision of banking services to the Judiciary Power. Banrisul will also make available to the Judiciary Power digital certificates and similar services. No evidence of impairment related to this asset was identified;

c) R$67,893 (**03/31/2019** - R$71,610) refers to contracts signed with town halls and other public sector bureaus, for the provision of banking services related to the payroll of their civil servants, and

d) R$7,947 (**03/31/2019** - R$8,807) 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 15 - DEPOSITS, SECURITIES SOLD UNDER REPURCHASE AGREEMENTS AND FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES

	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	03/31/2020	12/31/2019
						Parent Company
Deposits						
Demand Deposits [1]	2,802,609	-	-	-	2,802,609	3,237,941
Savings Deposits [1]	9,705,603	-	-	-	9,705,603	9,622,161
Interbank Deposits	-	814,474	274,811	-	1,089,285	457,089
Time Deposits [2]	12,922	3,756,032	2,644,117	33,953,690	40,366,761	40,354,104
Other Deposits	1,822	-	-	-	1,822	1,670
Total	**12,522,956**	**4,570,506**	**2,918,928**	**33,953,690**	**53,966,080**	**53,672,965**
Repurchase Agreements (Repos)						
Own Portfolio [3]	-	4,067,506	-	-	4,067,506	3,577,107
Total	**-**	**4,067,506**	**-**	**-**	**4,067,506**	**3,577,107**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	337,798	1,586,298	1,687,341	3,611,437	3,847,623
Total	**-**	**337,798**	**1,586,298**	**1,687,341**	**3,611,437**	**3,847,623**

	Without Maturity	Up to 3 Months	3 to 12 Months	Over 12 Months	03/31/2020	12/31/2019
						Consolidated
Deposits						
Demand Deposits (1)	2,793,272	-	-	-	2,793,272	3,228,976
Savings Deposits (1)	9,705,603	-	-	-	9,705,603	9,622,161
Interbank Deposits	-	814,474	274,811	-	1,089,285	457,089
Time Deposits (2)	12,922	3,756,032	2,621,170	33,953,690	40,343,814	40,330,188
Other Deposits	1,822	-	-	-	1,822	1,670
Total	**12,513,619**	**4,570,506**	**2,895,981**	**33,953,690**	**53,933,796**	**53,640,084**
Repurchase Agreements (Repos)						
Own Portfolio (3)	-	3,822,491	-	-	3,822,491	3,391,443
Total	**-**	**3,822,491**	**-**	**-**	**3,822,491**	**3,391,443**
Funds from Acceptance and Issuance of Securities						
Funds from Real Estate, Mortgage, Credit and Similar Bonds	-	337,798	1,326,083	1,687,341	3,351,222	3,560,166
Total	**-**	**337,798**	**1,326,083**	**1,687,341**	**3,351,222**	**3,560,166**

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

(2) Consider the contractual maturities of each contract.

Time deposits are made up of individuals and companies, with floating or fixed rates equivalent to 98.49% and 1.51% of the total portfolio, respectively. The average funding rate for floating-rate deposits corresponds to 84.51% (12/31/2019 – 83.83%) of CDI, and for fixed-rate deposits, to 4.14% (12/31/2019 – 4.55%) p.a. Of total time deposits, 63.56% (12/31/2019 – 64.04%) have some kind of early redemption option, although expense recognition continues to be based on the contractual rate due through maturity, excluding discounts or reductions applicable in the case of early redemption. The maturity dates presented above do not consider the possibility of early redemption.

(3) Funding through securities sold under repurchase agreements - own portfolio is conducted with financial institutions and has an average funding rate of 100% of CDI.

NOTE 16 - BORROWINGS

Foreign Borrowings - 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 0.86% to 5.24% (12/31/2019 – 0.86% to 5.44%) with maximum term of up to 340 days (12/31/2019 – 347 days), and presents a total balance of R$890,727 (12/31/2019 - R$708,838).

NOTE 17 - ONLENDINGS

	Domestic Onlendings – Official Institutions		Foreign Onlendings		Total	Parent Company and Consolidated
	03/31/2020	**03/31/2019**	**03/31/2020**	**03/31/2019**	**03/31/2020**	**03/31/2019**
Up to 3 months	97,806	95,112	898	701	98,704	95,813
3 to 12 months	382,858	362,770	-	692	382,858	363,462
1 to 3 years	532,643	556,901	-	-	532,643	556,901
3 to 5 years	301,414	324,053	-	-	301,414	324,053
Over 5 years	193,396	210,994	-	-	193,396	210,994
Total	**1,508,117**	**1,549,830**	**898**	**1,393**	**1,509,015**	**1,551,223**

Composed primarily of funds from Official Institutions (BNDES - National Bank for Economic and Social Development, FINAME - National Equipment Financing Authority, Caixa Econômica Federal - Federal Savings and Loan Bank and FINEP - Funding Authority for Studies and Projects). These liabilities mature on a monthly basis through May 2030, and are subject to interest of 0.50% to 8.00% (12/31/2019 – 0.50% to 8.00%) p.a., plus variation of the indexes (TJLP – "Long-term interest rate", URTJ-01, US Dollar, currency basket, UPRD, TLP and SELIC) for floating-rate liabilities and up to 20.09% (12/31/2019 – 20.09%) p.a., for fixed-rate liabilities. Funds are transferred to customers on the same terms and with the same funding rates, plus commission for financial intermediation. These funds are collateralized by the same guarantees received for the related loans.

NOTE 18 - OTHER LIABILITIES

	Up 12 Months	Above 12 Months	Total em 03/31/2020	Up 12 Months	Above 12 Months	Parent Company Total em 12/31/2019
Interfinancial Relations	209,039	-	209,039	81,645	-	81,645
Interdependence Relations	310,740	-	310,740	228,696	-	228,696
Foreign Exchange Portfolio	88,801	-	88,801	59,358	-	59,358
Financial and Development Funds	985,447	-	985,447	901,124	-	901,124
Subordinated Debts [1]	104,181	2,895,812	2,999,993	162,353	2,138,695	2,301,048
Creditors for Resources to be Released	67,038	-	67,038	69,469	-	69,469
Payable Card Transactions	1,059,277	-	1,059,277	1,186,004	-	1,186,004
Acquisition Payable Obligations	646,619	-	646,619	723,057	-	723,057
Provision for guarantees provided and Guarantees (Note 25 (b))	14,563	-	14,563	10,653	-	10,653
Others	33,322	14,671	47,993	41,206	72,664	113,870
Total	**3,519,027**	**2,910,483**	**6,429,510**	**3,463,565**	**2,211,359**	**5,674,924**

	Up 12 Months	Above 12 Months	Total em 03/31/2020	Up 12 Months	Above 12 Months	Consolidated Total em 12/31/2019
Interfinancial Relations	209,039	-	209,039	81,645	-	81,645
Interdependence Relations	310,566	-	310,566	225,768	-	225,768
Foreign Exchange Portfolio	88,801	-	88,801	59,358	-	59,358
Trading and Intermediation of Values	19,392	-	19,392	20,336	-	20,336
Financial and Development Funds	985,447	-	985,447	901,124	-	901,124
Subordinated Debts [1]	104,181	2,895,812	2,999,993	162,353	2,138,695	2,301,048
Creditors for Resources to be Released	67,376	-	67,376	69,935	-	69,935
Payable Card Transactions	957,503	-	957,503	1,062,348	-	1,062,348
Acquisition Payable Obligations	1,436,943	-	1,436,943	1,718,565	-	1,718,565
Provision for guarantees provided and Guarantees (Note 25 (b))	14,563	-	14,563	10,653	-	10,653
Others	52,969	14,671	67,640	56,868	72,664	129,532
Total	**4,246,780**	**2,910,483**	**7,157,263**	**4,368,953**	**2,211,359**	**6,580,312**

(1) In 2012 Banrisul concluded the issuance of subordinated bonds abroad in two tranches, at the total amounts of USD500 million (500 million U.S. Dollars). and USD275 million (275 million U. S. Dollars), for a10-year term, on February 02, 2022. In 2015, Banrisul partially repurchased its subordinated debt for USD251.81 million (251.81 million U.S. Dollars). The remaining amount of the subordinated debt is equal to USD523.185 million (253.185 million U.S. Dollars).

NOTE 19 - RESERVES, CONTINGENT ASSETS AND LIABILITIES

(a) Contingent Assets

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

(b) Contingent Reserves and Liabilities

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

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

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

The changes in reserves are as follows:

	Tax	Labor	Civil	Other	Parent Company Total
Opening Balance at 12/31/2019	**565,406**	**1,038,834**	**169,843**	**155,196**	**1,929,279**
Recognition and Inflation Adjustment	4,180	57,438	26,926	485	89,029
Payment	(2,118)	(120,207)	(10,861)	-	(133,186)
Ending Balance at 03/31/2020	**567,468**	**976,065**	**185,908**	**155,681**	**1,885,122**
Guaranteed Deposits	61,448	325,093	78,686	-	465,227

					Parent Company
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2018	**545,589**	**550,035**	**276,998**	**152,440**	**1,525,062**
Recognition and Inflation Adjustment	2,764	43,820	21,941	709	69,234
Provision Reversal	(3)	-	-	-	(3)
Payment	(1)	(29,289)	(10,998)	-	(40,288)
Ending Balance at 03/31/2019	**548,349**	**564,566**	**287,941**	**153,149**	**1,554,005**
Guaranteed Deposits	51,537	291,874	86,745	-	430,156

					Consolidated
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2019	**565,500**	**1,043,608**	**171,736**	**155,196**	**1,936,040**
Recognition and Inflation Adjustment	4,185	57,482	27,061	485	89,213
Provision Reversal	-	(7)	-	-	(7)
Payment	(2,118)	(120,237)	(10,861)	-	(133,216)
Ending Balance at 03/31/2020	**567,567**	**980,846**	**187,936**	**155,681**	**1,892,030**
Guaranteed Deposits	63,774	330,149	79,911	-	473,834

					Consolidated
	Tax	Labor	Civil	Other	Total
Opening Balance at 12/31/2018	**545,589**	**554,854**	**278,711**	**152,440**	**1,531,594**
Recognition and Inflation Adjustment	2,764	43,872	22,096	709	69,441
Provision Reversal	(3)	(3)	-	-	(6)
Payment	(1)	(29,316)	(11,080)	-	(40,397)
Ending Balance at 03/31/2019	**548,349**	**569,407**	**289,727**	**153,149**	**1,560,632**
Guaranteed Deposits	53,997	296,777	86,983	-	437,757

Tax Contingencies

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

The main tax contingencies refers to: (i) income tax and social contribution on the deduction of expenses arising from the settlement of the actuarial deficit of Fundação Banrisul de Seguridade Social (Banrisul Social Security Foundation), challenged by the Brazilian Internal Revenue Service for the years 1998 to 2005 in the amount of R$550,543 ((12/31/2019 - R$548,653), in which Banrisul, through its legal counsel, has been discussing the matter in court and recorded a provision for contingencies in the amount of the estimated loss; and (ii) National Fund for Educational Development - FNDE tax assessment notice related to education allowance, whose likelihood of loss is classified by our legal counsel as probable, and recorded provisions in the amount of R$ R$6,878 (12/31/2019 - R$6,878). There is no record of other fiscal actions of this nature in the Consolidated Statements.

There are also some tax contingencies whose likelihood of loss, based on their nature, is considered as possible, in the amount of R$78,049 (12/31/2019 - R$ 76,711), and in the Consolidated - R$7,779 (12/31/2019 - R$86,144). These contingencies are mostly related to litigations of municipal and federal taxes nature and that 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$201,461 (12/31/2019 - R$200,488).], mainly related to the benefits of the Worker's Food Program (PAT) and Profit Sharing (PLR), which was classified by our advisors as of possible loss, in the amount of R$192,408 (12/31/2019 - R$ 191,478), and as of probable loss, the amount of R$9,054 (12/31/2019 - R$9,010), 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 2019, given the trend of collective labor lawsuits, the risk perception of such lawsuits changed, so that the process of estimating values began. In view of this, management carried out an assessment of the estimated loss in collective labor lawsuits related to claims filled for the payment of the seventh and eighth working hours, deemed as overtime, based on the analysis of the track record of disbursements in individual cases with similar requests. Based on such facts, in 4Q19, a provision of R$429,036 was made for collective labor lawsuits, covering lawsuits pending final assessment in settlement processes and lawsuits with unfavorable decisions being judged by the Supreme Labor Court. Management considers the set up provision to be sufficient and will continue to monitor the evolution of judicial decisions, evaluating their classification and quantification whenever necessary.

Besides the contingencies above, this account records the provision for labor claims filed against Banrisul, whose likelihood of loss is considered probable. The provision amount is calculated according to the disbursement estimated by Banrisul's management, timely reviewed based on data received from our legal counsel, and adjusted to the escrow deposit when required. Of the aforementioned provision, R$244,932 (12/31/2019 - R$243,955) - consolidated R$248,076 (12/31/2019 - R$247,943) - have been deposited in an escrow account. Additionally, R$80,161 (12/31/2019 - R$78,688) - consolidated R$82,073 (12/31/2019 - R$80,590) - 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$1,673,081 (12/31/2019 - R$1,645,963) - consolidated R$1,688,410 (12/31/2019 - R$1,661,188) -, 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.

Until September 2019, this account recorded the provision for civil suits when a court notification was received, and was adjusted monthly based on the amount claimed, on evidence produced and on the assessment of the related risk of loss made by the legal counsel, considering case law, factual information gathered, evidence produced in the records and court decisions on the lawsuit.

Starting September 2019, the review of the lawsuits adopted a new model for the provision of civil contingencies, with the total provisions of the lawsuits classified as probable loss being defined by the average cost of the court decisions and the respective legal costs. This review resulted in the reversal of provisions in the amount of R$126,840, the cleaning up the stock of lawsuits and the reassessment of amounts involved in cases classified as possible losses. Management will continue to monitor the evolution of judicial decisions over time.

From the previously mentioned allowance, the amount of R$78,686 (12/31/2019 - R$83,866) - consolidated R$79,911 (12/31/2019 - R$85,544) - has been deposited in court.

There is also the amount of R$673,443 (12/31/2019 - R$697,235) - consolidated R$ (12/31/2019 - R$699,765) - 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, preventively and in compliance with the Central Bank of Brazil requirements, recorded a provision in the amount of R$155,681 (12/31/2019 - R$155,196) for this contingency.

NOTE 20 - OTHER LIABILITIES

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Collection and Collection of Taxes and the like	157,655	28,459	157,656	28,459
Social and Statutory	107,084	105,265	107,309	105,490
Taxes	136,292	110,359	191,237	174,189
Provision of Personnel	182,198	197,128	165,997	180,797
Obligations for Official Covenants and Payment Services	101,724	80,389	101,853	80,730
Various Creditors in the Country	147,504	69,827	206,258	132,478
Post-Employment Benefit Plans (1)	953,631	947,722	958,237	952,328
Provisions for Outgoing Payments	183,941	217,768	211,216	246,325
Anticipated Income	174,977	178,188	174,977	178,188
Others	2,765	2,717	3,585	3,564
Total	**2,147,771**	**1,937,822**	**2,278,325**	**2,082,548**

1) Refers to the sponsor's obligations regarding deficits found in defined benefit plans offered to employees and former employees of Banrisul and group companies.

NOTE 21 - EQUITY

(a) Capital

Fully subscribed paid-up capital as of March 31, 2020 is R$5,200,000, represented by 408,974 thousand shares with no par value as follows:

	ON (Common)		PNA (Preferred A)		PNB (Preferred B)		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
Rio Grande do Sul State	201,225,359	98,13	751,479	54,73	0	-	201,976,838	49,39
Management and Committee Members	56	-	26	-	5,005	-	5,087	-
Other	3,839,426	1,87	621,586	45,27	202,531,540	100,00	206,992,552	50,61
Total	**205,064,841**	**100,00**	**1,373,091**	**100,00**	**202,536,545**	**100,00**	**408,974,477**	**100,00**

In 1Q2020, 3,610 (PNA) shares were converted, mainly into (PNB) shares, in view of requests from shareholders.

The Annual and Extraordinary Shareholders Meeting, held on April 25, 2019, approved the capital increase in the amount of R$803,281 from Profit Reserves, without issuance of new shares, still pending final approval from the Central Bank of Brazil.

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 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 C Preferred Shares; and
(ii) Priority in capital reimbursement, without premium.

(b) Reserve

The Capital Reserve refers to the amounts received by the Company that did not pass through the result, as it is not linked to the delivery of goods or services provided.

The Legal Reserve aims to increasing the Company's capital or absorbing losses, but it cannot be distributed in the form of dividends.

The Statutory Reserve has the purpose of guaranteeing resources for general and IT investments, and is limited to 70% of the paid-in capital.

The Expansion Reserve has the purpose of retaining profits to finance investment opex and capex projects, according to Capital budget proposed by the Management and approved at the Shareholders Meeting.

(c) Allocation of Income

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

The Expansion Reserve formation is intended to finance capital and operational expenditures, according to the capital budget proposed by the Management and approved by the General Shareholders Meeting.

The Ordinary Shareholders' Meeting held on April 25, 2019 approved the proposed distribution of additional dividends for 2019 equivalent to 15% of net income less amounts transferred to the Legal Reserve, totaling 40%.

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 Policy of Quarterly payment of interest on equity, Banrisul paid the amount of R$100,967 relating to interest on equity in 1Q2020 (1Q2019 – R$127,678), 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$45,435 (1Q2019 - R$51,071).

NOTE 22 – OTHER OPERATING INCOME

(a) Income from Services Rendered and Bank Fees

	Parent Company			Consolidated
	01/01 to 03/31/2020	01/01 to 03/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
Funds Administration	17,472	17,900	19,357	19,902
Income from Collection and Custody Services	15,976	17,076	15,972	17,071
Income from Guarantees Provided	1,139	764	1,139	764
Income from Consortium Administration Fees	-	-	22,726	19,806
Income from Operations Brokerage	-	-	4,058	2,732
Banrisul Cards Service Revenues	-	-	153,581	163,605
Check Returns	4,453	5,088	4,453	5,088
Account debits	17,854	16,782	17,855	16,782
Collection Services	14,885	14,931	14,885	14,931
Security Commissions	62,701	58,639	62,701	58,639
Check Transactions	3,434	4,451	3,434	4,451
Bank Fees for Current Accounts	153,627	134,830	153,627	134,830
Credit card	16,151	17,128	16,152	17,128
Withdrawal Fees	1,857	1,946	1,856	1,946
Bank Guarantee Rates	792	2,561	792	2,561
Other Income	7,942	7,113	11,648	10,497
Total	**318,283**	**299,209**	**504,236**	**490,733**

(b) Other Income

	Parent Company			Consolidated
	01/01 to 03/31/2020	01/01 to 03/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
Recovery of Charges and Expenses	36,814	39,764	9,992	9,892
Reversal of Operating Provisions for:				
Labor	-	-	7	3
Tax	-	3	-	3
Others	95	367	95	367
Interbank Rates	6,769	8,984	6,769	8,984
Credit Receivables Securities	2,503	2,344	2,503	2,344
Commission and Fee on Insurance and Capitalization	4,052	4,688	4,052	4,688
Miscellaneous Card Recipes	30,774	29,482	30,774	29,482
Reversal of Provisions for Outgoing Payments	3,443	20,324	5,479	20,351
Advance Acquisition Revenue	-	-	5,558	5,867
Portability Income from Credit Operations	13,263	7,471	13,263	7,471
Others	4,717	4,934	14,794	8,006
Total	**102,430**	**118,361**	**93,286**	**97,458**

NOTE 23 – OTHER OPERATING EXPENSES

(a) Personnel expenses

	Parent Company			Consolidated
	01/01 to 03/31/2020	01/01 to 03/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
Salary	289,724	273,066	293,007	275,663
Benefits	85,241	84,296	85,717	84,771
Social charges	120,473	128,779	121,140	129,429
Trainings	5,233	4,200	5,236	4,200
Total	**500,671**	**490,341**	**505,100**	**494,063**

(b) Other Administrative Expenses

	Parent Company		Consolidated	
	01/01 to 03/31/2020	01/01 to 03/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
Communications	17,317	18,401	17,504	18,558
Data processing	24,904	29,056	30,023	33,168
Surveillance, Security and Transportation of Values	35,646	34,356	35,646	34,356
Amortization and Depreciation	52,222	50,566	54,282	51,605
Rentals and Condominiums	31,763	31,705	31,408	31,348
Materials	3,160	3,451	4,670	6,653
Third Party Services (1)	125,503	133,506	137,250	146,823
Specialized Technical Services	19,368	42,053	20,043	46,124
Advertising, Promotions and Advertising (2)	26,590	23,858	30,202	31,103
Maintenance and Conservation	14,633	15,928	14,782	15,996
Water, Energy and Gas	10,854	10,735	11,098	10,949
Financial System Services	9,043	10,487	9,923	11,143
Others	18,142	18,697	18,418	18,953
Total	**389,145**	**422,799**	**415,249**	**456,779**

(1) Of the amount of R$125,503 (1Q2019 - R$133,506), R$55,008 (1Q2019 - R$59,344) come from expenses with services originating from payroll deductible loans through the Bem Promotora de Vendas e Serviços S.A.

(2) It consists mainly of R$10,934 (1Q2019 - R$10,603), and in the Consolidated R$11,688 (1Q2019 - R$15,390), of institutional advertising expenses, and of R$13,626 (1Q 2019 - R$11,340) as sponsorship of sport events and teams.

(c) Other Expenses

	Parent Company		Consolidated	
	01/01 to 03/31/2020	01/01 to 03/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
Discounts Granted on Renegotiations	8,852	14,362	8,852	14,362
Expenses with Labor Provisions (Note 19)	57,438	43,820	57,482	43,872
Expenses with Provisions for Civil Actions (Note 19)	26,926	21,941	27,061	22,096
Federal Tax Collection Expenses	702	1,002	702	1,002
Expenses with Provisions for Tax Risks (CS / IR) (Note 19)	4,180	2,764	4,185	2,764
Monetary Update Fines Exchange Rates - BACEN (Note 19)	485	709	485	709
Monetary Update of Banrisul Foundation's Contracted Debt	861	1,582	861	1,582
Card Expenses	3,571	5,356	3,571	5,356
Expenses with Provisions for Guarantees Provided by Banrisul	3,910	169	3,910	169
Credit Operations Portability Expenses	19,692	13,698	19,692	13,698
INSS Agreement Rates	16,415	12,247	16,415	12,247
Banrisul Advantage Membership Program Bonus	7,539	-	7,539	-
Expenses with Banrisul Branded Cards	-	-	7,718	3,487
Others	13,465	9,137	16,379	7,907
Total	**164,036**	**126,787**	**174,852**	**129,251**

NOTE 24 - INCOME TAX AND SOCIAL CONTRIBUTION

(a) Reconciliation of Income Tax and Social Contribution Expenses/Revenue

	Parent Company		Consolidated	
	01/01 to 03/31/2020	01/01 to 03/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
Income for the Period before Taxes and Profit Sharing	**318,517**	**421,309**	**358,966**	**461,132**
Income Tax (IRPJ) - Rate 25%	(79,629)	(105,327)	(89,741)	(115,283)
Social Contribution Tax (CSLL) - Rate of 9%	-	-	(10,333)	(10,364)
Social Contribution Tax (CSLL) - (Note 3p)	(52,447)	(63,196)	(41,913)	(51,896)
Total Income and Social Contribution Taxes calculated at Current Rate	**(132,076)**	**(168,523)**	**(141,987)**	**(177,543)**
Impacts in Deferred Taxes from Law No. 13169/15 and Amendment No. 103/19 (1)	15,065	-	15,065	-
Profit Sharing	13,357	13,425	13,357	13,425
Interest on Equity	42,083	51,071	42,083	51,071
Equity Result	36,869	37,212	5,514	4,497
Other Exclusions, Net of Additions	(4,154)	(938)	(3,300)	1,158
Total Income and Social Contribution Taxes	**(28,856)**	**(67,753)**	**(69,268)**	**(107,392)**
Current	(35,075)	(63,143)	(76,301)	(102,282)
Deferred	6,219	(4,610)	7,033	(5,110)

(1) Amendment No. 103/19 increased to 20% from 15% the Social Contribution on Net Income (CSLL) rate applicable to the financial sector, from March 2020 onwards. This increase in the rate also produced effects on the tax credits recorded on temporary differences under deferred taxes from November 2019.

NOTE 25 - 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 March 31, 2020, the balance of said collected resources, indexed through the reporting date by TR (managed prime rate) plus interest of 6.17% p.a., totaled R$10,765,882 (12/31/2019 – R$10,689,973), of which R$10,112,837 (12/31/2019 - R$10, 112,837) was transferred to the State upon its request. The remaining balance, which makes up the aforementioned fund, is recorded in Other Liabilities - Financial and Development Fund.

(b) Sureties and guarantees granted to customers amount to R$199,005 (12/31/2019 - R$193,353), generate fee income and have recourse to the beneficiaries in case they have to be honored. Provisions for possible losses amounting to R$14,563 (12/31/2019 - R$10,653) have been made.

(c) Banrisul has confirmed import and export credits for R$71,196 (12/31/2019 - R$42,560) and recourse exposure from credit assignments for R$7,650 (12/31/2019 - R$6,938).

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

	Parent Company and Consolidated	
	03/31/2020	12/31/2019
Investment Funds (1)	11,481,814	11,601,532
Investment Funds in Investment Fund Shares	69,894	68,692
Equity Funds	203,172	294,745
Individual Retirement Programmed Funds	11,960	12,637
Fund to Guarantee the Liquidity of Rio Grande do Sul State Debt Securities	103,841	39,547
Managed Portfolios	535,145	558,622
Total	**12,405,826**	**12,575,775**

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

(e) Subsidiary Banrisul S.A. Administradora de Consórcios is responsible for the management of 169 buyers' pools (178 in 12/31/2019), including real estate, motorcycles and vehicles, comprising active 70,340 pool members (70,804 in 12/31/2019).

(f) Banrisul leases properties, mainly used for branches, based on standard contracts which may be cancelled at its own discretion and include renewal options and adjustment clauses. Total future minimum payments under non-cancelable lease agreements as of March 31, 2020 were R$324,461, of which R$90,016 mature in up to one year, R$213,595 from one to five-year term and R$20,850 beyond five-year term. In the period, lease payments recognized as expenses amounted to R$29,054.

NOTE 26 - POST-EMPLOYMENT LONG-TERM BENEFIT OBLIGATIONS TO EMPLOYEES

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

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

Banrisul's Social Security Policy, operated through Fundação Banrisul de Seguridade Social, and established in January 29, 1963, in accordance with the rules then in force, is legally grounded on article 202 of the Federal Constitution of October 5, 1988, Supplementary Laws No. 108 and No. 109 of May 29, 2001 and other legal provisions in force, issued by regulators of Social Security associated with the Ministry of Finance, the National Supervisory Office of Supplementary Pension (Previc) and the National Council on Supplementary Pension (CNPC), the articles of incorporation of Fundação Banrisul and the relevant regulations of the Benefit Plans and in accordance with CMN Resolutions No 3846/10, No. 4275/13, No.4611/17, No. 4626/18 and No. 4661/18, article two of Resolution No. 4449/15. As per article 08 of the CMN Resolution No. 4661/18, the Chief Investment Officer, the technically qualified portfolio manager, is to be designated by the Deliberative Committee of the Pension Fund, in the quality of the main responsible officer for managing, allocating, supervising and monitoring the plans resources and by making available information related to the sources and uses of these resources.

The Benefit Plans which put into practice Banrisul's Private Pension Policy are grounded on the respective regulations of the Plans, which set forth all rights and obligations of the Participants, Sponsors, Actuarial Funding Plan, legal deadlines, way of payment of monthly contributions and benefits, length of minimum contribution and other parameters. All regulations are approved by the legal internal management bodies, by the Sponsor(s) and by the Federal Supervision and Regulation bodies, pursuant to the legislation currently in force. In accordance with Previc Instruction No. 10/2018, the Executive Council of Banrisul Foundation has appointed the Administrator Responsible for the Benefit Plan – ARPB.

The set of hypotheses and actuarial methods adopted for the actuarial calculations arose from interaction with an external actuarial advisory firm which performed the calculations for the Benefit Plans managed by Fundação Banrisul, Executive Board and the representatives of the Decision-making Board of the Foundation and supported by the sponsors of Benefit Plan I and Settled Plan (defined benefit type) and FBPREV, FBPREV II and FBPREV III Plan (variable contribution type), pursuant to CNPC Resolution No. 30/2018, Previc Instruction No. 10/2018 and Previc Ordinance No. 300/2019.

Due to the volatilities from Benefit Plan I and seeking alternatives to resolve the matter, the Executive Board of Banrisul Foundation proposed a new migration process, similar to 2014´s, to a new benefit plan (named FBPREV III), with more stable participation costs and other alternatives for the payment of post-employment benefits, in addition to that of lifetime income.

With the approval of the new migration process, granted by the Decree No. 1123/2018 from the National Superintendence of Complementary Social Security - PREVIC, in January 28, 2019, Banrisul Foundation released the terms for the voluntary migration process offered to Benefit Plan I (PBI) participants to switch onto FBPREV III Benefit Plan (FBPREV III), a variable contribution post-employment plan, being the contribution defined by the participant during the reserve accumulation phase and the defined benefit set upon retirement, according to the participant's choice, whether lifelong payments or not. The migration process ended on April 27, 2019.

Pursuant to current legislation, as of June 2019 the sponsoring entities made payments within the migration process. On May 31, 2019, the date of in which the FBPREV III pension benefit plan was implemented, and indexed to INPC plus interest of 4.86% p.a., Banrisul's contribution of R$126,091 in the quality of sponsor, was deposited into the new plan.

As the result of the migration process that ended on April 27, 2019, the number of participants in their respective plans is as follows:

Participants	PBI before Plan Migration	PBI after Plan Migration	FBPREV III Plan (1)
Active	274	35	239
Assisted	4,519	3,093	1,426
Total	**4,793**	**3,128**	**1,665**

(1) Of the total participants in the FBPREV III Plan, 1,094 participants opted to receive lifetime income benefits at the time of migration.

After the restructuring plan, Banrisul's remaining portion of the debt, in the amount of R$66,230 in December 31, was distributed as follows: R$23,896 to the Defined Benefit Plan I (PBI), R$16,895 to the Settled Defined Benefit Plan (PBS), R$11,796 to the FBPREV Benefit Plan II (FBPREV II) and R$13,643 to the FBPREV Benefit Plan III (FBPREV III), recorded in Other Liabilities (Note 18). This debt, due 2028, is paid with the interest rate of 6% p.a., indexed to the General Price Index – Internal Availability – (IGP-DI), periodically updated and with monthly payments. This debt was settled in January 2020.

(a) Principal Assumptions

The principal assumptions below were elaborated upon information available at December 31, 2019 and 2018, subject to annual review.

Economic Assumptions – 12/31/2019	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.)	Retirement Award (% p.a.)
Discount Rate	7.01	7.01	7.01	7.01	7.01	7.01	7.01
Inflation Rate	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Salary Growth Rate	6.25	n/a	8.82	7.93	7.07	n/a	8.82
Growth of Granted Benefits	3.60	3.60	3.60	3.60	3.60	n/a	n/a
Growth of Deferred Benefits	3.60	3.60	3.60	3.60	3.60	n/a	n/a
Growth Rate of Pharmaceutical Cost	n/a	n/a	n/a	n/a	n/a	4.64	n/a

Economic Assumptions – 12/31/2018	PBI Plan (% p.a.)	Settled Plan (% p.a.)	FBPREV Plan (% p.a.)	FBPREV II Plan (% p.a.)	Health Plan (% p.a.)	Retirement Award (% p.a.)
Discount Rate	9.15	9.15	9.15	9.15	9.15	9.15
Inflation Rate	4.00	4.00	4.00	4.00	4.00	4.00
Salary Growth Rate	7.16	n/a	10.72	8.45	n/a	10.72
Growth of Granted Benefits	4.00	4.00	4.00	4.00	n/a	4.00
Growth of Deferred Benefits	4.00	4.00	4.00	4.00	n/a	4.00
Growth Rate of Pharmaceutical Cost	n/a	n/a	n/a	n/a	5.00	n/a

Demographic Assumptions as of 12/31/2019	Mortality Table (Able)	Mortality Table (Disabled)	Disability Entry Table	Turnover Table
PBI Plan	AT-2000 Basic smoothed by 20%, gender specific	RRB 1983 decreased by 50%	Low Light, decreased by 80%	Knowledge of the actuarial consulting firm adjusted to the sponsor's expertise, modified (+0.30)
Settled Defined Plan (PBS)	AT-2000 Basic smoothed by 10% (SOA), gender specific	RRB 1983 decreased by 50%	Low Light, decreased by 80%	Knowledge of the actuarial consulting firm, modified (+0.01)
Plan FBPREV	AT-2000 Basic, decreased by 20%, gender specific	RRB 1983 decreased by 50%	Low Light, decreased by 80%	Knowledge of the actuarial consulting firm, modified (-0.005)
Plan FBPREV II	AT-2000 Basic, decreased by 20%, gender specific	RRB 1983 decreased by 50%	Low Light, decreased by 80%	Knowledge of the actuarial consulting firm, modified (+0.04)
Plan FBPREV III	AT-2000 Basic, gender specific	RRB 1983 decreased by 50%	Strong Light decreased by 60%	The probability of turnover used for the Plan PBPREV III is 0.64%, linearly
Health Plan	Correspond to those considered in the plans: PBI, Settled, FBPREV, FBPREV II and FBPREV III	Correspond to those considered in the plans: PBI, Settled, FBPREV, FBPREV II and FBPREV III	Correspond to those considered in the plans: PBI, Settled, FBPREV, FBPREV II and FBPREV III	Correspond to those considered in the plans: PBI, Settled, FBPREV, FBPREV II and FBPREV III. For Dental Care Plan and Drug Aid: knowledge of the actuarial consulting firm, modified (+0.30)
Retirement Award	AT-2000 Basic, decreased by 20%, gender specific	Not applicable	Low Light, decreased by 80%	Knowledge of the actuarial consulting firm, modified (-0.005)

Demographic Assumptions as of 12/31/2018	Mortality Table (Able)	Mortality Table (Disable)	Disability Entry Table	Turnover Table
PBI Plan	AT-2000 Basic, segregated by gender	RRB 1983 decreased by 50%	Strong Light decreased by 60%	Knowledge of the actuarial consulting firm adjusted to the sponsor's expertise, modified (+0.10)
Settled Defined Plan (PBS)	AT-2000, Basic, segregated by gender,	RRB 1983 decreased by 50%	Low Light, decreased by 60%	Knowledge of the actuarial consulting firm adjusted to the sponsor's expertise, increased by 125%
Plan FBPREV	AT-2000 Basic, gender specific, established with basis on AT-2000 Basic decreased by 10%	RRB 1983 decreased by 50%	Low Light, decreased by 60%	Knowledge of the actuarial consulting firm, modified
Plan FBPREV II	AT-2000 Basic, gender specific, established with basis on AT-2000 Basic decreased by 10%	RRB 1983 decreased by 50%	Low Light, decreased by 60%	Knowledge of the actuarial consulting firm
Health Plan	Correspond to those considered in the plans: PBI, Settled, FBPREV II and FBPREV	Correspond to those considered in the plans: PBI, Settled, FBPREV II and FBPREV	Correspond to those considered in the plans: PBI, Settled, FBPREV II and FBPREV	Correspond to those considered in the plans: PBI, Settled, FBPREV II and FBPREV
Retirement Award	AT-2000 Basic, gender specific, established with basis on AT-2000 Basic decreased by 10%	Not applicable	Low Light, decreased by 60%	Knowledge of the actuarial consulting firm, modified (+0.01)

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

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

Banrisul determines the appropriate discount rate at the end of each year, in observance of CVM Rule No. 695/12 and CMN Resolution No. 4424/15, which is used to determine the present value of estimated future cash outflows that shall be required to settle the obligations of pension plans. In determining the appropriate discount rate, Banrisul considers the interest rates of the Treasury bills, denominated in Reais, the currency in which benefits will be paid, and which have maturities close to the terms of the corresponding obligations.

Pursuant to CNPC Resolution No. 30/2018, combined with Previc Instruction No. 10/2018 and Previc Ordinance No. 300/2019, 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% 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% of the monthly contribution pay base in excess of 9 (nine) reference units; and
(iii) Variable portion: percentage applied to the monthly contribution pay basis, annually established by the actuary to cover 50% of the costs of risk benefits and the plan's administrative expenses.

In addition to regular contributions, the participant may opt to make contributions not lower than 1 (one) reference unit not matched by the sponsor.

Banrisul's contributions match the participants' regular contributions.

Health Plan (Medic, Dental and Drug Assistance) - Banrisul offers health plans through CABERGS, to its active employees and retirees by Banrisul Foundation.

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

(c) Main Actuarial Risks

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

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

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

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

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

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

(d) Plan Asset Management

The Plan's asset allocations percentage are as follow:

Plans	PB I Plan % Allocated		Settled Plan % Allocated		FBPREV Plan % Allocated		FBPREV II Plan % Allocated		FBPREV III Plan % Allocated		Health Plan % Allocated	
Categories	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Fixed Income	77.00	82.30	77.81	83.96	86.00	91.24	83.35	88.98	78.23	-	97.97	97.83
Equity	9.98	8.75	9.62	7.77	3.27	1.28	6.40	4.34	9.58	-	2.03	2.17
Real Estate	3.45	3.76	2.90	3.06	0.39	0.55	1.41	1.64	3.17	-	-	-
Other	9.57	5.19	9.67	5.21	10.34	6.93	8.84	5.04	9.02	-	-	-
Total	**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$15,935 (12/31/2018 - R$15,624) and rented real state with a fair value of R$125,701 (12/31/2018 - R$98,851).

(e) Actuarial Reviews

The net actuarial (asset)/liability breakdown summary for the fiscal years ended December 31, 2019 and 2018, prepared based on the actuarial report as of December 31, 2019 and 2018, respectively, and in accordance with CPC 33 (R1), is shown below:

Liabilities (Assets) Recorded in the Balance Sheet with Benefits of:	**12/31/2019**	**12/31/2018 (Restated)**
Pension Plans		
Benefit Plan I (PBI)	470,944	449,383
Settled Defined Plan (PBS)	252,809	76,211
FBPREV Plan (FBPREV)	(9)	(1)
FBPREV II Plan (FBPREV II)	(63)	(8)
FBPREV III Plan (FBPREV III)	69,027	-
Health, Dental and Drug Plans	(212,585)	(188,056)
Retirement Award	214,055	204,238
Total	**794,178**	**541,767**

As of 2019, only post-employment benefits offered to employees of Banrisul and its subsidiaries are being considered. For comparison purposes, 2018 figures were restated. This procedure produced effects of R$2,585 on equity, R$1,067 on assets and R$1,518 on liabilities.

The breakdown of the Net Actuarial Liability prepared based on the actuarial reports as of May 31, 2019 and December 31, 2018 and 2017, and according to CPC 33 (R1), is as follows:

Changes in the Balance Net Position as of 12/31/2019	**Benefit Plan I**	**Settled Defined Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Present Value of Actuarial Liabilities	(1,805,025)	(1,529,458)	(17,269)	(156,833)	(411,108)	(212,585)	(214,055)
Fair Value of Assets	1,334,081	1,276,649	19,566	168,710	342,081	461,283	-
Surplus/(Deficit)	(470,944)	(252,809)	2,297	11,877	(69,027)	248,698	(214,055)
Unrecoverable Surplus (Effect of Asset Limit)	-	-	(2,288)	(11,814)	-	(36,113)	-
Net Actuarial Assets (Liabilities)	**(470,944)**	**(252,809)**	**9**	**63**	**(69,027)**	**212,585**	**(214,055)**

Changes in the Balance Net Position as of 12/31/2018	**Benefit Plan I**	**Settled Defined Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Present Value of Actuarial Liabilities	(2,402,077)	(1,239,923)	(14,327)	(112,186)	-	(197,461)	(204,238)
Fair Value of Assets	1,952,694	1,163,712	14,975	138,863	-	385,517	-
Surplus/(Deficit)	(449,383)	(76,211)	648	26,677	-	188,056	(204,238)
Unrecoverable Surplus (Effect of Asset Limit)	-	-	(647)	(26,669)	-	-	-
Net Actuarial Assets (Liabilities) (Restated)	**(449,383)**	**(76,211)**	**1**	**8**	**-**	**188,056**	**(204,238)**

Changes in the Present Value of Actuarial Liabilities as of 12/31/2019	**Benefit Plan I**	**Settled Defined Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Present Value of Actuarial Liabilities as of January 1st	**2,402,077**	**1,239,923**	**14,327**	**112,186**	**-**	**197,461**	**204,238**
Cost of Current Service	(1,539)	-	1,107	649	1	1,893	8,744
Interest Cost over Present Value of Liabilities	159,411	109,075	1,299	9,948	18,259	17,705	16,516
Contributions from Plan Participants	42,855	2,993	508	-	-	-	-
Actuarial (Gain)/Loss – Knowledge	(17,802)	(12,445)	444	23,432	(24,922)	(33,793)	(7,809)
Actuarial (Gain)/Loss - Demographic Assumptions	146,204	39,419	(1,125)	(3,812)	3	(8,668)	9,651
Actuarial (Gain)/Loss - Financial Assumptions	234,219	238,212	1,104	26,147	25,075	46,694	5,366
Benefits Paid on Plan Assets	(203,186)	(87,719)	(395)	(11,717)	(23,200)	(8,707)	-
Early Termination of Obligation	(957,214)	-	-	-	-	-	-
Transfers	-	-	-	-	415,892	-	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	(22,651)
Present Value of Actuarial Liabilities at end of Period	**1,805,025**	**1,529,458**	**17,269**	**156,833**	**411,108**	**212,585**	**214,055**

Changes in the Present Value of Actuarial Liabilities as of 12/31/2018	**Benefit Plan I**	**Settled Defined Plan**	**FBPREV Plan**	**FBPREV II Plan**	**FBPREV III Plan**	**Health Plan**	**Retirement Award**
Present Value of Actuarial Liabilities as of January 1st	**2,308,815**	**1,158,097**	**10,837**	**101,506**	**-**	**195,746**	**179,913**
Cost of Current Service	(1,689)	-	960	734	-	1,972	7,748
Interest Cost over Present Value of Liabilities	215,337	109,449	1,056	9,667	-	18,928	15,791
Contributions from Plan Participants	57,876	3,466	654	678	-	-	-
Actuarial (Gain)/Loss – Knowledge	(27,173)	2,041	522	3,470	-	(20,654)	(4,204)
Actuarial (Gain)/Loss - Financial Assumptions	86,626	50,059	606	4,361	-	9,561	6,573
Benefits Paid on Plan Assets	(237,715)	(83,189)	(308)	(8,230)	-	(4,758)	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	(3,334)	(1,583)
Present Value of Actuarial Liabilities at end of Period (Restated)	**2,402,077**	**1,239,923**	**14,327**	**112,186**	**-**	**197,461**	**204,238**

Changes in the Fair Value of the Plan Assets as of 12/31/2019	Benefit Plan I	Settled Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Fair Value of the Plan Assets as of January 1st	**1,952,694**	**1,163,712**	**14,975**	**138,863**	**-**	**385,517**	**-**
Interest Income on Plan Assets	132,247	102,553	1,392	12,464	16,064	34,712	-
Asset Yield Greater/(Lower) than Discount Rate	123,333	88,705	2,706	27,437	(20,136)	41,054	-
Contributions paid by the Company	33,839	6,405	380	1,663	1,136	-	-
Contributions from Plan Participants	42,855	2,993	508	-	55,865	-	-
Benefits Paid	(203,186)	(87,719)	(395)	(11,717)	(23,200)	-	-
Transfers	-	-	-	-	312,352		
Early Termination of Obligation	(747,701)	-	-	-	-	-	
Fair Value of the Plan Assets at end of Period	**1,334,081**	**1,276,649**	**19,566**	**168,710**	**342,081**	**461,283**	**-**

Changes in the Fair Value of the Plan Assets as of 12/31/2018	Benefit Plan I	Settled Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Fair Value of the Plan Assets as of January 1st	**1,968,353**	**1,109,151**	**12,400**	**124,493**	**-**	**338,195**	**-**
Interest Income on Plan Assets	188,941	105,136	1,239	12,003	-	32,301	-
Asset Yield Greater/(Lower) than Discount Rate	(91,018)	22,012	456	7,684	-	15,021	-
Contributions paid by the Company	66,257	7,136	534	2,235	-	-	-
Contributions from Plan Participants	57,876	3,466	654	678	-	-	-
Benefits Paid	(237,715)	(83,189)	(308)	(8,230)	-	-	-
Fair Value of the Plan Assets at end of Period (Restated)	**1,952,694**	**1,163,712**	**14,975**	**138,863**	**-**	**385,517**	**-**

Changes in the Net Actuarial Plan Assets (Liabilities) as of 12/31/2019	Benefit Plan I	Settled Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Actuarial Assets (Liabilities) at End of Previous Year	**(449,383)**	**(76,211)**	**1**	**8**	**-**	**188,056**	**(204,238)**
Cost of Service	211,052	-	(1,107)	(649)	(415,893)	(1,893)	(8,744)
Net Interest on Assets/(Liabilities)	(27,164)	(6,522)	33	76	(2,195)	17,007	(16,516)
Effects of Revaluation Recognized in Others Comprehensive Income	(239,288)	(176,481)	702	(1,035)	(20,292)	708	(7,208)
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	22,651
Transfers	-	-	-	-	312,352	-	-
Contributions paid by the Company	33,839	6,405	380	1,663	57,001	8,707	-
Net Actuarial Assets (Liabilities) at the of Current Year	**(470,944)**	**(252,809)**	**9**	**63**	**(69,027)**	**212,585**	**(214,055)**

Changes in the Net Actuarial Plan Assets (Liabilities) as of 12/31/2018	Benefit Plan I	Settled Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Net Actuarial Assets (Liabilities) at End of Previous Year	**(340,462)**	**(48,946)**	**-**	**-**	**-**	**143,076**	**(179,913)**
Cost of Service	1,689	-	(960)	(734)	-	(2,049)	(7,748)
Net Interest on Assets/(Liabilities)	(26,396)	(4,313)	29	74	-	13,427	(15,791)
Effects of Revaluation Recognized in Others Comprehensive Income	(150,471)	(30,088)	398	(1,567)	-	24,396	(2,369)
Benefits Paid Directly by the Sponsor	-	-	-	-	-	3,353	-
Contributions paid by the Company	66,257	7,136	534	2,235	-	4,786	1,583
Net Actuarial Assets (Liabilities) at the of Current Year (Restated)	**(449,383)**	**(76,211)**	**1**	**8**	**-**	**186,989**	**(204,238)**

Estimated Cost of Defined Benefit for the Next Period	Benefit Plan I	Settled Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Cost of Current Services	(25)	-	1,206	346	3	362	10,353
Net Interest on Actuarial Liabilities (Assets)	30,193	17,398	(18)	(64)	4,761	4,871	13,562
Actuarial Estimated Expenses (Income)	**30,168**	**17,398**	**1,188**	**282**	**4,764**	**5,233**	**23,915**

Estimated Cash Flow for the Next Period	Benefit Plan I	Settled Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Contributions Paid by the Sponsor	26,210	6,166	249	1,726	2,022	10,552	-
Contributions Paid by Plan Participants	54,356	3,077	249	-	-	54,892	-
Benefits Paid Directly by the Sponsor	-	-	-	-	-	-	40,637
Benefits Paid on Plan Assets	173,444	98,591	327	8,645	32,105	80,773	-

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 Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
2020	173,444	98,591	326	8,645	32,105	10,553	40,637
2021	176,306	101,606	337	8,886	32,514	9,720	5,989
2022	178,958	104,633	348	9,127	32,870	10,533	8,513
2023	181,330	107,624	360	9,372	33,168	11,469	11,684
2024	183,521	110,536	371	9,617	33,404	12,352	17,749
2025 to 2029	938,680	589,996	2,039	51,666	168,051	71,299	121,613

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

Weighted Average Duration of the Present Value of the Liabilities (in years)	Benefit Plan I	Settled Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
12/31/2019	10.17	11.53	11.32	10.30	9.80	15.30	10.20
12/31/2018	9.38	10.51	11.32	10.30	-	-	8.41

Other information concerning the plans:

Number of Participants as of 12/31/2019	Benefit Plan I	Settled Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Active	152	756	5,385	3,877	193	9,384	10,382
Assisted	3,005	2,217	43	1,113	1,377	5,845	-
Total	**3,157**	**2,973**	**5,428**	**4,990**	**1,570**	**15,229**	**10,382**

Number of Participants as of 12/31/2018	Benefit Plan I	Settled Defined Plan	FBPREV Plan	FBPREV II Plan	FBPREV III Plan	Health Plan	Retirement Award
Active	334	938	5,211	4,307	-	9,824	10,799
Assisted	4,395	2,055	33	790	-	5,481	-
Total (Restated)	**4,729**	**2,993**	**5,244**	**5,097**	**-**	**15,305**	**10,799**

(f) Sensitivity Analysis

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

Benefit Plan I (PBI) - 12/31/2019		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	7.51%	(107,687)
Discount Rate	6.51%	117,232
Mortality Table	10% Increase	(79,187)
Mortality Table	10% Decrease	90,088

Settled Plan (PBS) – 12/31/2019		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	7.51%	(81,840)
Discount Rate	6.51%	89,857
Mortality Table	10% Increase	(36,521)
Mortality Table	10% Decrease	40,256

FBPREV Plan (FBPREV) – 12/31/2019		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	7.51%	(978)
Discount Rate	6.51%	1,090
Mortality Table	10% Increase	760
Mortality Table	10% Decrease	(754)

FBPREV II Plan (FBPREV II) – 12/31/2019		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	7.51%	(8,461)
Discount Rate	6.51%	9,342
Mortality Table	10% Increase	(1,918)
Mortality Table	10% Decrease	2,186

FBPREV III Plan (FBPREV III) – 12/31/2019		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	7.51%	(18,393)
Discount Rate	6.51%	19,985
Mortality Table	10% Increase	(11,453)
Mortality Table	10% Decrease	12,738

Health Plan – 12/31/2019		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	7.51%	(14,533)
Discount Rate	6.51%	16,502
Mortality Table	10% Increase	(8,691)
Mortality Table	10% Decrease	10,232

Retirement Award – 12/31/2019		**Impact in R$ Thousand**
Assumption Description	**Hypothesis**	**Effect on Present Value of Actuarial Liabilities**
Discount Rate	7.51%	(9,492)
Discount Rate	6.51%	10,423
Mortality Table	10% Increase	(608)
Mortality Table	10% Decrease	610

NOTE 27 - CORPORATE RISKS AND CAPITAL MANAGEMENT

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

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

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

Credit Risk

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

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

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

For the corporate customers, Banrisul uses technical studies conducted by a specialized risk assessment department, which evaluate companies from financial, management, market and production standpoints, with periodic reviews that also take into account current and future economic environments. The management of the Credit Risk exposure is based on a selective, conservative approach, pursuant to the strategies set by Banrisul's management and the Board of Directors.

(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) Risk Limit Control and Risk Mitigation Policy

Among the procedures in use to manage, limit and control credit risk concentration, the main highlights are herein presented:

(i) Management controls assumed risk levels by setting limits to the extent of acceptable risk in relation to a specific borrower, or groups of borrowers and industry segments. These risks and the related profile of each customer are continuously monitored and subject to annual or more frequent reviews when necessary. The limits on the level of credit risk by product and industry sector are approved by the Executive Board and by the Board of Directors, if applicable;
(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, The actual exposures are monitored on a monthly basis in accordance with the established limits; and
(iii) The credit risk exposure is also managed through the regular analysis of actual or potential borrowers, with respect to payments of principal and interest and change in the registration status and their limits when appropriate.

Market Risk

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

The Bank is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from the operation of foreign funding described in Note 15. 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 Institution also conducts quarterly sensitivity analysis 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 and CVM Rule No, 475/08, 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 set forth by CVM Rule No, 475/08, as follows:

Scenario 1: Probable situation, Assumptions: a deterioration of 1% in market risk variables, taking into account prevailing conditions at March 31, 2020.
Scenario 2: Possible situation, Assumptions: an elevation of 25% in market risk variables, taking into account prevailing conditions at March 31, 2020.
Scenario 3: Remote situation, Assumptions: an elevation of 50% in market risk variables, taking into account prevailing conditions at March 31, 2020.

The following table shows the highest and the lowest expected loss considering scenarios 1, 2 and 3 and their upward or downward variations.

For Foreign Exchange Risk, the rate of R$5,1987/USD1.00 as of March 31, 2019 (PTAX - Central Bank of Brazil) was used.

Sensitivity analyses identified below do not consider the responsiveness of the risk and treasury areas because, once loss is observed on these positions, risk mitigating measures are rapidly deployed, minimizing the possibility of significant losses.

Sensitivity Test: Trading Portfolio

Scenarios		Risk Factors			Total
		Interest Rate	Exchange Rate	Equity	
1	1%	19	2,105	78	**2,202**
2	25%	497	52,630	1,943	**55,070**
3	50%	1,021	105,260	3,885	**110,166**

Definitions:

Interest Rate - exposures subject to variations in interest rates, fixed-coupon interest rates and inflation indexes.
Exchange Rate - exposures subject to currency fluctuations.
Equity - exposures subject to the variation of stock prices.

Analyzing the results, the Risk Factor "Exchange Rate" can be identified as the one with the largest sensitivity, which represents approximately 95.5% of the entire sensitivity for the three scenarios. The expected loss in Scenario 2 was 25 times greater than in Scenario 1. From Scenario 2 to Scenario 3, the change is 100%. The highest potential loss on these Sensitivity Test Scenarios, occurs in Scenario 3 (65.8%), totaling R$110,166.

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 USD523.185 million (523.185 million U.S. Dollars) recorded in the Banking Portfolio (Note 18). These external funding transactions had an original value of USD775 million (775 million U.S. dollars); however, on September 30, 2015, Banrisul repurchased USD248.96 million (248.96 million U.S. dollars), and on October 15, 2015, repurchased an additional USD2.85 million (2.85 million U.S. Dollars) therefore remaining the outstanding balance of USD523.185 million (523.185 million U.S. dollars), upon which stress tests were conducted for upward and downward variations in Scenarios I, II and III.

Stress tests were carried out on the value of foreign currency U.S. Dollar considering the rate of R$5.1924 on March 31, 2020 (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 in accordance with CVM Rule No. 475/08, which demands that high scenarios should consider upward variations of +25% and +50% and downward scenarios variations of -25% and -50%.

Thus, 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 at March 31, 2020.

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 March 31, 2020.

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 March 31, 2020 independently, since the Bank does not practice hedge accounting.

Trading and Banking Portfolio

Operation	Portfolio	Risk	Scenario I	Scenario II	Scenario III
Swap	Trading	Increase in U.S. Dollar Coupon	(1,177)	(29,137)	(57,694)
		Line Item Being Hedged			
Debt 1	Banking	Increase in US Dollar Coupon	1,177	29,137	57,694
		Net Effect	-	-	-

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

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

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

Liquidity Risk

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

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

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

Liquidity management is centralized at the Treasury Department and is responsible to maintain a satisfactory level of cash to meet the financial needs in the short-, medium- and long-term, both in normal scenario and in a crisis scenario, taking the necessary corrective action, when necessary.

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

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

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

Operational Risk

Operational Risk is defined as the possibility of losses resulting from external events or failure, deficiency or inadequacy of internal processes, individuals or systems.

The methodology of Operational Risk management requires the conduction of analysis for the identification, measurement, assessment, monitoring, reporting, controlling and reduction of operational risks to which Banrisul is exposed. Through key risk indicators and the Internal Operational Risk Data Base, it is possible to monitor the evolution of losses and exposure to risk and propose improvement actions.

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

Socio-environmental Risk

Socio-environmental risk is defined as the possibility of losses arising from social and environmental damages and must be identified by financial institutions as a component of the various risk modalities to which they are exposed. Risk management also includes the activities of Banrisul.

Socio-environmental risk management covers financing, projects and operations, whose characteristics allow the previous identification of the allocation of resources, and does not prevent those that do not meet the definition above from being analyzed.

As to the Institution activities, socio-environmental risk management covers the waste management process, the compliance with requirements required in contracting suppliers, and the monitoring of contracts with contractors during their term, aiming at mitigating socio-environmental risks.

The results of the analyzes and the records of socio-environmental 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.

Capital Management

Capital management is a continuous process of monitoring, controlling, evaluating and planning goals and the need for capital, considering the risks to which the institution is subject, as well as its strategic objectives.

The adoption of best market practices and the maximization of investor profitability is carried out based on the best possible combination of investments in assets and the use of regulatory capital. The systematic improvement of risk policies, systems of internal controls and safety standards, integrated with the strategic and marketing objectives of the Institution are continuous processes in this scope.

Banrisul's capital management structure is the responsibility of the Board of Directors, which must review it annually and direct the alignment of the corporate strategy with the institution's risk appetite. The purpose of this management structure is to ensure that the risks to which the institution is subject are understood, managed and communicated, when necessary, so that the institution's capital is managed in the best possible way.

The risks relevant to Banrisul are divided between the risks subject to the capital requirement calculations, or pillar 1 risks, and the other risks considered relevant.

Pillar 1 Risks are those whose determination needs are determined by the Central Bank in order to strengthen the institutions' capital structure. These risks are: credit risk, market risk and operational risk. The minimum capital requirement for these risks seeks to provide financial institutions with strength. Banrisul adopts the Standardized model for calculating the installments that make up the total Risk-Weighted Assets – RWA , which provides for the calculation methodology for regulatory capital requirements for Credit, Market and Operational risks, defined by the national regulatory agency.

Each of the aforementioned risks is calculated and managed in accordance with its respective Structure and its consolidation is part of the Capital Management Structure. The RWA is the basis for determining the minimum limits for Principal Capital - CP, Tier 1 Capital - CN1 and Reference Equity - PR, which have their percentages defined in a schedule published by Central Bank.

In addition to the risks that are determined in Pillar 1, CMN Resolution No. 4,557/17 determines that the management structure must identify, measure, evaluate, monitor, report, control and mitigate liquidity, IRRBB, social and environmental risks and other relevant risks considered by the Institution.

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

CMN Resolution No. 4,615/17 determines that institutions in Segment S1 and Segment S2 must permanently comply with a minimum requirement of 3% for the Leverage Ratio. In this case, the higher the index, the better the institution's conditions in terms of leverage. The Leverage Ratio calculated for Banrisul in March 2020 was 7.23%.

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; and
d) Margin on PR considering IRRBB and ACP

If the assessment of the capital requirement calculated by the financial institution points to a value above the minimum requirements for PR, Level I and Principal Capital, as dealt with in Resolution No. 4,193/13 of the CMN, 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 ICAAPSIMP process, in addition to considering the Capital Plan and all the elements evaluated therein (as described below) also considers the results of the stress test program.

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

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

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

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

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

Basel Ratio

As set forth by the CMN Resolution No. 4280/13, the calculation of Regulatory Capital and Assets Weighted by Risk that make up the DLO Operating Limits Statement, is based on the Prudential Conglomerate and includes

Banco do Estado do Rio Grande do Sul S.A., Banrisul S.A. Administradora de Consórcios, Banrisul S.A. Corretora de Valores Mobiliários e Câmbio and Banrisul Cartões S.A.).

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

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

Conglomerate Prudential	03/31/2020	12/31/2019
Reference Equity	**6,546,595**	**6,438,996**
Tier I	**6,191,280**	**5,906,023**
Core Capital	**6,191,280**	**5,906,023**
Equity	5,205,891	5,205,891
Capital and Earnings Reserve	2,877,742	2,877,696
Credit Result Accounts	3,990,098	-
Deduction from Core Capital – Except for prudential adjustments	(4,004,943)	(289,486)
Prudential Adjustments (Resolution No.4192/13)	(1,877,508)	(1,888,078)
Tier II	**355,315**	**532,973**
Tier II Eligible Instruments (Resolution No.4192/13)	355,315	532,973
RWA - Risk Weighted Assets	**43,234,437**	**42,733,919**
RWA_{CPAD} (Credit Risk)	32,040,986	32,005,227
RWA_{MPAD} (Market Risk)	1,229,346	765,952
RWA_{JUR1} (Interest Rate Risk)	11,121	18,504
RWA_{JUR3} (Interest Rate Risk)	3,968	4,870
RWA_{ACS} (Equity Risk)	15,541	29,397
RWA_{CAM} (Exchange Risk)	1,198,716	713,181
RWA_{OPAD} (Operational Risk)	9,964,105	9,962,740
Banking Portfolio (RBAN)	275,858	477,935
Reference Equity Margin – with RBAN	1,731,121	1,473,999
Capital Ratio		
Basel Ratio	15,14%	15,07%
Tier I Ratio	14,32%	13,82%
Core Capital Ratio	14,32%	13,82%
Permanent Assets Ratio	7,95%	7,65%
Leverage Ratio	7,23%	7,02%

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 1Q2019, 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.

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

Requirement	Up to 03/31/2020	Up to 03/31/2021	Up to 09/30/2021	Up to 03/31/2022	From 04/01/2022
Main Capital	4.500%	4.500%	4.500%	4.500%	4.500%
Level I	6.000%	6.000%	6.000%	6.000%	6.000%
PR	8.000%	8.000%	8.000%	8.000%	8.000%
$ACP_{Conservation}$ (1)	**2.500%**	**1.250%**	**1.625%**	**2.000%**	**2.500%**
$ACP_{Contracyclic}$ (2) (up to)	2.500%	2.500%	2.500%	2.500%	2.500%
$ACPS_{Systemic}$ (up to)	2.000%	2.000%	2.000%	2.000%	2.000%
Total ACT (up to)	**7.000%**	**5.750%**	**6.125%**	**6.500%**	**7.000%**
Factor F	8.000%	8.000%	8.000%	8.000%	8.000%

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

(2) In the event of an increase in the Additional, the percentage must be disclosed by BACEN with at least 12 months in advance.

The Reference Equity reached R$6,546,595 in March 31, 2020, increasing R$107,599,077 from December 31, 2019, impacted by the incorporation of the results of the period and and by the reduction of equity valuation and secutirities justments. Tier II subordinated debt decreased R$177,658 due to the Basel III implementation schedule as per CVM Resolution No. 4192/13.

BACEN Resolution No. 3876/18 sets forth that the Prudential Conglomerate determines and discloses the IRRBB (Interest Rate Risk of the Banking Book) in substitution of the R_{BAN}, commencing on January 2019. The methodology for measuring the need for Reference Equity in relation to the interest rate risks to which the Bank's portfolio is exposed has changed, no longer being calculated by Value at Risk (VaR) but by using the ΔEVE (Variation of Economic Value of Equity) and ΔNII (Variation of Net Interest Income: variation in the result of financial intermediation).

Accordingly, IRRBB reached R$275,858 as of December 31, 2020, increasing R$477,935 in relation to the capital allocation of R$202,077 as of March 31, 2019, when R_{BAN} was the prevailing model.

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 portfolio (IRRBB from January 2019), and the additional core capital (minimum of 2.50% from January 2019).

On March 31, 2020, the Basel Ratio of the Prudential Conglomerate was 15.14%, higher than the minimum required by BACEN, Tier 1 ratio was 13.82% and Core Capital, 14.32%.

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 28 - TRANSACTIONS WITH RELATED PARTIES

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

Account balances referring to transactions among consolidated Banrisul companies are eliminated in the consolidated financial statements and take into consideration the absence of risk. As to the transactions carried out with the State Government and its fully or partially controlled entities, Banrisul has opted for the partial exemption instructed by Resolution No. 4636/18 of CMN. In this case, only the most significant transactions are disclosed.

With related parties, Banrisul operates banking transactions such as current account deposits (not remunerated), remunerated deposits, open market funding, loans (except for key management personnel) 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;
(ii) Companhia Estadual de Energia Elétrica (CEEE), Companhia Riograndense de Saneamento (CORSAN), Companhia de Gás do Rio Grande do Sul (SULGÁS), Centrais de Abastecimento do Rio Grande do Sul S,A, (CEASA), Companhia Estadual de Silos e Armazéns (CESA), Companhia Rio-grandense de Mineração (CRM), Companhia de Processamentos de Dados do Estado do Rio Grande do sul (PROCERGS) and BADESUL Desenvolvimento S,A, – Agência de Fomento/RS – companies controlled by the Government of the State of Rio Grande do Sul;
(iii) Affiliated (i) Bem Promotora de Vendas e Serviços S.A., engaged in payroll loan origination, (ii) Banrisul Icatu Participações S.A. (BIPAR), holding company owning 100% of Rio Grande Seguros e Previdência S.A., a life and

pension insurance company, and Rio Grande Capitalização; and (iii) VG8JV Tecnologia S.A. - VG8JV, offering integrated payment solutions to shopping centers located in its operating area throughout the national territory;
(iv) Fundação Banrisul de Seguridade Social (FBSS), closed supplementary pension entity that manages the pension plans sponsored by Banrisul and/or its subsidiaries;
(v) Caixa de Assistência dos Empregados do Banco do Estado do Rio Grande do Sul (Cabergs) is a non-profitable assistance association, regulated by private law; and
(vi) Investment Funds and Managed Portfolios, managed by Banrisul.

Transactions with related parties are as follows:

				Parent Company
	Assets (Liabilities)			Income (Expense)
	03/31/2020	12/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
State of Rio Grande do Sul Government	**(406,616)**	**(767,481)**	**(5,043)**	**(8,239)**
Other Credits	3,902	3,768	-	-
Demand Deposits	(270,187)	(695,214)	-	-
Repurchase Agreements (Repos) (1)	(103,841)	(39,547)	(4,475)	(7,416)
Other Payables	(36,490)	(36,488)	(568)	(823)
Subsidiaries and Investment Fund	**(1,187,041)**	**(1,255,376)**	**20,043**	**22,173**
Other Credits	116,889	117,976	26,971	29,866
Demand Deposits	(9,337)	(9,009)	-	-
Time Deposits	(22,947)	(23,916)	(227)	(166)
Repurchase Agreements (Repos)	(245,015)	(185,664)	(287)	(276)
Funds from Acceptance and Issuance of Securities	(260,215)	(287,457)	(3,026)	(4,878)
Other Payables	(766,416)	(867,306)	(3,388)	(2,373)
Banrisul Foundation	**(1,060)**	**(67,154)**	**(3,642)**	**(5,680)**
Other Payables	(1,060)	(67,154)	(3,642)	(5,680)
Total	**(1,594,717)**	**(2,090,011)**	**11,358**	**8,254**

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

				Consolidated
	Assets (Liabilities)			Income (Expense)
	03/31/2020	12/31/2019	01/01 to 03/31/2020	01/01 to 03/31/2019
State of Rio Grande do Sul Government	**(406,314)**	**(767,237)**	**(4,912)**	**(8,145)**
Cash	-	-	125	82
Other Credits	4,204	4,012	6	12
Demand Deposits	(270,187)	(695,214)	-	-
Repurchase Agreements (Repos) (1)	(103,841)	(39,547)	(4,475)	(7,416)
Other Payables	(36,490)	(36,488)	(568)	(823)
Banrisul Foundation	**(1,060)**	**(67,154)**	**(3,642)**	**(5,680)**
Other Payables	(1,060)	(67,154)	(3,642)	(5,680)
Total	**(407,374)**	**(834,391)**	**(8,554)**	**(13,825)**

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

(b) Management Compensation

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

	01/01 to 03/31/2020	01/01 to 03/31/2019
Short Term Benefits	**4,276**	**2,948**
Salaries	3,304	2,276
Social Security	972	672
Post-Employment Benefits	**131**	**188**
Supplementary Pension Plans (1)	131	188
Total	**4,407**	**3,136**

(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$900.

(c) Additional information

According to existing legislation, financial institutions may not grant loans or advances to:

- Officers, directors or members of the advisory, supervisory or similar boards, as well as their spouses and relatives up to the 2nd degree of kinship;
- Individuals or legal entities holding equity interest equal to or more than 10%; and
- Legal entities having more than 10% of capital held by the financial institution itself, any of its directors or officers as well as their spouses and relatives up to the 2nd degree of kinship.

Thus, Banrisul does not grant any loans or advances to any subsidiary, members of the Board or the Executive Board and their relatives.

(d) Shareholding

As of March 31, 2020, members of the Executive Board, the Board of Directors, the Supervisory Board, the Audit Committee, the Compensation Committee and the Risk Committee jointly hold 5,087 Banrisul's shares, as presented in Note 23(a).

NOTE 29 - OTHER INFORMATION

a) Impact of the application of international accounting standards

During the IFRS convergence process, some standards and their interpretations were issued by the Brazilian FASB (CPC), which are applicable to financial institutions only when approved by the National Monetary Committee (CMN). As of June 30, 2019, financial institutions and other institutions regulated by the Central Bank have been required to adopt the following pronouncements in prior period:

Basic Concept Statement (R1);
Impairment of Assets (CPC 01 (R1));
Statement of Cash Flows (CPC 03 (R2));
Related Party Disclosures (CPC 05 (R1));
Share-Based Payment (CPC 10 (R1));
Accounting Policies, Changes in Accounting Estimate and Errors (CPC 23);
Subsequent Events (CPC 24);
Provisions, Contingent Liabilities and Contingent Assets (CPC 25) and
Employee Benefits (CPC 33 (R1)),
Effects of Changes in Exchange Rates and Translation of Financial Statements (CPC 02 (R2));
Intangible Assets (CPC 04 (R1)); and
Permanent Assets (CPC 27).

CMN Resolution No. 3786/09 and Official Letters No. 3472/09 and No. 3516/10, issued by the Central Bank of Brazil (BACEN), established that financial institutions and other institutions authorized to operate by BACEN, either incorporated as a public company or required to establish an Audit Committee, must, as of December 31, 2010, annually prepare and disclose in a period not exceeding 90 days after the December 31 reporting date, their consolidated financial statements prepared in accordance with the international financial reporting standards (IFRS), and following international pronouncements issued by the International Accounting Standards Board (IASB).

The financial statements for the year ended December 31, 2019, prepared in accordance with International Financial Reporting Standards (IFRS), were disclosed by Banrisul on March 17, 2020 on its website http://www.banrisul.com.br/ir, as well as on the website of the Brazilian Securities Exchange Commission (*Comissão de Valores Mobiliários* - CVM – www.cvm.gov.br).

b) Subsequent Event

The Covid-19 pandemic has led into an environment of uncertainty, turbulence and challenges in the global financial market. The restrictions imposed by governments, social distancing measures above all, although effective to decrease the spread of the virus, have produced shocks in all productive chains, affecting the economy and financial capacities of companies and individuals.

This scenario has impacted several nations in the first quarter of 2020, and is expected to extend throughout the coming quarters and, in addition to bringing health consequences, it will affect in all sectors of the world economy. Governments and regulators have been looking for measures that can mitigate the outcome of the pandemic, such as loosening regulatory requirements so that financial institutions can operate without heavily jeopardizing their businesses.

Brazil is no exception. Because of this, the Central Bank of Brazil presented a package of measures to try and minimize the coronavirus effects upon the financial stability and, consequently, in the Brazilian economy, with the most relevant measures listed below:

- ✓ Easing of rules for marking problematic assets (CMN Resolutions No. 4782 and No. 4791, as of March 16, 2020 and March 26,2020, respectively) - new credit restructuring operations carried out until September 30, 2020, are exempt from being classified as troubled assets, and allow for the immediate reversal of provisions. The rule can be applied to new obligations, as long as the counterparty does not present evidence of lack of financial capacity to comply with the new negotiated conditions;

- ✓ Reduction of the Additional Main Capital Conservation (CMN Resolution No. 4783, of March 16, 2020): in relation to Regulatory Capital requirements, the percentage to be applied to the RWA amount was reduced, for purposes of determining the value of the ACPCONSERVAÇÃO portion by the next 2 years, with the objective of increasing the banks' available resources for granting credit;

- ✓ New Time Deposit with Special Collaterals (CMN Resolution No. 4785, of March 23, 2020): allows funding to be obtained in the form of time deposits with special guarantee from the Deposit Guarantee Fund;

- ✓ Customer Service at Branches (BACEN Circular No. 3991, of March 19, 2020): sets the opening hours to tendering customers at the branches of the financial institutions while the situation of risk to public health resulting from Covid-19 continues;

- ✓ Provision criteria for allowance for loan losses on renegotiated operations (CMN Resolution No. 4803, of April 09, 2020); allows financial institutions to reclassify operations renegotiated between March and September 2020 to the levels at which they were classified on February 29, 2020, except for those with delays of 15 or more days and with evidence of financial incapacity,

- ✓ Reduction of the percentage of the compulsory deposit (BACEN Circular No. 3993, of March 23, 2020): temporarily reduces the levels of compulsory deposits on time deposits to 17% from 25%, in order to improve liquidity onto the financial system;

- ✓ RWA_{CPAD} determination- standardized approach (BACEN No. 3998, of March 09, 2020): reduced the capital requirement for some credit operations that are not of retail exposure and that are contracted or restructured between March and December 2020, allowing the application of the FPR 85% in order to increase capital availability for banks to increase credit operations.

Data available now is not sufficient to permit that the impacts of this pandemic and the effectiveness of the mitigation measures adopted by governments and institutions assertively. Still, despite the facts that Banrisul continues to operate with in-person service and with several remote service channels available, of it having developed and offered numerous credit solutions to its customers due to the new economic needs, the measures taken by Bacen to minimize effects of Covid-19 on the national financial system and society, and the government policies and measures to contain the consequences of the pandemic in Brazil, it is considered the Consolidated Balance Sheet already reflects the consequences of the pandemic in the first quarter of 2020, and it tends to be more intensely impacted in the coming months, especially in the following items:Derivative Financial Instruments: investors seeking for liquidity and safer investments in times of crisis generates greater demand for the US dollar, which may impact the increase in positions linked to said currency, even if collateralized;

- ✓ Credit Operations: it is expected, at the same time, an increase in the demand of individuals for credit, and a deterioration in their credit quality, requiring higher provisions. To companies, as a rule, due to insufficient cash flow to support the reduction or absence of revenue;

- ✓ Tax Credits: these assets depend on future results for their realization, which may be affected due to the effects of the pandemic on the economy, with greater impact if it lasts for a long period of time;
- ✓ Intangible Assets: their recoverable value may be impacted due to the repercussions of Covid-19 in their core realization premises;

- ✓ Funding: it is believed that the search for security positively influences the Company's liquidity, generating an increase in fundraising from clients. In line with the other financial agents, Banrisul continues to present comfortable levels of liquidity. However, depending on the consequences of the economic crisis and its duration, this benefit may no longer be seen, impacting in an increase in funding costs;

- ✓ Civil and Labor Provisions: as to civil lawsuits, an increase may be seen for the revisiting of credit operations contracts and also in claims that involve difficulties in customer service.

Facing the Covid-19 pandemic, the health precautions recommended by the World Health Organization and the social distancing measures determined by governments, Banrisul has continued operating and taken measures to help minimize the exposure of customers and employees to contagion, adapting all that was necessary, from credit policies to operating routines. Banrisul issued a statement to the market on March 30, 2020, highlighting the main conducts adopted by the Institution, in order to keep its shareholders and the market duly informed.

In relation to credit policies, Banrisul, an economic and financial policy instrument within the State of Rio Grande do Sul, is committed to contributing to the continuity of regional economic activity and takes into consideration the risks arising from this role. In this sense, it has immediately made available products and services to mitigate the pandemic impacts, which include: extension of the maturities of outstanding loans to mitigate provisions and loss expectation; the offer of pre-approved credit lines amounting to R$14 billion; an additional 10% increase to Banricompras and overdraft accounts limits; maturity extension of credit lines offer to farmers; the increase of credit limits used for transactions and withdrawals in digital channels, as well as making available, exempted from charges and monthly fee payment, additional Vero POS equipment.

As to the extension of debt maturities of outstanding credit operations, Banrisul has developed a set of products aimed at the repayment of short-term obligations, with special emphasis on commercial credit, real estate (both mortgages and developers), rural loans, long-term credit lines and overdrafts accounts. The majority of credit refinancing can be carried out digitally, eliminating the need to use physical branches. The Company also established that the credit refinancing rules might be offered to the corporate segment, in which case conditions will be assessed individually.

Payroll loans are also being addressed, especially concerning issues related to judicial decisions on lawsuits demanding that payments be suspended. Arguments in favor of said suspension are related to the increase of income in circulation during the period of pandemic, while those against the suspension claim that the practical consequences of this decision would interfere in the preservation of the National Financial System, in addition to the potential damage to the economic order and the collective interest. Despite the impasse, Banrisul has sought to reconcile both arguments and, in order to mitigate the risk of contract suspension, it has been evaluating and granting payment extension on payroll loans to an increasing number of customers.

As for liquidity, the Company may be exposed to an increase in liquidity risk via the increase in risk indicators, adverse impacts on its cash flow and higher funding costs. The Company's cash flow, liquidity levels and changes in funding (mainly deposits from customers) are monitored daily. Since the beginning of the crisis, new stressed scenarios have been developed to monitor Banrisul's cash flow, being executed and reported daily, as well as having their parameters changed immediately as appropriate (due to the identification of changes in scenarios or at the request of the Risk Committee or the Executive Board of the Company). Banrisul continues to maintain a stock of liquid assets in line with management policies and the risk appetite statement.

All exposures to interest rate risk in trading and non-trading portfolios are also being monitored, with the aim of monitoring and anticipating the impact of fluctuations in the Selic rate and their possible impacts over different time horizons.

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

- ✓ Activation of operational continuity plans: secondment employees for remote work without prejudice to the continuity of activities;

- ✓ Special attention to employees belonging to risk groups, freeing them to remain in their homes working remotely;

- ✓ Wide dissemination of self-service channels: via accessing services tutorials, encouraging the use of these channels and providing service through social networks; and

- ✓ Maintenance of branch customer service by scheduling: with respect to restrictions linked to coping with the pandemic, adoption of extra hygiene measures and availability of personal protective equipment to employees.

The impacts of the present pandemic tend to be more correctly observed and measured in the coming months, with the reflexes of the crisis and the effectiveness of the mitigation measures being thoroughly assessed in a future moment. Therefore, it is essential to permanently monitor regulatory and market changes and the evolution of the crisis resulting from the pandemic so that Banrisul can position itself and continue taking the necessary measures to face the crisis.

REPORTS

INDEPENDENT AUDITORS' REPORT ON THE INTERIM FINANCIAL STATMENTS

To
The Board of Directors and Shareholders of
Banco do Estado do Rio Grande do Sul S.A.
Porto Alegre - RS

Introduction

We have reviewed the accompanying individual and consolidated statement of financial position of Banco do Estado do Rio Grande do Sul. ("Banrisul") as at March 31, 2020 and the related statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended, as well as the summary of significant accounting policies and other explanatory notes.

Management of Banrisul is responsible for the preparation of this interim individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion

Based on our review, we are not aware of any facts that would lead us to believe that the accompanying interim individual and consolidated financial statements were not prepared, in all material aspects, in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil.

Other matters - Interim statement of value added

The statement of value added for the three month period ended at March 31, 2020, prepared under the responsibility of the Company's management, was submitted to the review procedures followed together with the review of the Company's interim financial statements. In order to form our conclusion, we evaluated whether these statements are reconciled to the Company's interim financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual interim financial statements taken as a whole.

Porto Alegre, May 6, 2020

KPMG Auditores Independentes

CRC SP-014428/F-7

Original report in Portuguese signed by

Fernando Antonio Rodrigues Alfredo

Contador CRC 1SP-252419/O-0

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
OSVALDO LOBO PIRES
RAQUEL SANTOS CARNEIRO
SUZANA FLORES COGO
Officers

Board of Directors

JORGE LUIS TONETTO
Chairman

CLÁUDIO COUTINHO MENDES
Vice-Chairman

ADRIANO CIVES SEABRA
EDUARDO CUNHA DA COSTA
IRANY DE OLIVEIRA SANT'ANNA JUNIOR
JOÃO VERNER JUENEMANN
MÁRCIO GOMES PINTO GARCIA
RAFAEL ANDREAS WEBER
RAMIRO SILVEIRA SEVERO
Board Members

WERNER KÖHLER
Accountant CRCRS 38.534