

Results 4Q2019

Investor Relations Unit

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Banco do Estado do Rio Grande do Sul



December 2019

4 Q 2 0 1 9

Income Accounts

Net Income

NII

Allowance for Loan Losses Expenses

Funding

Banking Fees

Adjusted Administrative Expenses

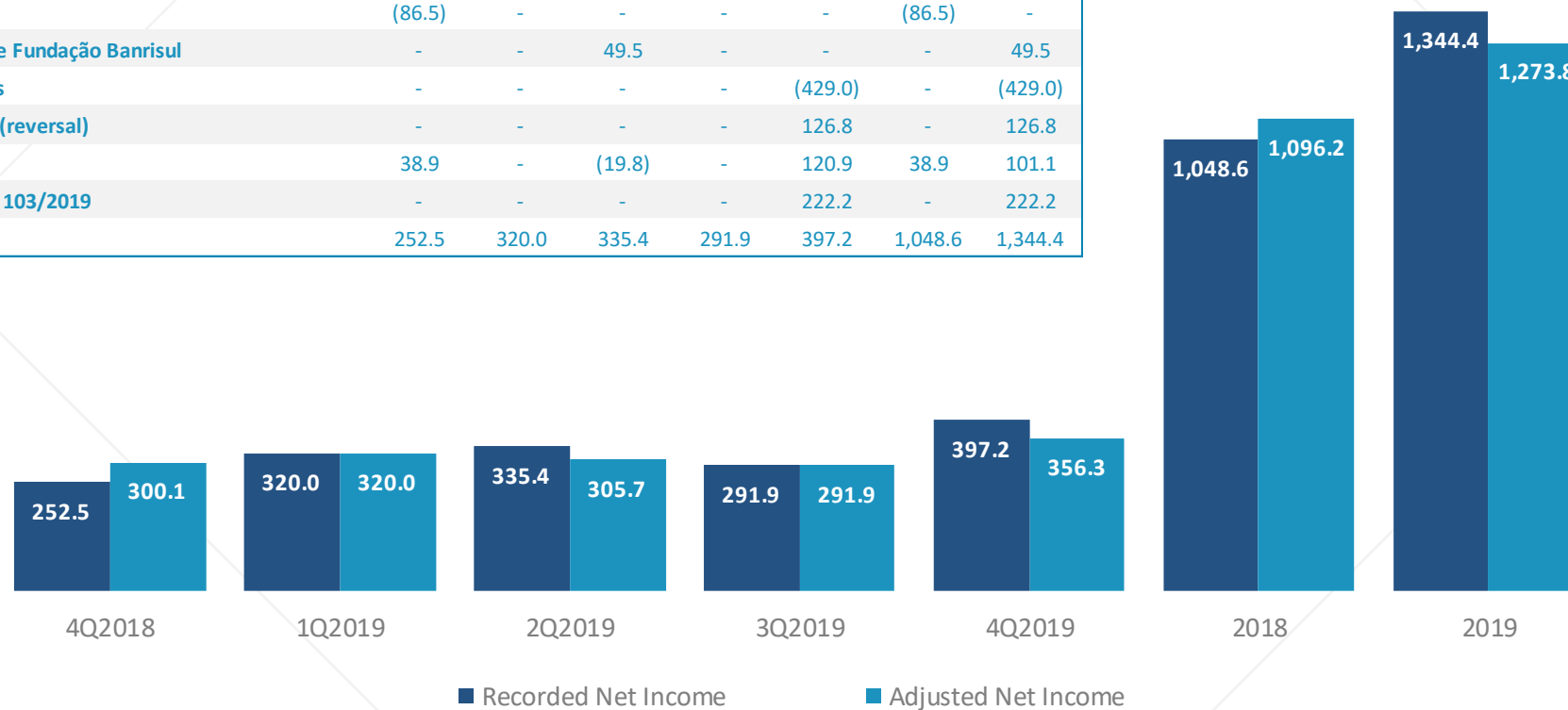
Other Adjusted Operating Income/ Expenses

Net Income

R \$ million

Extraordinary Events - R\$ Million	4Q2018	1Q2019	2Q2019	3Q2019	4Q2019	2018	2019
Adjusted Net Income	300.1	320.0	305.7	291.9	356.3	1,096.2	1,273.8
Adjustments	(47.6)	-	29.7	-	40.9	(47.6)	70.6
Retirement Plans	(86.5)	-	-	-	-	(86.5)	-
Restructuring plans of the Fundação Banrisul	-	-	49.5	-	-	-	49.5
Labor Lawsuits Provisions	-	-	-	-	(429.0)	-	(429.0)
Civil Lawsuits Provisions (reversal)	-	-	-	-	126.8	-	126.8
Tax Effects	38.9	-	(19.8)	-	120.9	38.9	101.1
Deferred Tax Assets - EC 103/2019	-	-	-	-	222.2	-	222.2
Net Income	252.5	320.0	335.4	291.9	397.2	1,048.6	1,344.4

△% (Recorded)		△% (Adjusted)	
2019/2018	4Q2019/3Q2019	2019/2018	4Q2019/3Q2019
28.2%	36.1%	16.2%	22.1%

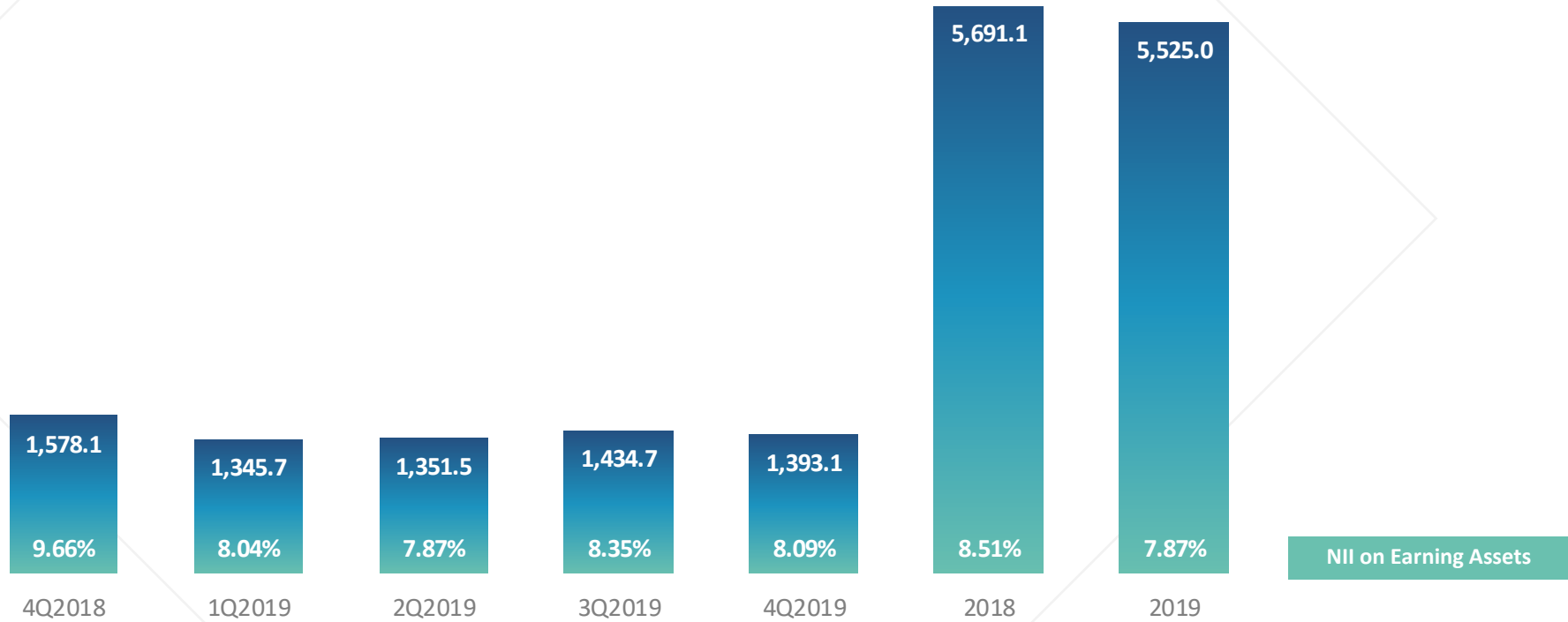


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NII and NIM

R\$ million

△%
2019 / 2018 4Q2019 / 3Q2019
-2.9% -2.9%



NII on Earning Assets

Allowance for Loan Losses Expenses

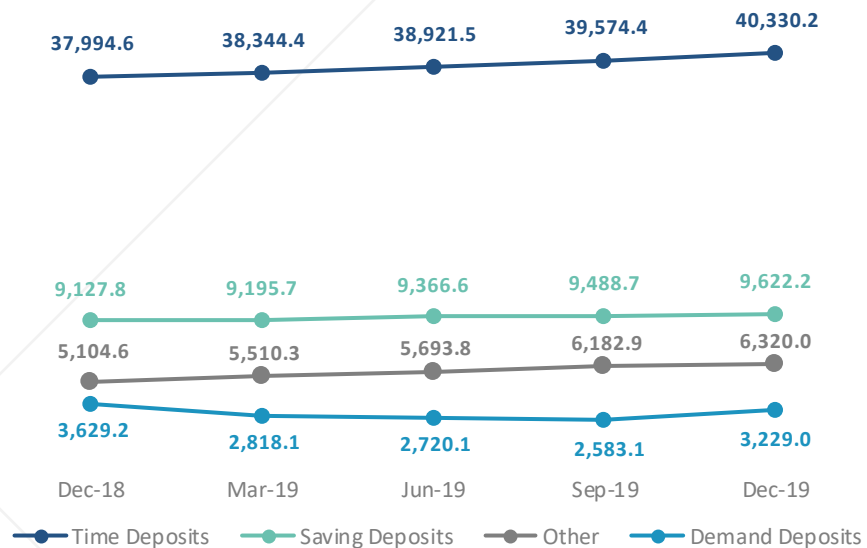
R\$ million

△%
2019/2018 -6.7%
4Q2019/3Q2019 -24.0%

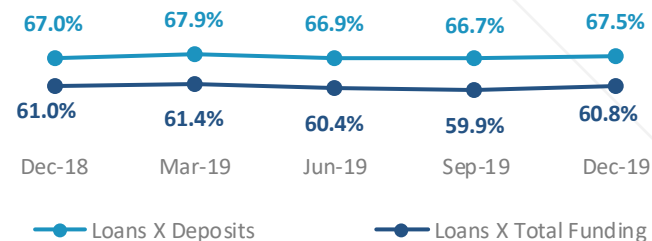


Funding Structure

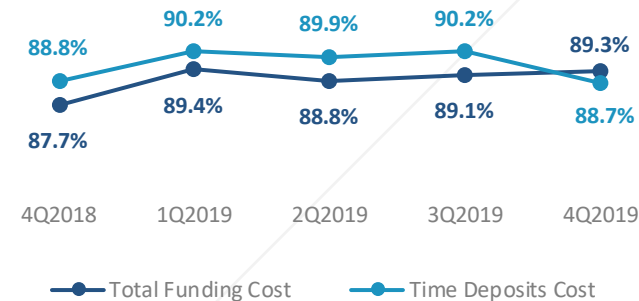
R \$ million



Loans / Deposits Ratio



Funding Cost*



*as % of Selic Rate

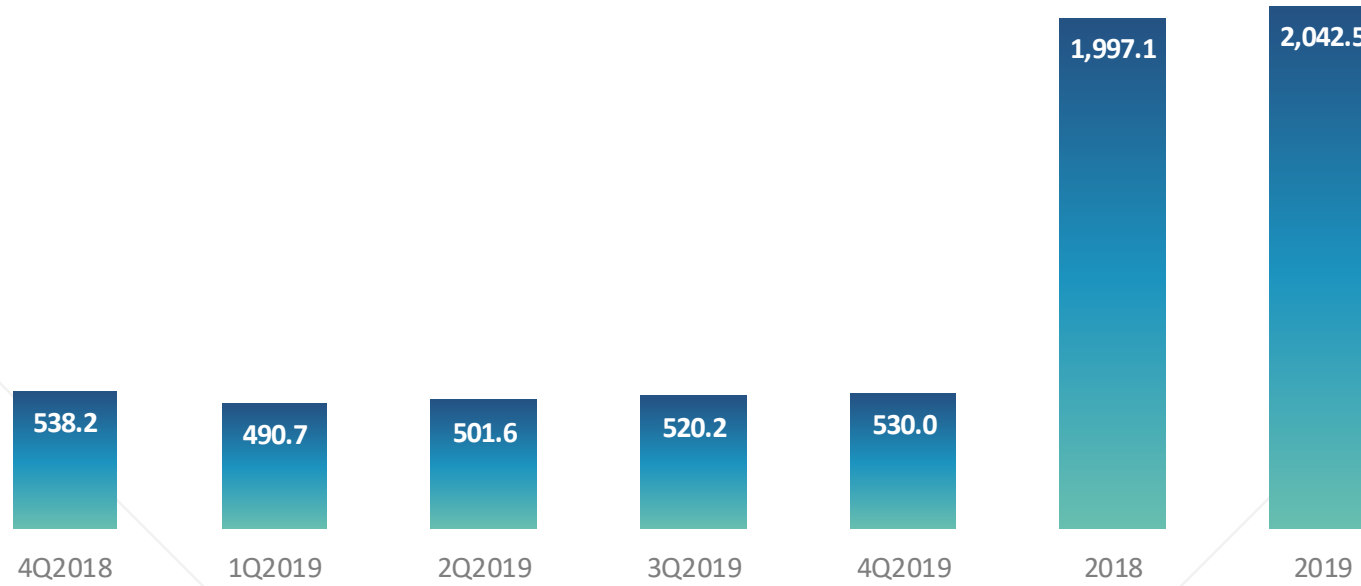
Funding	Dec-18	Sep-19	Dec-19	Δ 3M	Δ 12M
Time Deposits	68.02%	68.43%	67.78%	1.9%	6.1%
Saving Deposits	16.34%	16.41%	16.17%	1.4%	5.4%
Demand Deposits	6.50%	4.47%	5.43%	25.0%	-11.0%
Bank Notes	5.08%	6.05%	5.98%	1.8%	25.4%
Subordinated Bond	3.85%	4.08%	3.87%	-2.4%	6.9%
Other Deposits	0.21%	0.56%	0.77%	39.5%	307.0%
Total	100.0%	100.0%	100.0%	2.9%	6.5%

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Banking Fees

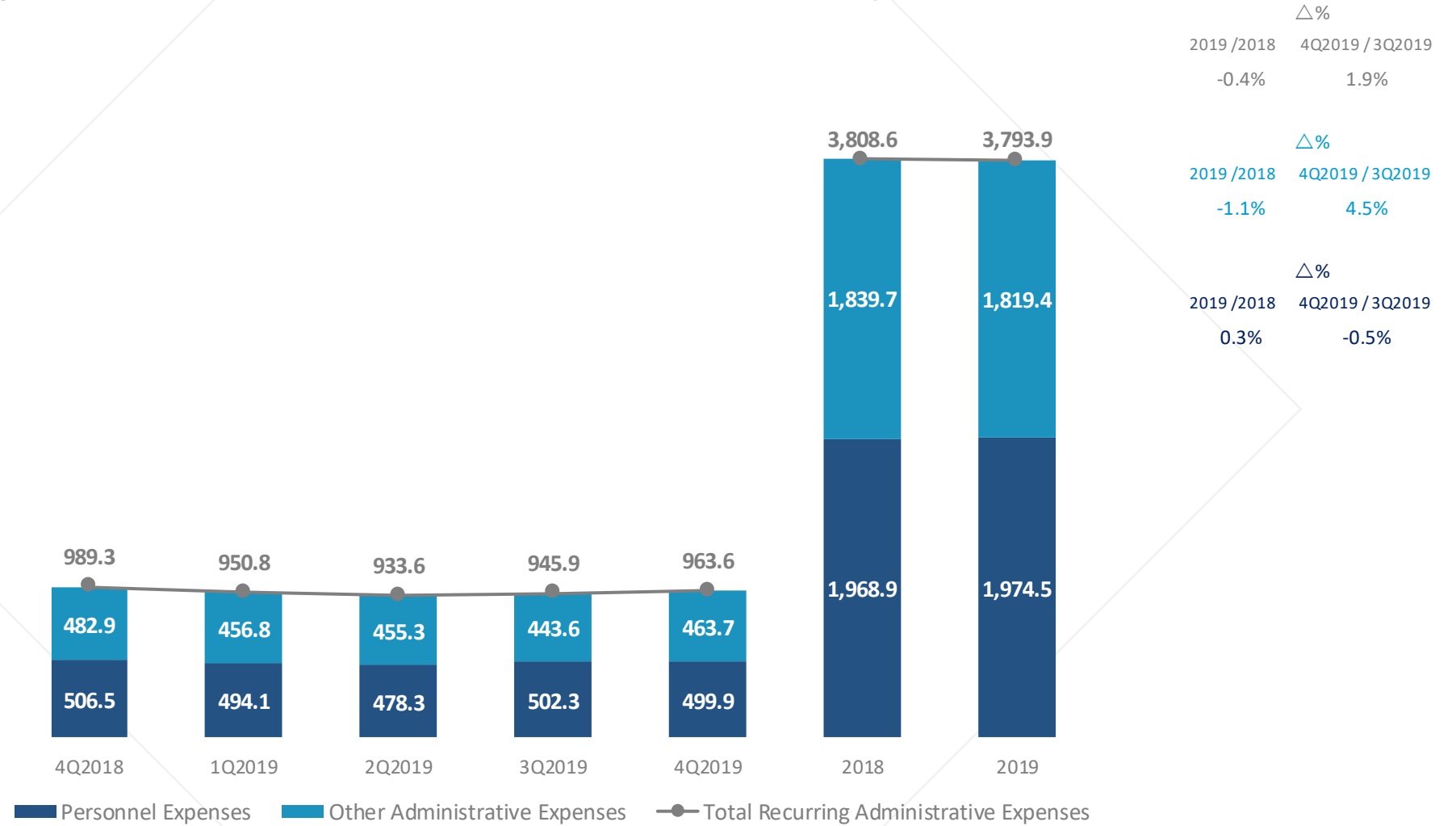
R\$ million

△%
2019 / 2018 4Q2019 / 3Q2019
2.3% 1.9%



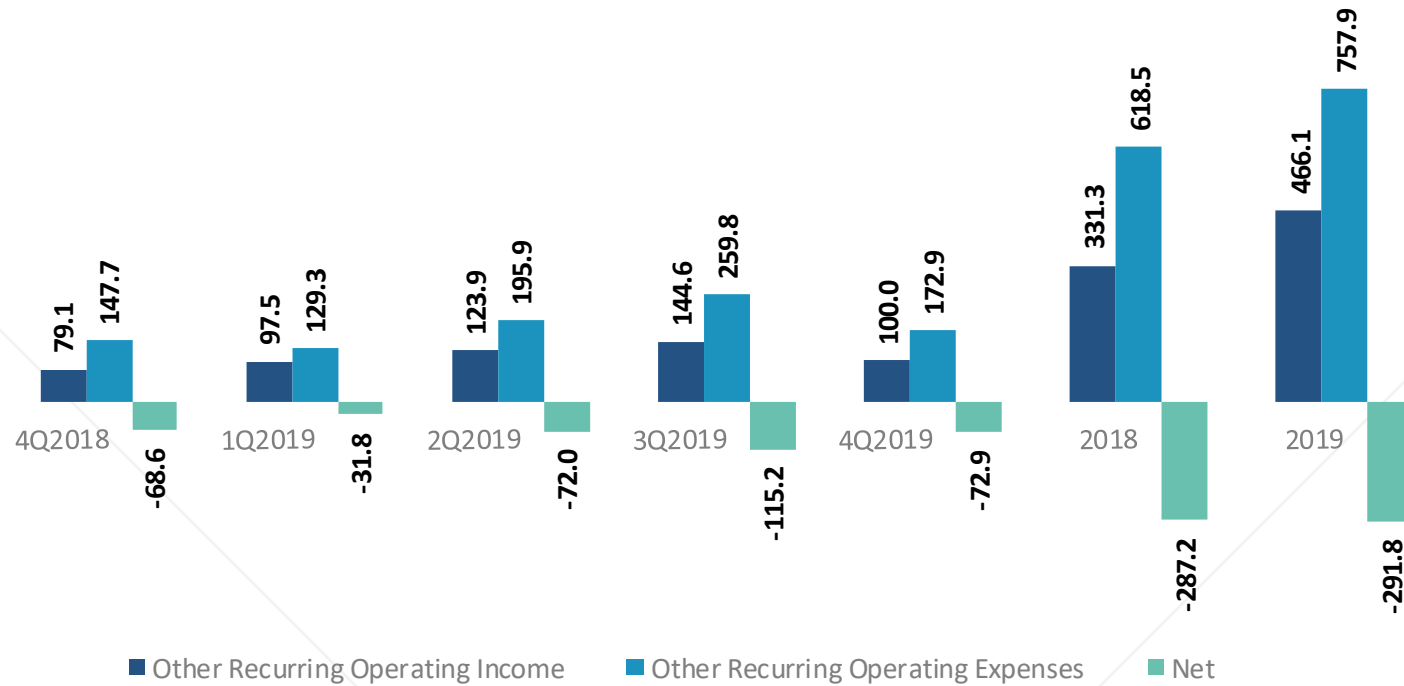
Adjusted Administrative Expenses

R\$ million



Other Adjusted Operating Income/Expenses

R\$ million



4 Q 2 0 1 9

Balance Sheet Accounts

Assets

Securities

Credit Portfolio

Payroll Loans

Provision Balance

Shareholders's Equity

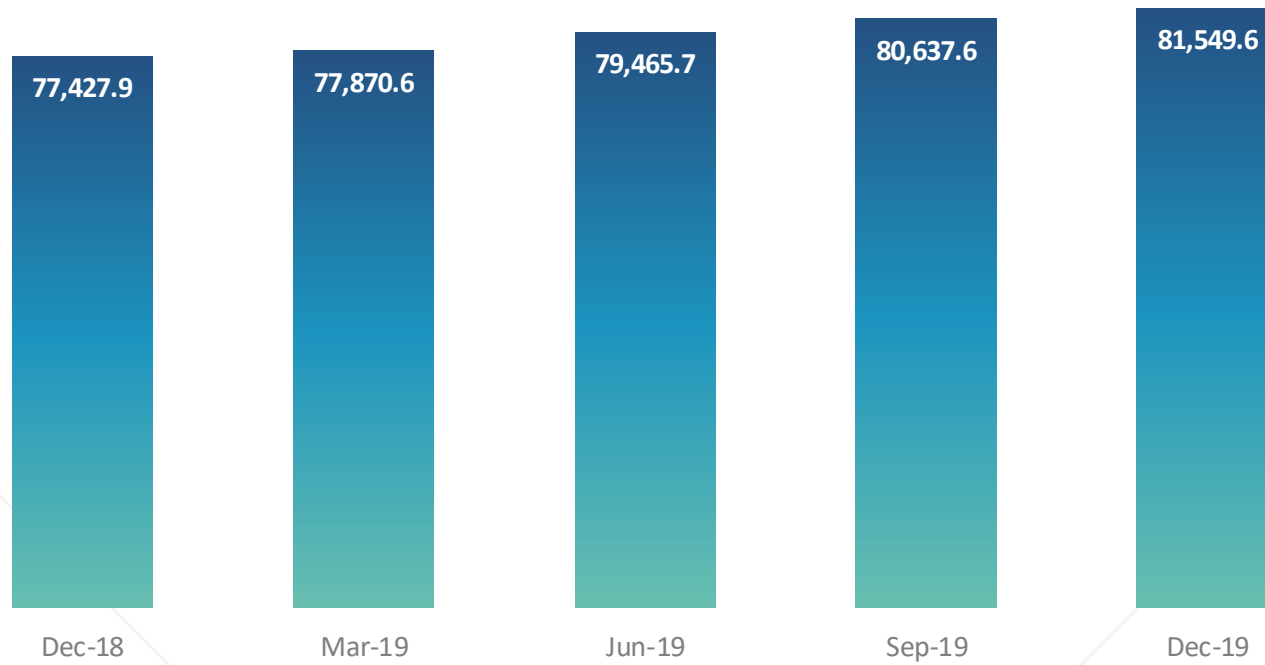
Indicators

4 Q 2019

Assets

R\$ million

△%
12M 5.3%
3M 1.1%

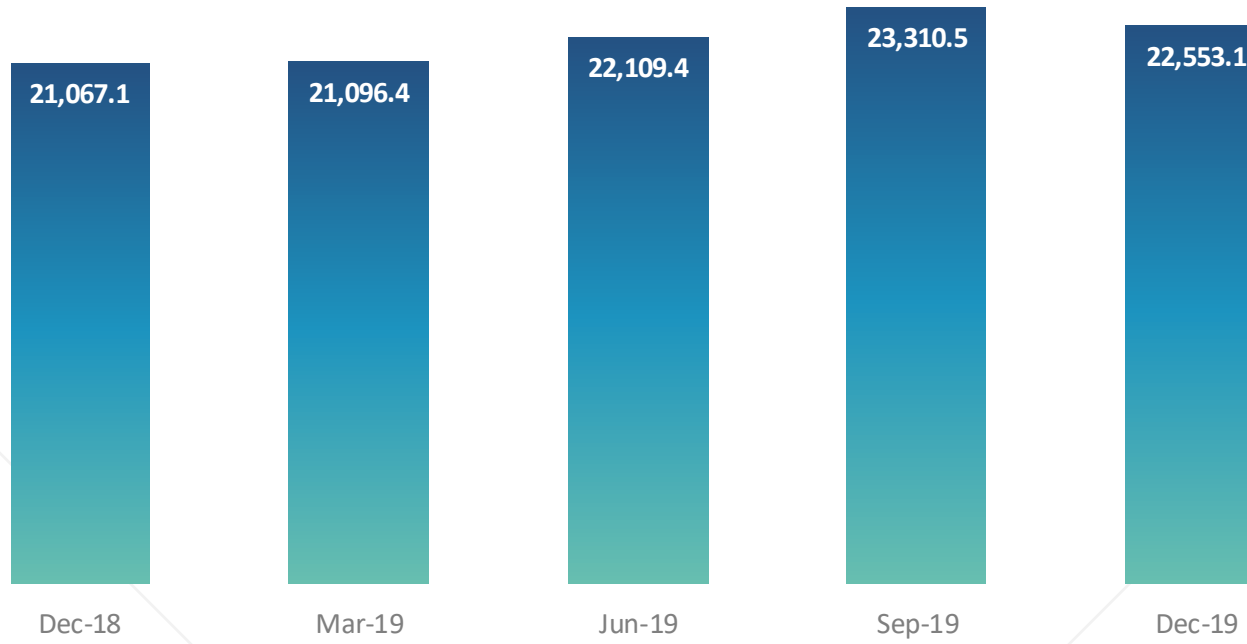


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Securities

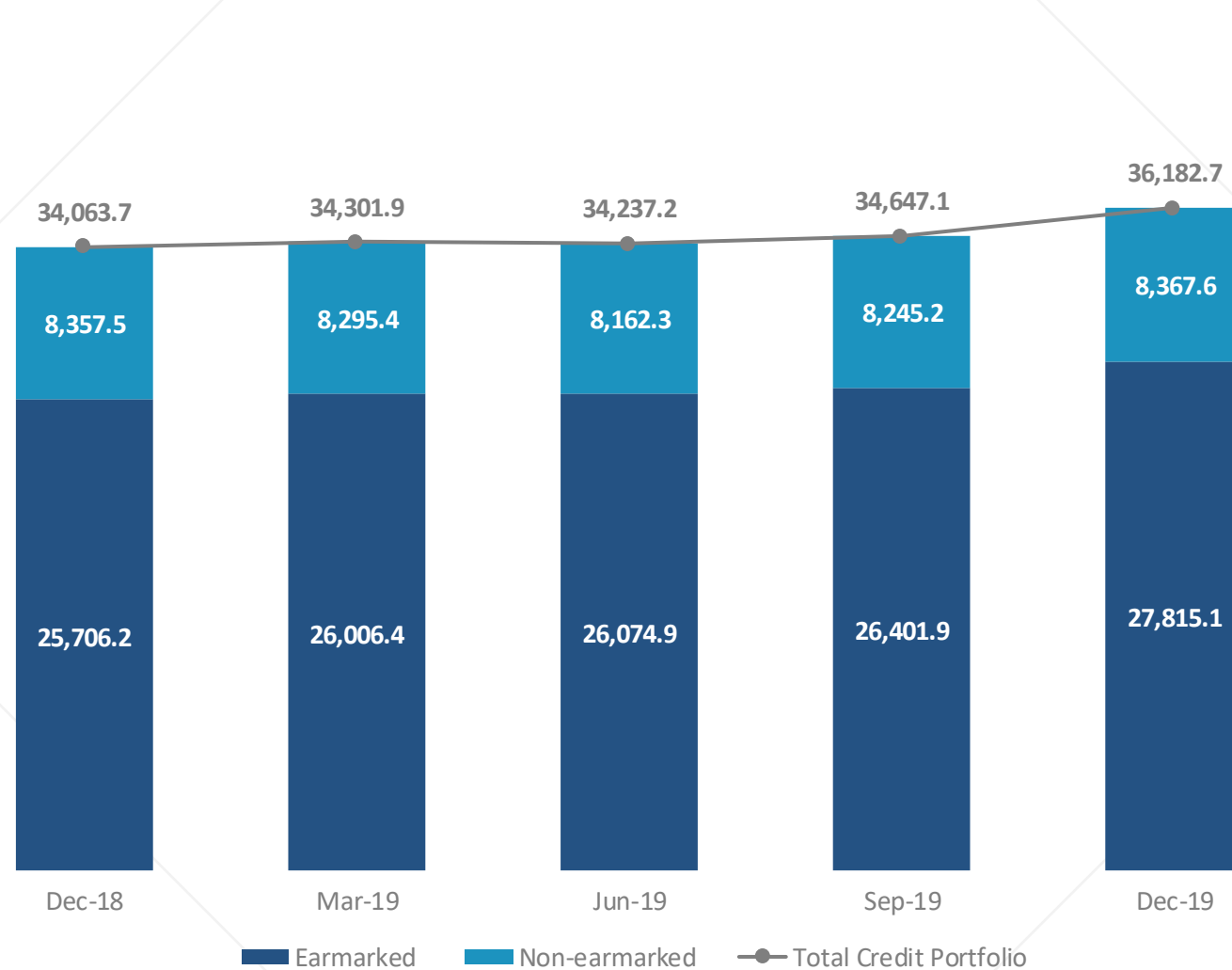
R\$ million

△%
12M 7.1%
3M -3.2%



Credit Portfolio

R\$ million



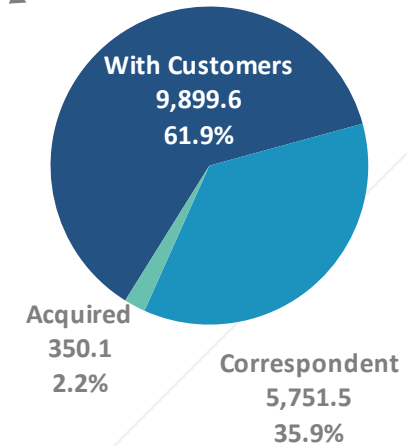
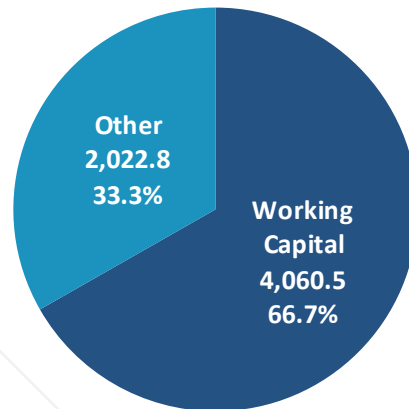
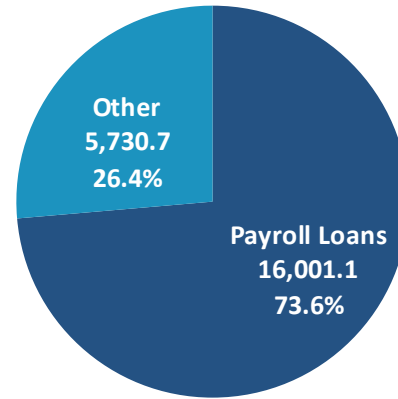
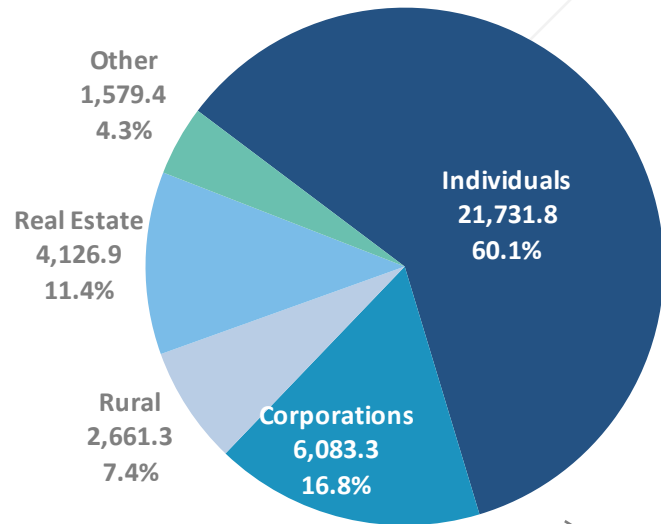
△% Total
 12M 3M
 6.2% 4.4%

△% Non-Earmarked
 12M 3M
 0.1% 1.5%

△% Earmarked
 12M 3M
 8.2% 5.4%

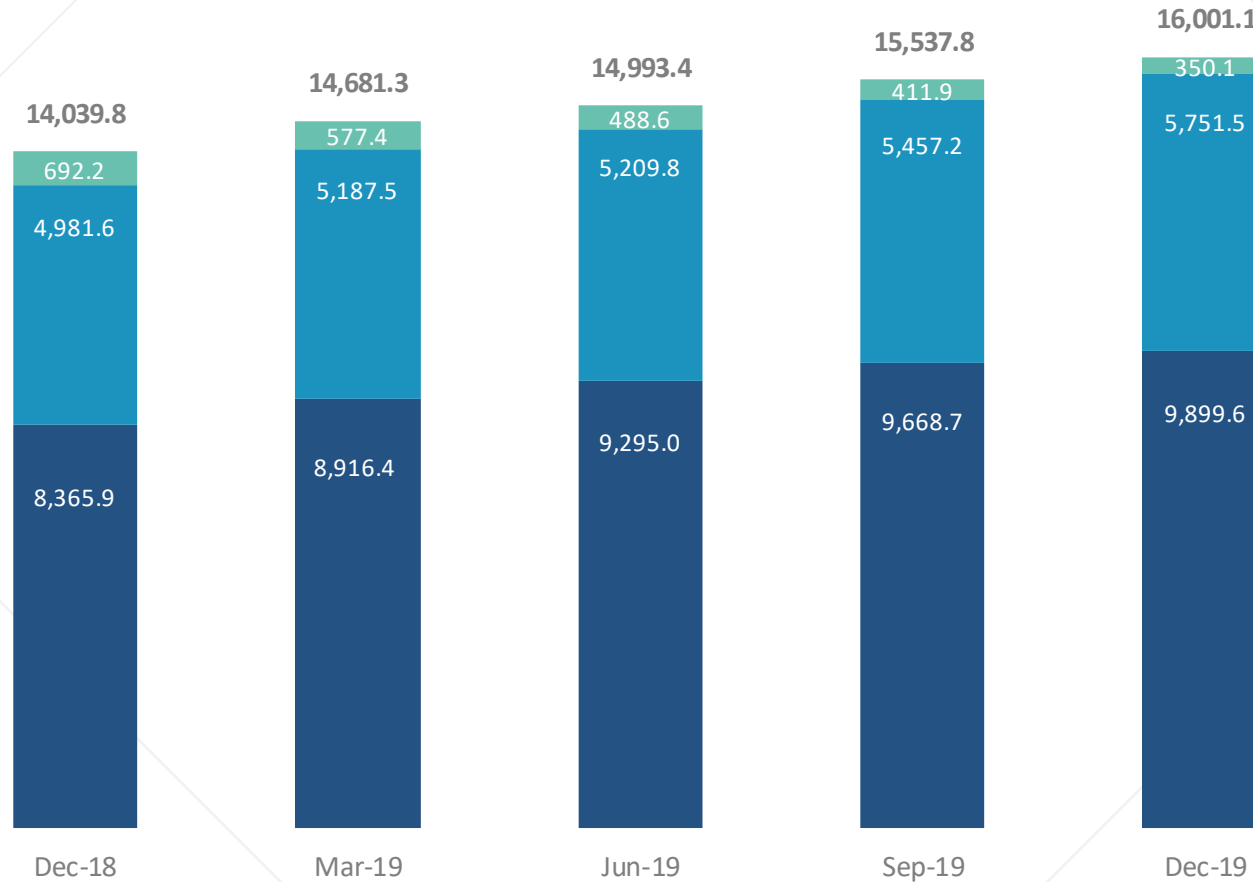
Credit Portfolio

R\$ million



Payroll Loans

R\$ million



△% Payroll Loans
 12M 3M
 14.0% 3.0%

△% Acquired
 12M 3M
 -49.4% -15.0%

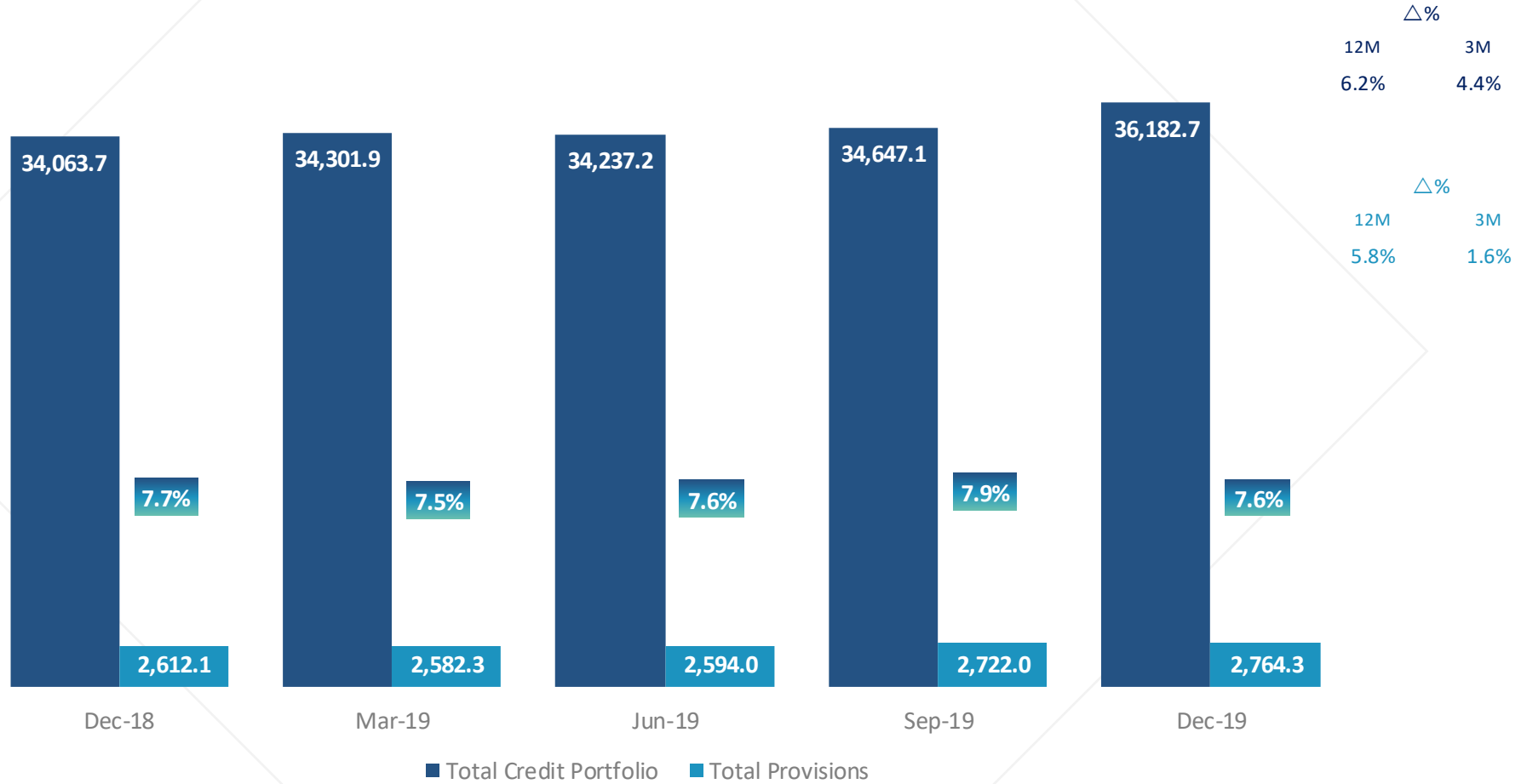
△% Correspondent
 12M 3M
 15.5% 5.4%

△% With Customers
 12M 3M
 18.3% 2.4%

■ With Customers ■ Correspondent ■ Acquired

Total Provision x Loan Book

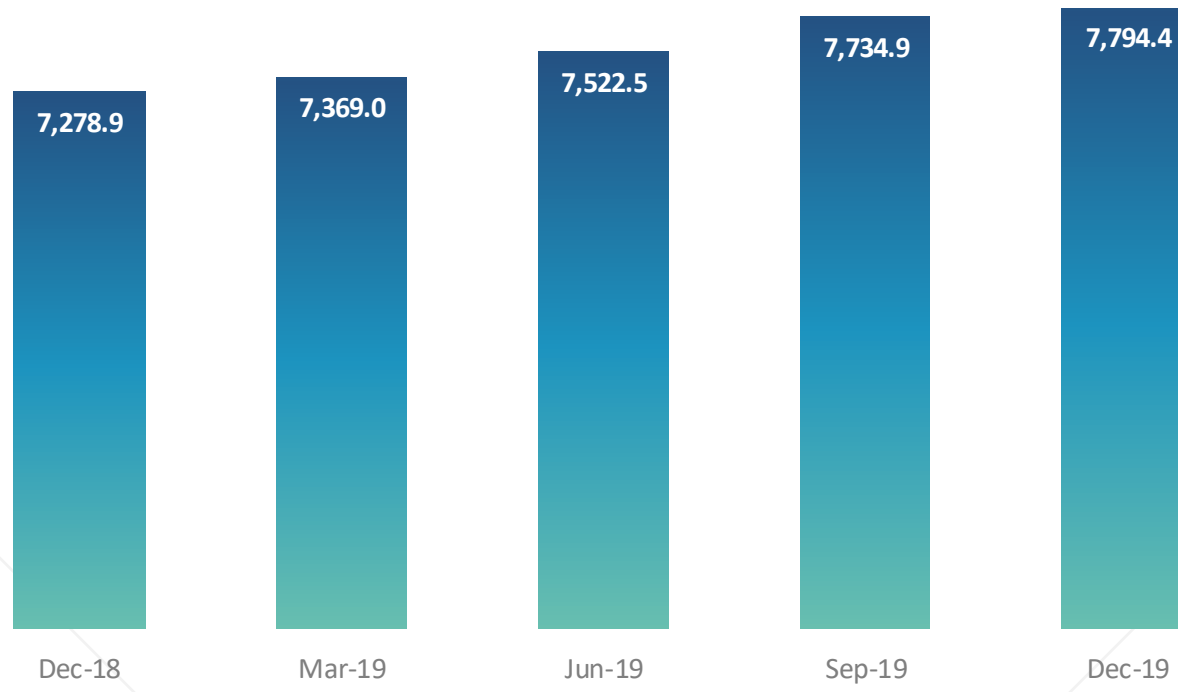
R\$ million



Shareholders' Equity

R\$ million

△%
12M 7.1%
3M 0.8%



Indicators

ROAE

2018	2019
15.3%	16.9%

17.6% 18.7% 17.5% 16.2% 19.7%

ROAE (pa)

ROAA

2018	2019
1.5%	1.6%

1.6% 1.7% 1.6% 1.5% 1.8%

ROAA (pa)

2.55% 2.56% 2.20% 2.84% 3.37%

Default Rate > 90 days

300.8% 294.1% 344.6% 276.4% 226.7%

Cover Rate > 90 days

51.5% 51.5% 51.4% 51.1% 52.1%

Efficiency Ratio 12 months

106.3% 99.3% 104.9% 103.6% 106.0%

Services and Fees/Personnel Expenses

4Q2018 1Q2019 2Q2019 3Q2019 4Q2019

Indicators



Guidance

Guidance	2019		2020	
	Expected ⁽¹⁾	Reviewed Sep 2019	Delivered	Expected
Credit Portfolio	4% to 8%	4% to 8%	6.2%	9% to 13%
Non-direct Lending - Individuals	6% to 10%	6% to 10%	13.8%	10% to 14%
Non-direct Lending - Companies	1% to 5%	-2% to 2%	-2.3%	2% to 6%
Real Estate Loans	4% to 8%	0% to 4%	0.3%	3% to 7%
Allowance for Loan Losses Expenses/Credit Portfolio	3% to 4%	3% to 4%	3.3%	3% to 4%
Allowance for Loan Losses Balance/Credit Portfolio	6.5% to 7.5%	6.5% to 7.5%	7.6%	7% to 8%
Funding⁽²⁾	6% to 10%	6% to 10%	5.4%	5% to 9%
Recurring Return on Average Shareholders' Equity	16% to 19%	16% to 19%	16.9%	14% to 17%
Efficiency Ratio	50% to 54%	50% to 54%	52.1%	50% to 54%
Net Financial Margin / Interest-Earning Assets	7.5% to 8.5%	7.5% to 8.5%	7.9%	7% to 8%

(1) Originally disclosed in 4Q2018 and maintained until 2Q2019

(2) Funding: in 2019 Deposits + Assets under Managements; in 2020 Deposits + Local Funding and Similars + Foreign Funding.

Banco do Estado do Rio Grande do Sul



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