

Material fact

Restructuring of Insurance Business

In accordance with paragraph 4 of article 157 of Law no. 6404 of December 15, 1976, and CVM Instruction no. 358, of January 03, 2002, Banco do Estado do Rio Grande do Sul S.A. - Banrisul announces that:

1. Following the Material Fact published on July 14, 2014, after the completion of required technical studies and the approval of the Board of Directors at the Extraordinary Shareholder Meeting held on 09.25.2014, it was signed today the Investment Agreement between Banrisul and Icatu Seguros S.A. for the constitution of a life insurance and pension company.
2. This insurance company represents an evolution of Banrisul's currently business model and is expected to become a resilient revenue source for the next 20 years.
3. The completion of the transaction is pending the approval by the Central Bank of Brazil, the Administrative Council for Economic Defense (CADE) and the Superintendence of Private Insurance (SUSEP).
4. Additional facts, deemed relevant, will be released to the market in due course.

Porto Alegre, September 30, 2014.

John Emilio Gazzana
CFO and IRO

Banco do Estado do Rio Grande do Sul S/A