

**BNY MELLON
ASSET MANAGEMENT**

**Disclosure of Equity Participation
CVM Instruction 358**

Dear Sir/Madam:

For purposes of article 12 of the CVM Instruction n° 358, dated January 3, 2002, and amendments ("Instruction 358"), The Bank of New York Mellon Corporation, a company incorporated under the laws of the United States of America, with its registered office at One Wall Street, New York, NY 10286 USA, hereinafter mentioned as "BNY Mellon", and Newton Investment Management Limited., subsidiary of BNY Mellon, a company incorporated under the laws of England, with is registered office at Mellon Financial Center, 160, Queen Victoria Street, London EC4V 4LA, England ("Newton"), and BNY Mellon ARX Investments Ltda., a company incorporated under the laws of Brazil, with its registered office at 633, Borges de Medeiros Avenue, Rio de Janeiro, RJ, ("BNYM ARX"), together mentioned as "Subsidiaries", hereby inform you of the following:

The BNY Mellon, through its Subsidiaries, as manager investment funds, acting with discretionary, independent manner, reduced its indirect participation and owns, as of the date of this notice, 3,703,600 (three million, seven hundred and three thousand and six hundred) class B preferred shares (PNB N1) of Banco do Estado do Rio Grande do Sul S.A. ("Company"), corresponding to 1.85% (one point eighty-five percent) of such shares issued by the Company.

1. This reduction is a result of the alienation, in April 17, 2009, of 306,000 (three hundred and six thousand) class B preferred shares (PNB N1) issued by the Company that were held by investment funds managed by Newton;
2. Before such date, the BNY Mellon indirectly held 10,040,850 (ten million, forty thousand, eight hundred and fifty) class B preferred shares (PNB N1) that represented 5.02% (five point zero two percent) of class B preferred shares (PNB N1) issued by the Company, all such shares held by investment funds managed by its Subsidiaries;
3. Thus, the indirect participation of BNY Mellon is of less than 5% (five percent) of class B preferred shares (PNB N1) issued by the Company.

In addition, BNY Mellon and the Subsidiaries state that:

- (i) the acquisition and disposal of the shares had the exclusive purpose of investment, not having any interest in altering the composition of control or administrative structure Company;
- (ii) they have not signed any agreement, or contract regulating the exercise of voting rights or the purchase and sale of securities issued by the Company;
- (iii) they do not hold subscription bonds, shares subscription rights, or options to purchase shares and debentures convertible into shares issued by Company.

THE BANK OF NEW YORK MELLON CORPORATION

Name: Nicholas R. Darrow
Cargo: Vice President

(free translation from the original document in Portuguese)