

**MATERIAL FACT**

In accordance with article 157, paragraph 4 of Law no. 6404 dated December 15, 1976, and CVM (Brazilian Securities Exchange Commission) Instruction no. 358, dated January 3, 2002, the Banco do Estado do Rio Grande do Sul S/A ("Banrisul") announces that:

*a.* as part of strategic moves to leverage customer relationship channels, to increase the loan portfolio and to expand the potential distribution of financial products and services on a national scale, without being limited to the Southern Region of Brazil, which is already serviced by its branch network, Banrisul has identified business growth opportunities that provide economies of scale, increase competitiveness and agility to leverage assets, optimizing profitability and mitigating risks;

*b.* therefore, it is acquiring 49.9% (forty-nine percent and nine tenths) of the shares of Bem-Vindo Promotora de Vendas e Serviços S.A. ("Bem-Vindo"), a privately held corporation headquartered in Rio de Janeiro;

*c.* Bem-Vindo's shares will be purchased from J. & F. Participações Ltda., company of the same group as the Original Bank S/A holder, directly or indirectly, of all shares representative of Bem-Vindo's capital by the acquisition amount to be defined based on the outcome of the accounting and legal audit procedures conducted in order to identify elements for the setting of the final price and any risks related to the acquisition;

*d.* at the same time, the MatoneInvest Holding will acquire the remaining balance of the shares, hence becoming, along with Banrisul, Bem-Vindo's shareholder by the proportion of the paid-in capital;

*e.* Bem-Vindo is responsible for conducting loan origination on behalf of Banco Original S/A and acts within the payroll lending market, offering paycheck deducted personal loans for the National Social Security Institute (INSS) retirees and pensioners as well as to civil servants from federal, state and local governments in its 73 branches located in almost all Brazilian states, as follows:

<b>Brazilian Geographical Region</b>	<b>Branches</b>	<b>%</b>
Southern	5	7%
Southeast	44	60%
Midwest	4	5%
Northeast	13	18%
North	7	10%
<b>Total</b>	<b>73</b>	<b>100%</b>

*f.* besides the distribution network, the acquisition includes customer base, systems and telemarketing and collection call center areas, as well as the human resources currently involved in the business;

*g.* the corporate purpose of Bem-Vindo includes, besides the generation of payroll loans itself, items that may continue to be developed, such as:

- i.* the provision of services to deliver credit origination, credit analysis and the management of credit from third parties, especially in payroll loans segment;
- ii.* the provision of paperwork analysis for contracting credit operations;
- iii.* the services for computer data recording and processing;
- iv.* the reception and forwarding of proposals for the opening of demand deposit accounts, time deposits accounts and savings account;
- v.* to carry out deposits and withdrawals to and from demand deposits accounts, time deposits accounts and savings accounts, as well as investment and withdrawals orders to and from investment funds;
- vi.* to carry out collection, payments and other activities arising from agreements for the provision of services;
- vii.* collection services.

*h.* the transaction is subject to an accounting, financial and legal audit of Bem-Vindo, which will be carried out by Banrisul, as well as to the signing of the final agreements;

*i.* Banrisul and MatoneInvest Holding signed a Memorandum of Understanding in which, among other things, it is expected that they shall sign a Shareholders' Agreement, at the time of purchase and sale of shares, covering governance clauses, veto rights for the minority shareholders, rules for the purchase and sale of the shares and other customary clauses in this sort of agreement.

Additional information will be communicated to the market in due course.

Porto Alegre, December 23, 2011.

**Tulio Luiz Zamin**  
CEO

**João Emílio Gazzana**  
CFO and Investor Relations Officer

**Banco do Estado do Rio Grande do Sul S/A**