

**MINUTE No. 644**  
**EXTRAORDINARY MEETING OF THE BOARD OF DIRECTORS**

**Place, Date and Time:** Extraordinary Meeting of the Board of Directors of Banco do Estado do Rio Grande do Sul S.A. ("Banrisul") (Corporate Taxpayer's ID (CNPJ) No. 92.702.067/0001-96, and Company Registry (NIRE) No. 43300001083) held on March 21, 2018, at 10:00 am, at the Company's Head Offices at Rua Capitão Montanha, 177/4<sup>th</sup> floor, in the city of Porto Alegre, Rio Grande do Sul.

**Attendance:** Attended the meeting Board of Directors' members, Luiz Gonzaga Veras Mota (Vice-Chairman), Irany Sant'Anna de Oliveira Junior, João Verner Juenemann and Marco Antônio Mayer Foletto (Board Members); Suzana Flores Cogo (Chief Administrative Officer); Dilio Sergio Penedo (by teleconference). João Carlos Brum Torres (Board Member) justified his absence.

**Agenda:** 1. Discussion and approval of the proposal presented by the Management of Banrisul related to the corporate restructuring consisting of the reduction of the capital stock of Banrisul with payment to the shareholders, in preferred shares of Banrisul Cartões S.A. ("Cards"), in proportion to their shareholdings in Banrisul. 2. Calling of the Extraordinary Shareholders' Meeting to resolve on the corporate restructuring consisting of the reduction of Banrisul's capital stock.

**Discussed Matters:** 1. Management presented the proposal, accompanied by supporting documentation, clarifying specific aspects requested by the Board Members. The Board members reviewed the proposal presented by the Management to reduce Banrisul's capital stock in the following terms: (i) reduction of Banrisul's capital stock, deemed excessive, at R\$353,280,929.46 (equal to 50% minus 1 share representing the total capital stock of Banrisul Cartões) and the payment to shareholders, proportionally to their shareholdings in the capital stock of Banrisul (the percentage participation of shareholders in the Banrisul's capital stock to remaining unchanged due to the reduction of capital), in preferred shares of Banrisul Cartões; (ii) before the capital reduction, the capital stock of Banrisul Cards, currently represented solely by common shares, would also be divided into preferred shares; (iii) Banrisul would be hold all common shares of Banrisul Cartões, thereby maintaining control of the company; (iv) there would be no cancellation of Banrisul shares due to the reduction of capital; (v) the payment to the shareholders of Banrisul on account of the capital reduction would be implemented through the delivery of preferred shares of Banrisul Cards for the amount corresponding to them in the Financial Statements of Banrisul Cartões as of December 31, 2017, according to the current tax legislation, resulting in the delivery of one preferred share of Banrisul Cartões for each two shares of Banrisul, regardless of their type and class, totaling 204,487,238 Preferred shares of Banrisul Cartões, which represents 50% minus one share representative of the total capital stock of Banrisul Cartões; (vi) the restitution to the shareholders of part of the value of the shares issued by Banrisul, would observe (vi.a) the expiration of the 60-day period for opposition by unsecured creditors, pursuant to article 174 of Law No. 6404/76, period that should be counted from the publication of the ESM's Minute in the newspapers "Zero Hora" and "Valor Econômico" and in the Official Gazette of the State of Rio Grande do Sul; and (vi.b) the process of registering the publicly-held company and the public offering of Banrisul Cartões, which may occur through a primary offering with a capital increase by public subscription and/or a secondary offering with the sale of shares ("Offer"); (vii) Banrisul will make the best efforts to conduct the Offer, considering that the conclusion of this process depends on



external factors, such as market conditions that will be in place at the time and, if for any reason, the Offer is not priced and registered by the Brazilian Securities and Exchange Commission ("CVM") until December 15, 2018, the process of obtaining the registration of publicly held company (securities issuer category "A") with CVM will continue and, as a final in the reduction of Banrisul's capital stock, the refund of part of the shares value to their shareholders will be made in cash by Banrisul, instead of in preferred shares of Banrisul Cartões; (viii) a consequential amendment to Article 4 of Banrisul's Bylaws to reflect the proposed capital reduction, remaining unchanged, in any case, the percentage of shareholders participation in the Banrisul's capital stock. Following the end of the meeting, the Board of Directors, with members Mr. Antonio de Oliveira Sant'Anna Junior, Mr. João Verner Juenemann and Mr. Marco Antônio Mayer Foletto (with the Board members Mr. Luiz Gonzaga Veras Mota and Mr. Dilio Sergio Penedo having already favorably manifested in favor of Management proposal), was present at the meeting of the Fiscal Council, also held on March 21, 2018, which examined the corporate reorganization issue, and approved by unanimous vote of the proposal presented by the Management for the reorganization of Banrisul's stock capital in the proposed terms. 2. Following act, the Board of Directors authorized the convening of an Extraordinary General Meeting, pursuant to Banrisul's Bylaws, to resolve on the corporate reorganization consisting of a reduction of the stock capital of Banrisul, pursuant to article 173 of Law No. 6404/76.

**Closure:** Nothing further to discuss, the Minutes were prepared, read, approved and signed by all attending members. Acted as Secretary to the meeting Mrs. Maria Joanna De Missio Toillier, Executive Superintendent of the Corporate Governance Unit.

*I hereby certify for the purposes herein that this register is a true copy of which appears in Minutes No. 644 of 03-21-2018, drafted in the Meeting Minutes Book of the Board of Directors of Banco do Estado do Rio Grande do Sul S.A. ("Banrisul"), signed by Messrs. Luiz Gonzaga Veras Mota (Vice-Chairman, currently in the position of Chairman of the Board of Directors), Dilio Sergio Penedo Irany Sant'Anna de Oliveira Junior, João Verner Juenemann and Marco Antônio Mayer Foletto (Board Members).*

*Porto Alegre, March 21, 2018.  
Luiz Gonzaga Veras Mota  
Vice-Chairman of Board of Directors  
Currently in the position of Chairman of the Board of Directors*