

BANRISUL - Notice to the Market

Increase of Major Shareholding

Porto Alegre, March 14 2018 - Banco do Estado do Rio Grande do Sul S.A (BANRISUL) (B3 S.A. BRASIL BOLSA BALCÃO: BRSR3; BRSR5; BRSR6), a financial institution that operates in the commercial, social and development areas, serving all segments of Brazil's southern of society, headquartered at Rua Capitão Montanha, 177, Porto Alegre, Rio Grande do Sul, CNPJ/MF No. 092.702.067/0001-96, in compliance with CVM Instruction No. 358/02 as amended by CVM Instruction 449/07, informs the receipt of the attached document from **KAPITALO INVESTIMENTOS LTDA.**, regarding to its shareholding position, pursuant to current regulations.

IR CONTACTS:

Ricardo Richiniti Hingel

Chief Financial and Investor Relations Officer

Alexandre Pedro Ponzi

Executive Superintendent of Investor Relations

Phone: +55 51 3215-3232

Fax: +55 51 3215-3200

E-mail: ri@banrisul-ri.com.br
ir@banrisul-ri.com.br

Website: www.banrisul.com.br/ri
www.banrisul.com.br/ir



São Paulo, March 2, 2018.

To
BANCO ESTADO DO RIO GRANDE DO SUL S.A.

Rua Capitão Montanha, nº 177 – 4º andar
Porto Alegre - Rio Grande do Sul
CEP 90010-040,

Att: Mr. Ricardo Richiniti Hingel
Chief Financial and Investor Relations Officer

Referring to: Disclosure of Information pursuant CVM Instruction no. 358

The investment funds KAPITALO MASTER II FIM, Corporate Taxpayer's Registry No. 12.083.784/0001-84, and KAPITALO TARKUS MASTER FIM, Corporate Taxpayer's Registry No. 28.747.676/0001-62, represented by their portfolio manager KAPITALO INVESTIMENTOS LTDA., Corporate Taxpayer's Registry No. 11.180.009/0001-48, hereby informs, pursuant to article 12 of CVM Instruction No. 358 of January 3, 2002 ("CVM Instruction 358"), that they reached ,on January 12, 2018, the total amount of 10,330,500 (ten million, three hundred and thirty thousand and five hundred) Class B Preferred Shares ("Shares") issued by BANCO ESTADO DO RIO GRANDE DO SUL S.A. ("Company"), corresponding to 5.06% of the type or class of shares representative of the Company's capital stock.

The funds declare that the purchases are not intended to alter the Company's control or its administrative structure, and that they are part of the investment policy described in its regulations.

In view of the foregoing, we request the Company's Investor Relations Officer to immediately transmit the information contained herein to the Brazilian Securities and Exchange Commission ("CVM") and, if applicable, to all markets in which the Company's shares are admitted to trading, pursuant to article 12, paragraph 6 of CVM Instruction 358.

We remain at your disposal for any clarifications that may be required at the phone number (11) 3956-0600.

Regards,


KAPITALO INVESTIMENTOS LTDA
Kapitalo Investimentos Ltda
Hegler Horta
RG: 33.359.324-X


Kapitalo Investimentos Ltda
João Carlos Pinho
RG: 04.463.390-7