



BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.
Corporate Taxpayer's ID (CNPJ/MF) 92.702.067/0001-96

MATERIAL FACT
INTEREST ON EQUITY PAYMENT RELATED TO THE 2nd QUARTER OF 2017

We inform Shareholders the payment of quarterly interest on equity for the 2nd quarter of 2017, in accordance with the Dividend and Interest on Equity Payment Policy, defined in the Board of Directors meeting held on May 6, 2008, for the amount of R\$81,720,100.60 (eighty-one million, seven hundred and twenty thousand, one hundred reais, sixty cents) which will result in the net amount of R\$69,462,085.51 (sixty-nine million, four hundred and sixty-two thousand, eighty-five reais, fifty-one cents) after withholding of income tax.

The interest on equity per class/type of share will amount to R\$0.19981712 for ON shares, R\$0.19981712 for PNA shares and R\$0.19981712 for PNB shares, whereas the net amounts will be R\$0.16984455 for ON shares, R\$0.16984455 for PNA shares and R\$0.16984455 for PNB shares, after income tax withholding at source (15%), except for corporate shareholders with proof of immune or exempt condition, which should be produced until June 02, 2017 and delivered at the following address:

Banco do Estado do Rio Grande do Sul - Unidade de Relações com Investidores
Rua Caldas Júnior, 108 – 7º Andar – Centro – Porto Alegre – RS – Brazil - CEP: 90018-900
Phone: +55 51 3215-3232 / Facsimile: +55 51 3215-3200 / E-mail: ir@banrisul-ri.com.br

The payment to the shareholders registered in our records as of May 15, 2017 will take place on June 29, 2017, as follows:

- Credited to the accounts of the shareholders holding accounts in Banrisul, subject to updating their register, if applicable. For the remaining shareholders, the payment will be made at any branch of Banrisul, upon shareholder's identification, or
- The holders of shares in custody at BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros will receive the interest on equity payments through the brokerage firm where they carry out the respective deposit.

The Company's shares will be traded "ex-right" of Interest on Equity for 2Q17 as of May 16, 2017.

As stated in article 79 of the Company's Bylaws, in article 9 of Law No. 9,249/95 and in item V of the Instruction No. 209/96 of the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários – CVM), the net amount of Interest on Equity will be credited to the dividend referring to fiscal year 2017.

Pursuant to the pertinent legislation, Law No. 6404 - article 287, unclaimed interest on equity payments expires in three years, as from the date they were made available to the shareholder.

Porto Alegre, May 10, 2017.
Ricardo Richiniti Hingel
CFO & Investor Relations Officer
Banco do Estado do Rio Grande do Sul S.A - Banrisul