

## Material Fact

Banco do Estado do Rio Grande do Sul S.A. ("Banrisul"), pursuant to Instruction no. 358 of January 3, 2002, issued by the Brazilian Securities and Exchange Commission ("CVM"), as amended ("CVM Instruction 358"), and Paragraph 4 of Article 157 of Law no. 6,404 of December 15, 1976, as amended ("Corporation Law"), hereby informs its shareholders and the market in general that:

- (a) on July 7, 2015, the Board of Administration approved the Company's second issue of unsecured financial bills, not convertible into shares ("Financial Bills"), with nominal unit value to be set by the issue contract, totaling up to R\$2,000,000,000.00 (two billion Reais) on the issue date, with the possibility of partial distribution, with due regard to the minimum of R\$1,000,000,000.00 (one billion Reais) ("Financial Bills"), which will be subject to public distribution with restricted placement efforts, pursuant to CVM Instruction 476, of January 16, 2009 ("Issue" and "Restricted Offer");
- (b) the Issue will take place in 2 (two) series, the number of Financial Bills allocated to each series ("Series 1 Financial Bills" and "Series 2 Financial Bills", whichever the case) to be determined by the bookbuilding process to be conducted by the lead manager of the restricted offering, using, to this end, the system of communicating vessels;
- (c) the final maturity of the Series 1 Financial Bills and Series 2 Financial Bills will take place two (2) years and three (3) days and three (3) years, respectively, as of their issue date; and
- (d) the Financial Bills will be subject to remunerative interest corresponding to a percentage of the accrued variation in the average one-day over extra grupo daily Interbank Deposit rate (DI) expressed as an annual percentage, based on a year of 252 (two hundred and fifty-two) business days, calculated and disclosed by CETIP S.A. - Mercados Organizados ("DI Rate" and "Remunerative Interest" respectively). The Remunerative Interest will be defined by the Bank along with the coordinators, upon completion of the bookbuilding process, with said percentage to be limited to a maximum market reference rate of up to 108% (one hundred and eight percent) for the Series 1 Financial Bills ("Series 1 Remuneration") and 109% (one hundred and nine percent) for the Series 2 Financial Bills ("Series 2 Remuneration" and along with Series 1 Remuneration, "Remuneration") of the accrued variation in the DI Rate. The remunerative Interest on the Financial Bills will be paid every six (6) months.

This Material Fact is being published by Banrisul exclusively in accordance with CVM Instruction no. 358 and Paragraph 4 of Article 157 of Corporation Law. Consequently, this Material Fact is purely informative in nature and should not be interpreted or considered, for all legal purposes, as an attempt to sell and/or disclose the restricted offering.

Porto Alegre, July, 8, 2015

Ricardo Richiniti Hingel

Chief Financial and Investor Relations Officer

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