

**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 4<sup>th</sup> QUARTER OF 2018**

We inform shareholders that the Board of Executive Officers, in the meeting held on this date, approved of the distribution of interest on equity for the 4<sup>th</sup> quarter of 2018 in the amount of R\$70,000,000.00 (seventy million reais), in accordance with the Dividend and Interest on Equity Quarterly Payment Policy. The interest on equity will amount to R\$0.17109786 for ON shares, R\$0.18754669 for PNA shares and R\$0.17109786 for PNB shares.

Approved conditions:

- shareholders registered in the Company's records on October 29, 2018 will be benefited, and shares traded "ex-right" as of October 30, 2018; and
- the payment will take place on November 14, 2018 at the net amount of R\$0.14543318 per ON shares, R\$0.15941469 per PNA shares and R\$0.14543318 per PNB shares, after the withholding of Income Tax at source at the rate of 15%, except for shareholders that declare their tax exemption status until November 01, 2018, will receive the declared amount.

The payment will be made as informed below:

- credited to the accounts of shareholders holding accounts in Banrisul, subject to the updating of their register, if applicable. For the remaining shareholders, the payment will be made at any branch of Banrisul, upon shareholder's identification, or
- holders of shares in custody at B3 S.A. – Brasil, Bolsa, Balcão will receive the payment of interest on equity through the brokerage firm where they maintain the respective deposit.

As stated in article 79 of the Company's Bylaws, in article 9 of Law No. 9249/95 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 2018. Pursuant to the article 287 of Law No. 6404 - article 287, unclaimed interest on equity payments expires within three years from the date they were made available to the shareholder.

Porto Alegre, October 24, 2018.

**Júlio Francisco Gregory Brunet**  
**Chief Planning, Service Channels and Investor Relations Officer**  
**BANRISUL**

For further information, please contact:

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