



Material Fact

Banco do Estado do Rio Grande do Sul S.A. ("Banrisul"), pursuant to Instruction no. 358 of the Brazilian Securities and Exchange Commission ("CVM"), of January 3, 2002, and Paragraph 4 of Article 157 of Law no. 6,404 of December 15, 1976, hereby informs its shareholders and the market that the State Government of Rio Grande do Sul has passed Law No. 14,837, published in the Official Gazette of the State of Rio Grande do Sul of January 15, 2016, which, as stated in its summary, "authorizes the Executive Branch of the State of Rio Grande do Sul to onerously transfer to Banco do Estado do Rio Grande do Sul ("Banrisul") the services related to the payroll of State public servants and the use of public spaces for rendering customer related services", with said authorization entering into force on the date of its publication ("Law").

Immediately upon the enactment of the Law, Banrisul will initiate studies to evaluate the possible impacts of the Law and the measures to be eventually pursued by the Management of the Bank when negotiating with the State Government the aforementioned onerous transfer.

The enacted law can be viewed in the following link (available only in Portuguese):

http://www.al.rs.gov.br/legis/M010/M0100099.ASP?Hid_Tipo=TEXTTO&Hid_TodasNormas=62787&hTexto=&Hid_IDNorma=62787.

Banrisul will maintain its shareholders and the market in general informed of any new material facts regarding to the subject matter.

Porto Alegre, January 19, 2016.

Ricardo Richiniti Hingel

Chief Financial and Investor Relations Officer
Banco do Estado do Rio Grande do Sul S/A