

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

MATERIAL FACT
STRATEGIC PARTNERSHIP

BANCO DO ESTADO DO RIO GRANDE DO SUL S.A. (“**Banrisul**”), in compliance with CVM Instruction No. 358, dated January 3, 2002, and paragraph 4 of article 157 of Law No. 6404, dated December 15, 1976, hereby informs shareholders and the market that on August 16, 2018, upon obtaining authorizations from the Central Bank of Brazil, the Superintendence of Private Insurance (“**SUSEP**”) and the Administrative Council for Economic Defense (“**CADE**”), the corporate documents and agreements required to the formation of a strategic partnership between Banrisul and Icatu Seguros S.A. for the selling of capitalization products mentioned in the Material fact of December 21, 2017 were dully signed.

Rio Grande Capitalização S.A. is a wholly-owned subsidiary of Banrisul Icatu Participações S.A. (“**BIPAR**”), a holding company in which Banrisul and Icatu hold 49.99% and 50.01%, respectively, of the shares representing the capital stock. BIPAR also holds the entire capital stock of Rio Grande Seguros e Previdência S.A.

Porto Alegre, August 21, 2018.

Regards,

Julio Francisco Gregory Brunet

Chief Planning, Service Channels and Investor Relations Officer

Investor Relations Department

Phone: +55 (51) 3215-3232

Email: ri@banrisul-ri.com.br

Website: www.banrisul.com