



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 3rd QUARTER OF 2016

We inform Shareholders the payment of quarterly interest on equity for the 3rd quarter of 2016, 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\$78,062,134.01 (seventy-eight million, sixty-two thousand, one hundred and thirty-four Reais and one cent) which, after withholding of income tax, will result in the net amount of R \$ 66,352,813.91 (sixty-six million, three hundred fifty-two thousand, eight hundred and thirteen Reais and ninety-one cents).

The interest on equity per class/type of share will amount to R\$0.19087287 for ON shares, R\$0.19087287 for PNA shares and R\$0.19087287 for PNB shares, whereas the net amounts will be R\$0.16224194 for ON shares, R\$0.16224194 for PNA shares and R\$0.16224194 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 September 14, 2016 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 payments to the shareholders registered in our records as of September 06, 2016, will take place on September 29, 2016, 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 3Q16 as of September 08, 2016.

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 2016.

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, September 01, 2016.
Ricardo Richiniti Hingel
CFO & Investor Relations Officer
Banco do Estado do Rio Grande do Sul S.A - Banrisul