



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 4th QUARTER OF 2017

We inform Shareholders the payment of quarterly interest on equity for the 4th quarter of 2017, 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\$30,000,000.00 (thirty million reais) which will result in the net amount of R\$25,500,000.00 (twenty five million, five hundred thousand reais) after withholding of income tax.

The interest on equity per class/type of share will amount to R\$0.07335421 for ON shares, R\$0.07335421 for PNA shares and R\$0.07335421 for PNB shares, whereas the net amount will be R\$0.06235108 for ON shares, R\$0.06235108 for PNA shares and R\$0.06235108 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 December 05, 2017 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 payment to the shareholders registered in our records as of November 13, 2017 will take place on December 28, 2017, 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
- 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.

The Company's shares will be traded "ex-right" of Interest on Equity for 4Q17 as of November 14, 2017.

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 2017.

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, November 17, 2017.

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