

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

MATERIAL FACT

Banco do Estado do Rio Grande do Sul S.A. ("Banrisul" and "Bank") (B3 S.A. BRASIL BOLSA BALCÃO: BRSR3; BRSR5; BRSR6), financial institution headquartered at Rua Capitão Montanha, 177, Porto Alegre, Rio Grande do Sul, Corporate Taxpayers (CNPJ/MF) No. 92.702.067/0001-96, pursuant to Instruction No. 358 of the Brazilian Securities and Exchange Commission ("CVM") of January 3, 2002, as amended, and of paragraph 4, article 157, of Law No. 6404, of December 15, 1976, as amended, in addition to the Material Facts released on March 23, 2018, May 25, 2018 and May 5, July 2018, informs what follows.

Due to the current capital market conditions, and observing the legal deadline of November 19, 2018 to interrupt the application for the registration of the primary and secondary public offering of preferred shares issued by Banrisul Cartões S.A. ("Offering" and "Banrisul Cartões", respectively), Banrisul Cartões is presenting the cancellation request of the Offering to CVM, and the cancellation request for the listing and admission to trading of its preferred shares in the Nivel 1 differentiated corporate governance segment to B3 SA - Brasil, Bolsa, Balcão.

Banrisul will keep market informed about further developments in connection to initiatives towards any new public offering involving Banrisul Cartões, whose registration as listed company and issuer of "A" securities was obtained on September 27, 2018.

Therefore, due to the cancelling of the Offering, and taking into account the capital reduction approved at the Extraordinary Shareholders' Meeting of April, 10, 2018, Banrisul also informs its shareholders and the market that it will make the payment to shareholders of the proceeds from part of the value of their shares in the total amount of R\$353,280,929.46 (three hundred fifty three million, two hundred and eighty thousand, nine hundred twenty nine reais and forty six cents).

Shareholders registered in the Company's records on November 23, 2018 will be entitled to receiving the proceeds, and shares will trade "ex-right" as of November 26, 2018.

The credit to shareholders will occur on November 30, 2018, at the amount of R\$0.86382146 per ON shares, R\$0.86382146 per PNA shares and R\$0.86382146 per PNB shares, as follows:

- credited to the accounts of shareholders holding accounts in Banrisul, subject to the updating of their register, if applicable. For the remaining shareholders, the credit will be available at any of the Bank's branches, upon identification.
- holders of shares in custody at B3 S.A. – Brasil, Bolsa, Balcão will be credited through the brokerage firm where they maintain the respective deposit.

Banrisul will keep shareholders and the market informed of any new facts related to the matters addressed in this Material Fact.

This Material Fact is for information purposes only and must not, under any circumstances, be construed as, or constitute, an investment recommendation or an offer to sell, or a solicitation or an offer to purchase any securities issued by Banrisul, Banrisul Cartões and/or any other subsidiary company.

Porto Alegre, November 20, 2018.

Regards,

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