

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

NOTICE TO THE MARKET
Decrease of Major Shareholding

Banco do Estado do Rio Grande do Sul S.A. ("Banrisul") (B3 S.A., BRASIL, BOLSA, BALCÃO: BRSR3; BRSR5; BRSR6), financial institution headquartered at Rua Capitão Montanha, 177, Porto Alegre, Rio Grande do Sul, Tax Payer's Id (CNPJ/MF) No. 92.702.067/0001-96, in compliance with the terms established by the Brazilian Securities Exchange (Comissão de Valores Mobiliários or "CVM") Instruction No. 358/02, as amended, hereby informs the market and stakeholders of the receipt from **Skagen AS** of the attached document, regarding its shareholding position and pursuant to current regulation.

Porto Alegre, November 30, 2018.

Regards,

Julio Francisco Gregory Brunet

Chief Planning, Service Channels and Investor Relations Officer

Investor Relations Department

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Banco do Estado do Rio Grande do Sul S.A.
Rua Capitão Montanha, nº 177 - Centro
Porto Alegre – Rio Grande do Sul
Brazil

Stavanger, 30 November 2018

Disclosure of information about change of relevant stockholdings under instruction number 358, of January 3, 2002, as amended

The mutual fund SKAGEN Kon-Tiki Verdipapirfond (CNPJ Reg No 07536389000133) is registered in the Norwegian Business Registry and is managed by SKAGEN AS. The fund has, for the purpose of managing the mutual fund, sold shares (Class B Preferred Shares - ISIN: BRBRSRACNPB4) with trade date 27 November 2018 and settlement date 30 November 2018 in Banco do Estado do Rio Grande do Sul S.A. (Banrisul).

The transactions reduced our holding and as of 27 November 2018 the fund holds 9,779,000 of the Class B Preferred Shares and this equals to 4.83% of the Class B Preferred Shares and 2.39% of the total number of shares in the company. The calculations are based on total shares outstanding – 408,974,477 and total Class B Preferred Shares outstanding 202,373,036.

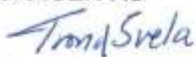
Before the abovementioned transactions, the fund held as of 26 November 2018, shares representing 5.18% of the outstanding Class B Preferred Shares and 2.56% of the total number of shares in the company.

This is a minority investment that does not involve a change in the composition of corporate control or a change in the management structure of Banrisul. Currently, the fund does not target any quantity of Banrisul's shares.

We declare that there are no agreement or contract regulating voting rights or the purchase and sale of securities issued by Banrisul, to which the mutual funds are a party.

We assume that you will inform the market as per CVM rules.

Best regards
SKAGEN AS



Trond Svela
Risk & Compliance Advisor