

BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.

CNPJ 92.702.067/0001-96

MATERIAL FACT

BANCO DO ESTADO DO RIO GRANDE DO SUL SA ("Banrisul"), pursuant to Instruction No. 358 of the Brazilian Securities and Exchange Commission ("CVM") of January 3, 2002, as amended ("CVM Instruction 358"), and for the purposes of paragraph 4 of article 157 of Law No. 6404, of December 15, 1976, as amended ("Law 6404/76"), hereby informs that it has entered, together with its subsidiary BANRISUL CARTÕES SA ("Banrisul Cartões"), into a non-binding Memorandum of Understanding (MoU) aimed at establishing a strategic partnership with Autopass SA ("Autopass"), a technology and urban-mobility related services company, which contributes to the construction of smart cities, implementing and managing electronic ticketing solutions throughout the national territory, with the purpose of making available Banrisul Cartões' VERO acquiring network to (1) Autopass customers, (2) commercial establishments servicing users of urban mobility stations, (3) means of transportation and (4) Autopass partners that are part of the benefit club.

In the agreement, Banrisul Cartões and Autopass, currently undergoing a reorganization plan focused on generating new business, will share the net results of the partnership.

Banrisul reinforces that the MoU does not immediately impact its or Banrisul Cartões' results, but is part of a growth strategy for the Vero Acquisition Network within the State of São Paulo.

The conclusion of final documents and the implementation of the operation are still subject to precedent conditions.

Banrisul will keep the CVM and the market informed about the subject matter of this material fact.

Porto Alegre, July 17, 2018.

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