

**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, article 157, of Law No. 6404, dated December 15, 1976, as amended ("Law 6404/76"), and in relation to the Material Facts mentioning the auctions of Banrisul's Preferred and Common shares under the shareholding of the State of Rio Grande do Sul which took place in the Brazilian Stock Exchange ("**Auctions**") on April 10 and April 27, respectively, and in view of recent press statements mentioning the Auctions, hereby informs the market and shareholders, within the scope of protest made by investor to CVM about possible irregularities in the Auctions (SEI process No. 19957.005033/2018-11), that an official manifestation from CVM communicating the decisions of the Superintendencies of Companies and Market Relations and Intermediaries ("**SEP**" and "**SMI**", respectively) was received on July 26, 2018, **declaring that no indications of irregularities were identified** and further determining that the claim be terminated upon notification to the claimant..

Porto Alegre, July 26, 2018.

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