

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

NOTICE TO THE MARKET

BANCO DO ESTADO DO RIO GRANDE DO SUL S.A. ("Banrisul" or "Company"), hereby presents the clarifications requested by the Brazilian Securities and Exchange Commission through Official Letter 8/2021/CVM/SEP/GEA-1, sent to the Company on January 18, 2021, with the main wording transcribed as follows:

"Subject: **Request for clarification on news item.**

1. Concerning the news item published on this date in the Destaques column of the Valor Econômico newspaper, with the following statements:

Banrisul Bonus

Banrisul called a series of meetings with investors to issue subordinated debt securities in the international market, according to sources. The transaction will involve notes in U.S. dollars and will mature in ten years. The funds will be used to reinforce the Company's level 2 cash position. The size and rate of the transaction will be defined based on market conditions. Goldman Sachs, Itaú BBA and Santander will coordinate the transaction, which should reach the market next week.

2. In this regard, we request that the Company state whether the news item is true, and if so, that the Company also explain the reasons why it did not consider it a material fact and comment on other relevant information related to this topic.

3. The Company should respond through the Empresa.NET system, category: Comunicado ao Mercado, type: Esclarecimentos sobre questionamentos da CVM/B3, subject: Notícia Divulgada na Mídia, which must include the transcript of this official letter. Compliance with this request for clarification through a Notice to the Market

does not exempt the Company from the responsibility for the untimely disclosure of a Material Fact, pursuant to CVM Instruction 358/02.

4. We emphasize that, pursuant to article 3 of CVM Instruction 358/02, the Investor Relations Officer is responsible for disclosing and communicating to the CVM any material facts related to its business and for ensuring their wide and immediate dissemination. The Investor Relations Officer must also question the Company's management and controlling shareholders, as well as other persons with access to material acts or facts in order to ascertain if they are cognizant of information that should be disclosed to the market, pursuant to the sole paragraph of article 4 of the above-mentioned rule.

5. Please note that, as determined by the Superintendence of Corporate Relations, in the exercise of its duties, and pursuant to item II of article 9 of Law 6,385/76 and CVM Instruction 608/19, a punitive fine will be imposed on the Company, in the amount of one thousand reais (R\$1,000.00), without prejudice to other administrative sanctions, due to non-compliance with the demand contained in this official letter by January 19, 2021, which was exclusively sent via email, notwithstanding the sole paragraph of article 6 of CVM Instruction 358/02.

In compliance with the request transcribed above, Banrisul clarifies the following:

I – Meeting with Investors

Initially, we would like to clarify that on January 13, 2021, the Company's Extraordinary Board of Directors' Meeting, through Minutes 717 ("Issue Minutes"), approved the issue of subordinated debt instruments ("Notes") for placement in jurisdictions other than the Federative Republic of Brazil ("Brazil", "Offer" or "Issue", respectively).

It is worth noting that the Notes can be exclusively traded abroad with qualified institutional investors, as per Rule 144A of the Securities Act, and with non-US citizens, pursuant to Regulation S of the Securities Act ("Target Audience of the Notes").

After the above-mentioned approval, notably as of January 18, 2021, the Company, together with the coordinating banks, started to hold virtual presentations exclusively to the Target Audience of the Notes, pursuant to the U.S. legislation, especially the Securities Act, without any type of offer to Brazilian investors, whether they are residents and domiciled in Brazil or other jurisdictions, pursuant to the Issue Minutes.

Thus, Banrisul clarifies that it is not selling, distributing, offering or placing funding instruments to Brazilian investors and/or under the Brazilian legislation.

II – Offer conditional on the Results of the Bookbuilding Procedure

The Offer will only be placed if the results of the bookbuilding and pricing procedure meet Banrisul's criterion.

Thus, the Offer may not be concluded depending on the results of the bookbuilding and pricing procedure. For this reason, the Company must communicate to the market its intention to proceed with the Offer, as better explained below.

III – Disclosure of the Notice to the Market

The Offer will only continue after completion of the bookbuilding and pricing procedure. For this reason, the Company will communicate the Issue to its investors after said completion through a Notice to the Market, in compliance with its last transaction to issue "notes" carried out in 2012, in which the Company communicated the Offer to the Market after the pricing of the "notes".

Thus, the Company's current positioning is consistent with its usual positioning in similar transactions, as well as with its disclosure policy, i.e. said issue of "notes" occur over the normal course of the Company's business. As a result, the release of a Material Fact is not necessary in the Company's specific case.

Corroborating the mentioned above, it is also verified that the Company is acting in accordance with the market's practices, in which a notice to the market, or a material fact, is released according to the practice of issuers' communication with stakeholders, as a rule, on or after the date of pricing of the respective "notes".

Therefore, we understand that we are acting in line with market practices for similar transactions and in a manner consistent with the practice that we adopted in our last issue of "notes", in 2012.

IV – Publication of the Corporate Act that approved the Issue

Finally, we inform that we will upload the Issue Minutes in the Empresa.NET System and will publish the corporate act in the Investor Relations section of the Company's website in a timely manner, under the terms set forth in CVM Instruction 480 of December 7, 2009.

We are available for any further clarifications that may be necessary.

Porto Alegre, January 19, 2021.

Sincerely,

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