

MATERIAL FACT

Banco do Estado do Rio Grande do Sul S.A. ("Banrisul"), pursuant to Instruction no. 358 of the Comissão de Valores Mobiliários ("CVM", the Brazilian Securities and Exchange Commission), of January 3, 2002, and Paragraph 4 of Article 157 of Law no. 6,404 of December 15, 1976, hereby informs its shareholders and the market that, on February 15, 2016, it received a document produced by the State of Rio Grande do Sul ("State") expressing the interests of the State in giving effect to the provisions of Law No. 14,837 of January 14, 2016, which authorizes the Executive Branch of the State Government to onerously transfer to Banrisul services related to the payroll of civil servants and the use of public spaces for the provision of banking services (the "Communication" and the "Law").

In light of the foregoing, as already disclosed in the Material Fact published on January 19, 2016, Banrisul's Management will assess the possible impacts of such Communication on its activities and will continue the necessary analyses to define the terms and conditions of the response to be forwarded to the State within 15 days from the receipt of the Communication, with the purpose of informing the State of the Bank's interests in onerously receiving and making use of the services and public spaces object of the Law.

Banrisul will maintain informed its shareholders and the market in general of any new material facts regarding to this matter.

Porto Alegre, February 17, 2016.

Ricardo Richiniti Hingel

Chief Financial and Investor Relations Officer

Banco do Estado do Rio Grande do Sul S/A