



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

**MATERIAL FACT**  
**INTEREST ON EQUITY PAYMENT RELATED TO THE 4<sup>th</sup> QUARTER OF 2016**

We inform Shareholders the payment of quarterly interest on equity for the 4<sup>th</sup> quarter of 2016, in accordance with the Dividend and Interest on Equity Payment Policy, defined in the Board of Directors meeting held on May 6, 2008, for the amount of R\$ 17,000,000.00 (seventeen million Reais) which, after withholding of income tax, will result in the net amount of R\$ 14,450,000.00 (fourteen million, four hundred and fifty thousand Reais).

The interest on equity per class/type of share will amount to R\$ 0.04156739 for ON shares, R\$ 0.04156739 for PNA shares and R\$ 0.04156739 for PNB shares, whereas the net amounts will be R\$0.03533228 for ON shares, R\$0.03533228 for PNA shares and R\$0.03533228 for PNB shares, after income tax withholding at source (15%), except for corporate shareholders with proof of immune or exempt condition, which should be produced until December 19, 2016 and delivered at the following address:

**Banco do Estado do Rio Grande do Sul - Unidade de Relações com Investidores**  
**Rua Caldas Júnior, 108 – 7º Andar – Centro – Porto Alegre – RS – Brazil - CEP: 90018-900**  
Phone: +55 51 3215-3232 / Facsimile: +55 51 3215-3200 / E-mail: ir@banrisul-ri.com.br

The payment to the shareholders registered in our records as of December 14, 2016 will take place on December 29, 2016, as follows:

- Credited to the accounts of the shareholders holding accounts in Banrisul, subject to updating their register, if applicable. For the remaining shareholders, the payment will be made at any branch of Banrisul, upon shareholder's identification, or
- The holders of shares in custody at BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros will receive the interest on equity payments through the brokerage firm where they carry out the respective deposit.

The Company's shares will be traded "ex-right" of Interest on Equity for 4Q16 as of December 15, 2016.

As stated in article 79 of the Company's Bylaws, in article 9 of Law No. 9,249/95 and in item V of the Instruction No. 209/96 of the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários – CVM), the net amount of Interest on Equity will be credited to the dividend referring to fiscal year 2016.

Pursuant to the pertinent legislation, Law No. 6404 - article 287, unclaimed interest on equity payments expires in three years, as from the date they were made available to the shareholder.

Porto Alegre, December 09, 2016.  
**Ricardo Richiniti Hingel**  
**CFO & Investor Relations Officer**  
**Banco do Estado do Rio Grande do Sul S.A - Banrisul**