

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

MATERIAL FACT
TEMPORARY SUSPENSION OF PAYMENT OF QUARTERLY INTEREST ON CAPITAL FOR 2020

Banco do Estado do Rio Grande do Sul S.A. ("Banrisul" or "the Company"), in compliance with the provisions of Law No. 6404/76 and the regulations of the Brazilian Securities and Exchange Commission ("CVM"), particularly CVM Instruction No. 358/02, as amended, publicly announces the suspension of the quarterly payment of Interest on Capital ("IOC") for the months of June, September and December of 2020, in compliance with CMN Resolution No. 4820/20 ("Res. 4820").

The payment of quarterly IOC by Banrisul has been occurring uninterruptedly since 2008, with the credit to shareholders taking place by the last business day of the respective quarter in which IOC had been declared, according to section 7 – Payment Method of Banrisul's Interest on Equity and Dividend Policy. The temporary suspension of the aforementioned payment of IOC is compliant with articles 2, 3 and 4 of Res. 4820, as follows:

"Article 2 The financial institutions mentioned in art. 1 are not allowed to:

I - remunerate own capital, including in the form of aforementioned prepayment, above:

a) the amount equivalent to the minimum mandatory dividend, established by art. 202 of Law No. 6,404, of December 15, 1976, including in the form of interest on capital, in the case of companies incorporated in the form of a corporation; (...)

Article 3 The limits referred to in items I and IV of art. 2 apply to the fiscal year 2020, regardless of the date of the date of the credit to shareholders. (...)

Article 4 The limits referred to in items II and III of art. 2 are applicable from the date of entry into force of Resolution No. 4797/20 until December 31, 2020."

In view of the above, the management decided to temporarily suspend the quarterly payment of interest on equity. The prepayment of IOC for 2020 may take place, provided that the minimum mandatory dividend is observed and that it occurs in a conservative, consistent and compatible manner with the uncertainties of the current economic situation, given the potential effects of the coronavirus pandemic (Covid-19) upon the National Financial System, and the date of credit to shareholders, in the event of anticipation, will be duly informed.

Banrisul will keep shareholders and the market in general informed of further relevant information related to this event.

Porto Alegre, June 04, 2020.

Regards,

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