

BANRISUL SA - Notice to the Market

Sale of Major Shareholding

Porto Alegre, August 21, 2013 - **BANRISUL - Banco do Estado do Rio Grande do Sul (Bovespa: BRSR3; BRSR5; BRSR6)**, a financial institution that operates in the commercial, social and development areas, serving all segments of Brazil's southern of society, headquartered at Rua Capitão Montanha, 177, Porto Alegre, Rio Grande do Sul, CNPJ/MF No. 092.702.067/0001-96, in compliance with the terms established by CVM Instruction No. 358/02, as amended by CVM Instruction 449/07, informs the receipt of the attached document from **BlackRock, Inc.**, regarding the reduction to its shareholding position, pursuant to current regulations.

IR CONTACTS:

João Emilio Gazzana

Chief Financial and Investor Relations Officer

Alexandre Pedro Ponzi

Executive Superintendent of Investor Relations, Capital Markets and Governance

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About Banco do Estado do Rio Grande do Sul S.A.:

Founded in 1928, Banco do Estado do Rio Grande do Sul SA ("Banrisul") is a multiple bank controlled by the State of Rio Grande do Sul, In the competitive environment, Banrisul held in September 2012, the 11th position in total assets among banks that comprise the National Financial System, the 11th position in equity, the 7th place in total deposits and the 7th position in number of branches, according to ranking published by the Central Bank of Brazil (BNDES not included) and having the largest branch network in the State. It has a strong presence in Southern Brazil, with focus on promoting economic and social development of the Estado do Rio Grande do Sul.

BANCO ESTADO DO RIO GRANDE DO SUL S.A.

Rua Capitão Montanha, nº 177 – 4º andar

CEP 90010-040, Cidade de Porto Alegre, Estado do Rio Grande do Sul

Att: Mr. João Emilio Gazzana

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August 16, 2013

BANCO ESTADO DO RIO GRANDE DO SUL S.A. – Disclosure of Alienation of Material Shareholding Participation

Dear Sirs,

- 1 BlackRock, Inc. ("BlackRock") has, on behalf of some of its clients and acting as their investment manager, Informed us that it has alienated class B preferred shares Issued by Banco Rio Grande do Sul SA ("Banrisul") and that, on August 16, 2016, its shareholding position reached, in total, 9,976,753 class B preferred shares, representing approximately 4.89% of the class B preferred shares Issued by the Company.
- 2 In order to meet the provisions of Paragraph 4, Article 12 of Comissão de Valores Mobiliários ("CVM" or the Brazilian Securities Commission) Instruction no. 358, as of January 3, 2002, as amended, BlackRock, hereby requests that Banrisul's Chief Investor Relations Officer Banrisul disclose the following information to CVM and other bodies:
 - (i) BlackRock is organized and registered at 40 East 52nd Street, New York, New York, 10022-5911, United States of America;
 - (ii) the equity shareholdings held by BlackRock reached on aggregate 9,976,753 class B preferred shares, representing approximately 4.89% of the total Class B preferred shares issued by Banrisul, as specified in item 1, above;
 - (iii) the goal of the aforementioned equity interests is strictly for investment, not aiming at altering the Company's shareholding control or administrative structure;
 - (iv) no share-convertible debentures, or securities convertible into shares issued by Banrisul shall be held by BlackRock; and
 - (v) no contracts or agreements that govern the exercise of voting rights or the purchase and sale of securities issued by Banrisul have been executed by BlackRock.

We remain at your disposal for any clarifications or additional comments deemed necessary regarding the subject.

Best regards,



Pp. BlackRock, Inc.
Renata Cardoso