



NOTICE TO THE MARKET

SHARE CONVERSION

Banco do Estado do Rio Grande do Sul S.A. (Banrisul), considering the option to convert its class A preferred (PNA) shares into common (ON) shares or class B preferred (PNB) shares issued by the Company, hereby notifies, for knowledge and disclosure, that, after conversion of 7,000 (seven thousand) class A preferred shares into class B preferred shares, the Company's capital stock was altered, as shown below:

Capital Stock on the date of last modification, 03/17/2010

| | |
|---------------------------|-------------|
| Common Shares: | 205,043,374 |
| Class A Preferred Shares: | 3,799,735 |
| Class B Preferred Shares: | 200,131,368 |
| Total | 408,974,477 |

Capital Stock after Conversions on 03/23/2010

| | |
|---------------------------|-------------|
| Common Shares: | 205,043,374 |
| Class A Preferred Shares: | 3,792,735 |
| Class B Preferred Shares: | 200,138,368 |
| Total | 408,974,477 |

Ricardo Richiniti Hingel
CFO and Investor Relations Officer
Banco do Estado do Rio Grande do Sul S.A. – Banrisul