



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 1,200 (one thousand and two hundred) 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, 04/01/2010

| | |
|---------------------------|-------------|
| Common Shares: | 205,043,374 |
| Class A Preferred Shares: | 3,736,835 |
| Class B Preferred Shares: | 200,194,268 |
| Total | 408,974,477 |

Capital Stock after Conversions on 04/13/2010

| | |
|---------------------------|-------------|
| Common Shares: | 205,043,374 |
| Class A Preferred Shares: | 3,735,635 |
| Class B Preferred Shares: | 200,195,468 |
| Total | 408,974,477 |

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