

BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.

CNPJ/MF nº 92.702.067/0001-96

MATERIAL FACT Market Maker

Starting September 18, 2007, Banco do Estado do Rio Grande do Sul S.A. (Banrisul) will have the services of UBS Pactual S.A., through its broker house, as market maker for its Class B preferred shares.

UBS Pactual S.A. will be responsible for placing daily buy and sell offerings on a continuous basis to improve the liquidity and the pricing process of the Company's shares, traded under the ticker BRSR6.

Market makers are institutions authorized by the São Paulo Stock Exchange (BOVESPA) to promote asset liquidity. This activity was authorized by the Brazilian Securities and Exchange Commission (CVM) on March 17, 2003, through Instruction 384, and regulated by Bovespa through Resolution 293 of July 22, 2003 (Variable Income), and Resolution 300 of July 20, 2004 (Fixed Income).

Porto Alegre, September 18th, 2007.

Ricardo Richiniti Hingel

CFO and IRO