



NOTICE TO THE MARKET

The Board of Directors' Meeting held on 04/10/2007 approved by referendum of the Audit Committee and the Board of Directors the payment of interest on equity in the gross amount of R\$ 1,929016628 per one thousand common shares, and R\$ 1,990457662 per one thousand PNA shares; the net value was credited to the dividend referring to the fiscal year of 2007.

The interest on equity payment will be credited in the Company's records on an individual basis to each shareholder, based on the equity position on 04/10/2007, and the payment will be carried out on 05/29/2007.

The payments will be subject to Income Tax Withholding at Source, pursuant to the pertinent legislation, except for immune or exempt corporate shareholders, and the documents submitted as evidence of immunity or exemption must be sent to the Company.

Porto Alegre, April 10th, 2007.

(original document signed by)
Ricardo Richiniti Hingel
Investor Relations Officer
Banco do Estado do Rio Grande do Sul S.A.