



NOTICE TO THE MARKET

The Board of Directors' Meeting held on 06/28/2007 approved by referendum of the Audit Committee and the Board of Directors the payment of interest on equity in the gross amount of R\$ 0,328372948 per one thousand ON shares, and R\$ 0,490474698 per one thousand PNA shares; the net value was credited to the dividend for fiscal year 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 held on 06/28/2007, and the payment will be carried out on 07/06/2007.

The payment 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 until 07/04/2007.

Porto Alegre, June 28 2007.

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