



Notice to the Market

In view of the resolutions of the Extraordinary General Meeting of June 1, 2007, we announce that:

- the shareholding positions on our records on July 24, 2007 will be grouped;
- the ungrouped blocked shares will be valid until July 27, 2007 (including).

Porto Alegre, July 19, 2007.

Banco do Estado do Rio Grande do Sul S/A
Ricardo Richiniti Hingel
Investor Relations Officer