



Notice to the Market

We hereby inform that, due to the conversion carried out on July 2nd 2007 by the State of Rio Grande do Sul, our controlling shareholder, of 20,000,000,100 own PNA shares into PNB shares, the capital stock of Banco do Estado do Rio Grande do Sul S.A. is represented by the shares listed below:

ON = 204,974,060

PNA = 4,000,417

PNB = 133,333,334

Total = 342,307,811

Ricardo Richiniti Hingel
Investor Relations Officer