



NOTICE TO THE MARKET

CONVERSION OF SHARES

With regard to conversion of preferred shares (PNA) issued by Banrisul into common shares (ON) or preferred shares (PNB), we inform the following:

1. conversion will be done anytime upon request from the shareholder, indicating the number of shares to be converted and the new share type and class;
2. for shares held in custody at Banrisul, the shareholder must visit any branch of the Bank and make a request in the above-mentioned manner. The branch will identify and forward the request to the Department of Investor Relations and Capital Markets;
3. for shares held with brokers in general, the request must be sent to Banrisul by the Brazilian Clearing and Depository Corporation (CBLC), indicating the number of shares to be converted and the new share type and class. In this case, shareholders must directly contact their broker.

If you require any further information, please contact us.

Porto Alegre, August 15, 2007.

Ricardo Richiniti Hingel
CFO and Investor Relations Officer