



BNY MELLON
ASSET MANAGEMENT

December 9, 2008

Banco do Estado do Rio Grande do Sul S.A.
Rua Capitao Montanha,
n° 177 - Centro
Porto Alegre – Rio Grande do Sul, Brazil
90010-040

Att: Ricardo Richinti Hingel, CFO and Investor Relations Officer

Disclosure of Interest Securities
CVM Instruction 358

Dear Ladies and Gentlemen:

For purposes of article 12 of the CVM Instruction n.º 358, dated January 3, 2002, as amended ("Instruction 358"), The Bank of New York Mellon Corporation, a company incorporated under the laws of The United States of America, with its registered office at One Wall Street, New York, NY 10286 USA, hereinafter referred to as "BNY Mellon", and Newton Investment Management Limited., which is a subsidiary of BNY Mellon, ("Subsidiary"), a company incorporated under the laws of England and Wales, with its registered office at Mellon Financial Centre, 160 Queen Victoria Street, London EC4V 4LA, England, hereby inform you of the following:

As of April 8, 2008, BNY Mellon, in its capacity as investment manager, acting, with discretionary powers, has indirectly acquired 11,019,800 shares of the capital stock of Banco do Estado do Rio Grande do Sul S.A. (the "Company"), representing 5.51% of the capital stock of the Company for investment purposes.

1. This event resulted from an increase in shares held by Subsidiary on April 8, 2008 of 2,947,200 shares.
2. Until such date, BNY Mellon indirectly, controlled 8,072,600 preference shares issued by the Company.
3. Therefore, BNY Mellon has indirectly crossed, the 5% threshold established under Instruction 358.

As of April 8, 2008, Subsidiary, in its capacity as investment manager, acting, with discretionary powers, has acquired on behalf of its clients, 11,019,800 shares of the capital stock of Banco do Estado do Rio Grande do Sul S.A. (the "Company"), representing 5.51% of the capital stock of the Company for investment purposes.

The Bank of New York Mellon Corporation
One Mellon Center, 500 Grant Street, Pittsburgh, PA 15258 USA
412-236-7733 (phone) nicholas.darrow@bnymellon.com

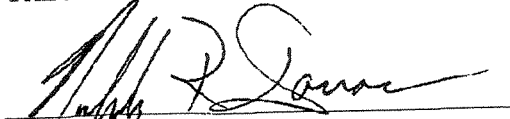
1. This event resulted from an increase in shares held by Subsidiary on April 8, 2008 of 2,947,200 shares.
2. Until such date Subsidiary directly controlled 8,072,600 preference shares issued by the Company.
3. Therefore, Subsidiary has directly crossed the 5% threshold established under Instruction 358.

Neither Subsidiary nor BNY Mellon has entered into any agreement governing the exercise of voting rights or purchases and sales of securities issued by the Company.

Neither Subsidiary nor BNY Mellon intends to alter or influence the control composition or administrative structure of the Company or interfere with the manner in which the business of the Company is currently conducted.

Should you have any questions or require any further clarification regarding the foregoing, please do not hesitate to contact Nicholas Darrow at 412-236-7733.

THE BANK OF NEW YORK MELLON CORPORATION



NAME: Nicholas R. Darrow
TITLE: Sr. Vice President

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