



NOTICE TO THE MARKET

SHARE CONVERSION

Banco do Estado do Rio Grande do Sul S.A. (Banrisul), considering the option to convert its class A preferred (PNA) shares into common (ON) shares or class B preferred (PNB) shares issued by the Company, hereby notifies, for knowledge and disclosure, that, after conversion of 400 (four hundred) class A preferred shares into class B preferred shares, the Company's capital stock was altered, as shown below:

Capital Stock on the date of last modification, 07/21/2010

Common Shares:	205,043,374
Class A Preferred Shares:	3,713,235
Class B Preferred Shares:	200,217,868
Total	408,974,477

Capital Stock after Conversions on 07/23/2010

Common Shares:	205,043,374
Class A Preferred Shares:	3,712,835
Class B Preferred Shares:	200,218,268
Total	408,974,477

Mateus Affonso Bandeira
CEO and Investor Relations Officer
Banco do Estado do Rio Grande do Sul S.A. – Banrisul