

NOTICE TO THE MARKET

BANRISUL – Banco do Estado do Rio Grande do Sul S.A. (Bovespa N1 – BRSR6) hereby informs the public that in January 2009 it became a component stock of the Brazil Index (IBrX) of the São Paulo Stock Exchange (BMF-BOVESPA), which is composed of the 100 most actively traded stocks on the exchange in the last 12 months.

In 2008, which was the base period considered, 188,146,600 shares in BANRISUL were traded, corresponding to financial volume of R\$1,449.6 million, with the Company ranking 73rd in the period.

These numbers reflect the Bank's performance and its strategic and market positioning, which has led to a solid expansion of the business; a high quality loan portfolio; growth in funding obtained solely through its branch network; an excellent liquidity and cash position; and a capitalization ratio supporting further expansion of the business as market conditions prove favorable.

Given that the company held its public offering only recently, in July 2007, management considers an important achievement the BANRISUL stock was included in the index in less than one and a half years since being listed on the exchange.

This position results from the strategy of actively communicating with the market through the Investor Relations department, which sought to offer high-quality contact and information to shareholders, expand its relationship with the market and broaden its disclosure to investors and analysts. These efforts included contracting a market maker; countless trips in Brazil and abroad; participation in events organized by investment banks, also in both Brazil and abroad; meetings in person or via conference calls; site visits by investors; and mailing actions to send relevant and updated information to the market. In 2008 alone, we met with and contacted more than 800 analysts and investors.

Another important development is that there are now four institutions covering the Bank, two of which were added in 2008, and we are currently negotiating to expand this number in 2009.

We also believe that the achievement of becoming a component of the IBrX index takes on even greater importance under the extremely adverse scenario that has emerged, under which not only BANRISUL, but also other companies, must communicate to the market to explain the potential effects of the international crisis on their businesses.

Ricardo Richiniti Hingel
Chief Financial and Investor Relations Officer