



NOTICE TO THE MARKET

BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.

Corporate Tax Payer's ID (CNPJ/MF) no. 92.702.067/0001-96

Moody's attributed an investment grade rating to Banrisul

The Banco do Estado do Rio Grande do Sul S.A. – Banrisul announces that Moody's Investors Service assigned a bank financial strength rating (BFSR) of **D+** to Banco do Estado do Rio Grande do Sul S.A. (Banrisul). At the same time, Moody's assigned Banrisul long- and short-term global local- and foreign-currency deposit ratings of **Baa3** and **Prime 3**, respectively, and deposit ratings of **Aaa.br** and **BR-1** in the Brazilian national scale. All ratings have a stable outlook.

The ratings are underpinned by Banrisul's established business franchise as a regional retail bank with a broad footprint in the state of Rio Grande do Sul, and by its access to ample low-cost and stable core deposits -- a key factor supporting its robust financial margins.

The rating also incorporates Banrisul's track record of recurrent profitability, with the bulk of its earnings generated from retail lending and related fees, and supported by relatively low funding costs. Its asset quality indicators, which compare well with those of similarly rated banks, reflect the secured nature of Banrisul's loan portfolio, one third of which is made of payroll loans; another sizable portion is sourced from small and medium companies and are largely granular.

Achieving investment grade, on a global scale, and the maximum rating on Brazilian national scale, reinforces the commitment by the Bank in improving the management and is in line with best Corporate Governance practices.

[Click here](#) to access the full report.

Porto Alegre, January 04, 2012.

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CFO & IRO

Banco do Estado do Rio Grande do Sul S.A. – Banrisul