



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 14,733 (fourteen thousand, seven hundred thirty three) class A preferred shares into common shares, the Company's capital stock was altered, as shown below:

Capital Stock on the date of last modification, 06/30/2008

<i>Common Shares:</i>	<i>205,017,861</i>
<i>Class A Preferred Shares:</i>	<i>3,884,896</i>
<i>Class B Preferred Shares:</i>	<i>200,071,720</i>
<i>Total</i>	<i>408,974,477</i>

Capital Stock after Conversions on 12/04/2008

Common Shares:	205,032,594
Class A Preferred Shares:	3,870,163
Class B Preferred Shares:	200,071,720
Total	408,974,477

Ricardo Richiniti Hingel
CFO and Investor Relations Officer
Banco do Estado do Rio Grande do Sul S.A. – Banrisul