



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 1,333 (one thousand, three hundred and thirty three) class A preferred shares into class B preferred shares the Company's capital stock was altered, as shown below:

Capital Stock before Conversions, on 12/07/2007.

Common Shares:	205,017,861
Class A Preferred shares:	3,932,416
Class B Preferred shares:	<u>200,024,200</u>
Total	408,974,477

Capital Stock after Conversions, on 02/06/2008.

Common Shares:	205,017,861
Class A Preferred Shares:	3,931,083
Class B Preferred Shares:	<u>200,025,533</u>
Total	408,974,477

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