

NOTICE TO SHAREHOLDERS**INTEREST ON EQUITY PAYMENT RELATED TO THE 4th QUARTER OF 2009**

We hereby inform the Shareholders that we will carry out the payment of interest on equity related to the fourth quarter of 2009, in the amount of **R\$ 47,256,283.52** (forty-seven million, two hundred and fifty-six thousand, two hundred and eighty-three Reais and fifty-two cents) which, after Income Tax withholding at source, results on net interest on equity of **R\$ 40,167,840.99** (forty million, one hundred and sixty-seven thousand, eight hundred and forty Reais and ninety-nine cents), according to the decision made at the Board of Director's Meeting held on May 06, 2008.

All shareholders registered with this company as owners or beneficial owners of these shares on December 01, 2009 will be entitled to these payments.

Initial Payment: December 21, 2009

Class / Type of Share	Interest on Equity's Gross Value, per Share	Income Tax Withholding at Source (15%)	Interest on Equity's Net Value, per Share
ON	R\$ 0.11547232	R\$ 0.01732085	R\$ 0.09815147
PNA	R\$ 0.12353984	R\$ 0.01853098	R\$ 0.10500886
PNB	R\$ 0.11547232	R\$ 0.01732085	R\$ 0.09815147

As stated in article 79 of the Company's Bylaws, in article 9 of Law no. 9,249/95 and in item V of the Instruction no. 209/96 of the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários – CVM*), the net amount of Interest on Equity will be credited to the dividend referring to fiscal year 2009.

Income Tax:

The payments will be subject to Income Tax withholding at source, pursuant to the pertinent legislation, except for corporate shareholders with proof of immune or exempt condition, which should be produced until December 10, 2009 and delivered at the following address:

Banco do Estado do Rio Grande do Sul

Unidade Financeira – Gerência de Relações com Investidores e Mercado de Capitais

Rua Caldas Júnior, 108 – 7º Andar – Centro – Porto Alegre – RS – Brazil

CEP: 90018-900

Phone: 55 51 3215-3232

Facsimile: 55 51 3215-3200

E-mail: ir@banrisul-ri.com.br

Forms of Payment:

The payments will be credited to the current accounts of the shareholders holding current accounts with BANRISUL. For the remaining shareholders, the payment will be carried out in any bank branch agency, upon identification. The holders of shares in custody will receive the interest on equity payments through the brokerage firm where they carry out the respective deposit.

Limitation Period:

Pursuant to the pertinent legislation, Law 6404 - art. 287, unclaimed interest on equity payments expires in three years, as from the date they were made available to the shareholder.

Porto Alegre, December 01, 2009.

Ricardo Richiniti Hingel

CFO & Investor Relations Officer

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