



NOTICE TO THE MARKET

PAYMENT OF INTEREST ON EQUITY AND DIVIDEND POLICY

We hereby inform the Shareholders, pursuant to decision made at the Board of Director's Meeting held on May 06, 2008, and in accordance with the article 79 of the Banrisul's Bylaws, which establishes the payment of Interest on Equity and states that it be credited to the minimum obligatory dividend, the adoption of the *policy of Payment of Interest on Equity and Dividend before the end of every quarter*. From this date on, payments will be credited to the Shareholders until the last working day of the respective quarter.

Interest on Equity related to the 1st Quarter of 2008, in connection to the above mentioned Policy, will be paid pursuant to the terms and conditions described in the *Notice to Shareholders* released on the same date of the present *Notice to the Market*.

At the end of the Fiscal Year, net Interest on Equity already paid will be deducted from the amount of total proposed Dividends, remaining at the disposal of the General Shareholders' Meeting to deliberate as to its payment.

Porto Alegre, May 07, 2008.

Ricardo Richiniti Hingel
CFO & Investor Relations Officer
BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.