



NOTICE TO THE MARKET

Banco do Estado do Rio Grande do Sul S.A. - Banrisul - hereby announces the acquisition, in October 2007, of the entire credit card portfolio of Banrisul Serviços Ltda. The incorporation of the assets representing amounts receivable from clients related to purchases billed or to be billed and of the liabilities representing obligations with commercial establishments and with Visa and Mastercard was effected at their book value. Differences representing purchases by clients already paid by Banrisul Serviços Ltda. to commercial establishments, but whose payments have not yet been received from clients, were settled financially.

Banrisul retains a 99.78% interest in Banrisul Serviços Ltda., the remainder being held by Banrisul S.A. Administradora de Consórcios, another Banrisul affiliated company. The credit card portfolio acquired represents approximately 1% of Banrisul's total loan portfolio.

Porto Alegre, October 23th, 2007.

Ricardo Richiniti Hingel
CFO and IRO