

NOTICE TO SHAREHOLDERS**INTEREST ON EQUITY PAYMENT RELATED TO THE 1st QUARTER OF 2010**

We hereby inform the Shareholders that we will carry out the payment of interest on equity related to the first quarter of 2010, in the amount of **R\$ 50,190,349.85** (fifty million, one hundred and ninety thousand, three hundred and forty-nine Reais and eighty-five cents) which, after Income Tax withholding at source, results on net interest on equity of R\$ 42,661,797.37 (forty-two million, six hundred and sixty-one thousand, seven hundred and ninety-seven Reais and thirty-seven 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 March 05, 2010 will be entitled to these payments.

Initial Payment: March 31, 2010

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\$ 0.12272245	R\$ 0.1840837	R\$ 0.10431408
PNA	R\$ 0.12272245	R\$ 0.1840837	R\$ 0.10431408
PNB	R\$ 0.12272245	R\$ 0.1840837	R\$ 0.10431408

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 2010.

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 March 22, 2010 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, March 05, 2010.

Ricardo Richiniti Hingel

CFO & Investor Relations Officer

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