



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 600 (six hundred) class A preferred shares into class B preferred shares, the Company's capital stock was altered, as shown below:

Capital Stock on the date of last modification, 10/09/2009

| | |
|----------------------------------|-------------|
| <i>Common Shares:</i> | 205,043,374 |
| <i>Class A Preferred Shares:</i> | 3,858,483 |
| <i>Class B Preferred Shares:</i> | 200,072,620 |
| <i>Total</i> | 408,974,477 |

Capital Stock after Conversions on 10/15/2009

| | |
|---------------------------|-------------|
| Common Shares: | 205,043,374 |
| Class A Preferred Shares: | 3,857,883 |
| Class B Preferred Shares: | 200,073,220 |
| Total | 408,974,477 |

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