

NOTICE TO SHAREHOLDERS**INTEREST ON EQUITY PAYMENT RELATED TO THE 4th QUARTER OF 2008**

We hereby inform the Shareholders, according to the decision made at the Board of Director's Meeting held on May 06, 2008, that we will carry out the payment of interest on equity related to the third quarter of 2008, in the amount of **R\$ 42.467.825,50** (forty two million, four hundred sixty seven thousand, eight hundred and twenty five Reais and fifty cents) which, after Income Tax withholding at source, results on net interest on equity of **R\$ 36.097.651,68** (thirty six million, ninety seven thousand, six hundred and fifty one Reais and sixty eight cents).

All shareholders registered with this company as owners or beneficial owners of these shares on December 12, 2008 will be entitled to these payments.

Initial Payment: December 26, 2008

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\$ 0.103777301	R\$ 0.015566595	R\$ 0,088210706
PNA	R\$ 0.110384867	R\$ 0.016557730	R\$ 0,093827137
PNB	R\$ 0.103777301	R\$ 0.015566595	R\$ 0,088210706

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 amount of Interest on Equity will be credited to the dividend referring to fiscal year 2008.

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 September 23, 2008 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
E-mail: ir@banrisul-ri.com.br

Note: shareholders that have already proven that are immune or exempted in the 2008 financial year will be exempted from submitting the required documentation.

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 expire in three years, as from the date they were made available to the shareholder.

Porto Alegre, December 12, 2008.

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