



## 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 1,000 (one thousand) class A preferred shares into class B preferred shares the Company's capital stock was altered, as shown below:

Capital Stock before Conversions, on 02/15/2008.

|                           |                    |
|---------------------------|--------------------|
| Common Shares:            | 205,017,861        |
| Class A Preferred Shares: | 3,931,083          |
| Class B Preferred Shares: | <u>200,025,533</u> |
| Total                     | 408,974,477        |

Capital Stock after Conversions, on 02/25/2008.

|                           |                    |
|---------------------------|--------------------|
| Common Shares:            | 205,017,861        |
| Class A Preferred Shares: | 3,930,083          |
| Class B Preferred Shares: | <u>200,026,533</u> |
| Total                     | 408,974,477        |

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