NOTICE TO THE MARKET

Banrisul hereby announces that a total of R$ 1.8 billion has been freed as a result of measures by the Central Bank, which altered the reserve requirement criteria for Brazilian financial institutions, as detailed in the table below.

Circular	Content	Amount Freed R$ million	Securities/Cash
3405	Increase in the deduction on additional deposit requirements. From R$ 100 million to R$ 300 million	217.3	Cash
3408	Increase in the deduction on time deposit requirements. From R$ 300 million to R$ 700 million. Reduction in the additional requirements quota: Time deposits: from 8% to 5%; Demand deposits: from 8% to 5%	226.6 402.4	Cash Securities
3410	Increase in the deduction on time deposit requirements and additional deposit requirements.	584.4 411.9	Cash Securities
	Total amount freed	**1,842.6**	

On September 24 last, the initial date of the above reductions, the total amount deposited by Banrisul with the Central Bank was R$ 3,883 million. After said reductions, only reserve requirements on demand deposits and savings deposits accounts remained.

According to the Central Bank's interim figures of August 31, 2008, the total loan portfolio amounted to R$ 10,597.7 million, funding totaled R$ 13,191.9 million which, including investment funds, came to R$ 18,051.7 million, and marketable securities and short-term interbank investments amounted to R$ 6,460.1 million. These figures, attesting to Banrisul's exceptionally comfortable liquidity situation, together with the positive impact of the freeing of the reserve requirements, underline the Bank's solid position.

It is worth noting, pursuant to its funding policy, that the Bank only raises funds through its branch network, which has been sufficient to maintain total annualized deposit growth of more than 18% throughout 2008, allowing us to operate with lower costs than the market average and to remain independent of institutional investor funding.

In addition, taking advantage of its liquidity, Banrisul has acquired payroll-deductible loan portfolios, which should total more than R$ 500 million in the current month. All of these loans have been granted to federal and INSS employees and guaranteed by the assignor.

The Bank's capital adequacy ratio (Basel index) stood at 18.11% in August, following the incorporation of the Basel II alterations, allowing the Bank to virtually double its loan portfolio. However, for policy reasons, it will never allow the ratio to approach the legal limit of 11%.

Treasury policy has remained constant in recent fiscal years, with all cash being invested in federal securities indexed to the Selic, LFTs (National Treasury Bills) or repo operations in which the Bank is the offeror, always pegged to federal securities, there being no exchange, swap or derivative exposure.

The foreign exchange area has no forward operations or foreign currency swaps. As for exposure, funding is entirely matched with loan operations. Our current foreign exchange portfolio represents approximately 4% of our total loan portfolio (R$ 405 million and R$ 10.6 billion, respectively, in August 2008).

Default, considering payments overdue by more than 60 days, is also exceptionally low, totaling 3.12% in August, less than the market average for the period.

Porto Alegre, October 17, 2008.

Ricardo Richiniti Hingel
CFO & IRO