



BANRISUL SA - Notice to the Market Increase / Sale of Major Shareholding

Porto Alegre, October 30, 2012 - BANRISUL - Banco do Estado do Rio Grande do Sul (Bovespa: BRSR3; BRSR5; BRSR6), a financial institution that operates in the commercial, social and development areas, serving all segments of Brazil's southern of society, headquartered at Rua Capitão Montanha, 177, Porto Alegre, Rio Grande do Sul, CNPJ/MF No. 092.702.067/0001-96, in compliance with the terms established by CVM Instruction No. 358/02, as amended by CVM Instruction 449/07, informs the receipt of the attached document from **BlackRock, Inc.**, regarding to its shareholding position, pursuant to current regulations.

IR CONTACTS:

João Emilio Gazzana

Chief Financial and Investor Relations Officer

Alexandre Pedro Ponzi

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About Banco do Estado do Rio Grande do Sul S.A.:

Founded in 1928, Banco do Estado do Rio Grande do Sul SA ("Banrisul") is a multiple bank controlled by the State of Rio Grande do Sul, listed among the largest Brazilian banks in total assets, and currently is the 10th Brazilian bank in relation to net income and the 7th in Brasil in number of branches, having the largest branch network in the State. It has a strong presence in Southern Brazil, with focus on promoting economic and social development of the Estado do Rio Grande do Sul.



IGC ITAG IBRX IFNC SMLL IGCT IBRA IDIV

BANCO ESTADO DO RIO GRANDE DO SUL S.A.

Rua Capitão Montanha, nº 177 – 4º andar

CEP 90010-040, Cidade de Porto Alegre, Estado do Rio Grande do Sul

Att: Mr. João Emilio Gazzana

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October 18, 2012

BANCO ESTADO DO RIO GRANDE DO SUL S.A. – Disclosure of Acquisition of Material Shareholding Participation


Dear Sirs,

- 1 BlackRock, Inc. ("BlackRock") has, on behalf of some of its clients and acting as their investment manager, Informed us that it has acquired class B preferred shares Issued by Banco Rio Grande do Sul SA ("Banrisul") and that, on October 15, 2010, its shareholding position reached, in total, 10,037,896 class B preferred shares, representing approximately 5.01% of the class B preferred shares Issued by the Company.
- 2 In order to meet the provisions of Paragraph 4, Article 12 of Comissão de Valores Mobiliários ("CVM" or the Brazilian Securities Commission) Instruction no. 358, as of January 3, 2002, as amended, BlackRock, hereby requests that Banrisul's Chief Investor Relations Officer Banrisul disclose the following information to CVM and other bodies:
 - (i) BlackRock is organized and registered at 40 East 52nd Street, New York, New York, 10022-5911, United States of America;
 - (ii) the equity shareholdings held by BlackRock reached on aggregate 10,037,896 class B preferred shares, representing approximately 5.01% of the total Class B preferred shares issued by Banrisul, as specified in item 1, above;
 - (iii) the goal of the aforementioned equity interests is strictly for investment, not aiming at altering the Company's shareholding control or administrative structure;
 - (iv) no share-convertible debentures, or securities convertible into shares issued by Banrisul shall be held by BlackRock; and
 - (v) no contracts or agreements that govern the exercise of voting rights or the purchase and sale of securities issued by Banrisul have been executed by BlackRock.

We remain at your disposal for any clarifications or additional comments deemed necessary regarding the subject.

Best regards,

Pp.


BlackRock, Inc.
Renata Cardoso