



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 4,348 (four thousand, three hundred and forty-eight) class A preferred shares into class B preferred shares, the Company's capital stock was altered, as shown below:

Capital Stock on December 20, 2011, date of last modification.

Common Shares:	205,043,374
Class A Preferred Shares:	3,577,187
Class B Preferred Shares:	200,353,916
Total	408,974,477

Capital Stock after Conversions as of January 23, 2012.

Common Shares:	205,043,374
Class A Preferred Shares:	3,572,839
Class B Preferred Shares:	200,358,264
Total	408,974,477

Porto Alegre, January 23, 2012.

João Emílio Gazzana

CFO and Investor Relations Officer

Banco do Estado do Rio Grande do Sul S.A. – Banrisul