



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 500 (five hundred) class A preferred shares into class B preferred shares, the Company's capital stock was altered, as shown below:

Capital Stock on February 16, 2012, date of last modification.

Common Shares:	205,043,374
Class A Preferred Shares:	3,561,439
Class B Preferred Shares:	200,369,664
Total	408,974,477

Capital Stock after Conversions as of February 28, 2012.

Common Shares:	205,043,374
Class A Preferred Shares:	3,559,939
Class B Preferred Shares:	200,370,164
Total	408,974,477

Porto Alegre, February 28, 2012.

João Emílio Gazzana
CFO and Investor Relations Officer
Banco do Estado do Rio Grande do Sul S.A. – Banrisul