



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 300 (three hundred) class A preferred shares into 300 (three hundred) class B preferred shares, the Company's capital stock was altered, as shown below:

Capital Stock on of August 20, 2014, date of last modification.

| | |
|---------------------------|-------------|
| Common Shares: | 205,043,395 |
| Class A Preferred Shares: | 3,529,851 |
| Class B Preferred Shares: | 200,401,231 |
| Total | 408,974,477 |

Capital Stock after Conversions as of January 16, 2015.

| | |
|---------------------------|-------------|
| Common Shares: | 205,043,395 |
| Class A Preferred Shares: | 3,529,551 |
| Class B Preferred Shares: | 200,401,531 |
| Total | 408,974,477 |

Porto Alegre, January 16, 2015.

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