



BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.
Corporate Taxpayer's ID (CNPJ/MF) 92.702.067/0001-96

NOTICE TO SHAREHOLDERS
INTEREST ON EQUITY PAYMENT RELATED TO THE 1st QUARTER OF 2011

We hereby inform the Shareholders that we will carry out the payment of interest on equity related to the first quarter of 2011, in the amount of **R\$ 56,752,118.56** (fifty-six million, seven hundred and fifty-two thousand, one hundred and eighteen Reais and fifty-six cents) which, after Income Tax withholding at source, results on net interest on equity of R\$ 48,239,300.78 (forty-eight million, two hundred and thirty-nine thousand, three hundred Reais and seventy-eight cents), according to the decision made at the Board of Director's Meeting held on May 06, 2008.

All shareholders registered with this company as owners or beneficial owners of these shares on **March 04, 2011** will be entitled to these payments.

Initial Payment: March 31, 2011

Class / Type of Share	Interest on Equity's Gross Value, per Share	Income Tax Withholding at Source (15%)	Interest on Equity's Net Value, per Share
ON	R\$ 0.13876690	R\$ 0.02081503	R\$ 0.11795186
PNA	R\$ 0.13876690	R\$ 0.02081503	R\$ 0.11795186
PNB	R\$ 0.13876690	R\$ 0.02081503	R\$ 0.11795186

As stated in article 79 of the Company's Bylaws, in article 9 of Law no. 9,249/95 and in item V of the Instruction no. 209/96 of the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários – CVM*), the net amount of Interest on Equity will be credited to the dividend referring to fiscal year 2011.

Income Tax:

The payments will be subject to Income Tax withholding at source, pursuant to the pertinent legislation, except for corporate shareholders with proof of immune or exempt condition, which should be produced until March 22, 2011 and delivered at the following address:

Banco do Estado do Rio Grande do Sul
Unidade Financeira – Gerência de Relações com Investidores e Mercado de Capitais
Rua Caldas Júnior, 108 – 7º Andar – Centro – Porto Alegre – RS – Brazil
CEP: 90018-900

Phone: 55 51 3215-3232

Facsimile: 55 51 3215-3200

E-mail: ir@banrisul-ri.com.br

Forms of Payment:

The payments will be credited to the current accounts of the shareholders holding current accounts with BANRISUL. For the remaining shareholders, the payment will be carried out in any bank branch agency, upon identification. The holders of shares in custody will receive the interest on equity payments through the brokerage firm where they carry out the respective deposit.

Limitation Period:

Pursuant to the pertinent legislation, Law 6404 - art. 287, unclaimed interest on equity payments expires in three years, as from the date they were made available to the shareholder.

Porto Alegre, March 04, 2011.

Luiz Gonzaga Veras Mota
CFO & Investor Relations Officer
Banco do Estado do Rio Grande do Sul S.A - Banrisul