

**Rating Action: Moody's assigns Baa2 to BNDES' proposed senior notes; outlook positive**

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**Global Credit Research - 08 Sep 2010**

New York, September 08, 2010 -- Moody's Investors Service is expected to assign a Baa2 long-term foreign currency debt rating to the notes to be issued by Banco Nacional de Desenvolvimento Econômico e Social (BNDES). The proposed issuance, in the amount of up to EUR 1,000,000,000, will be unsecured, unsubordinated obligations of BNDES, with a maturity of seven years. The rating outlook is positive.

**Assignments:**

..Issuer: Banco Nac. Desenv. Econômico e Social - BNDES

....Senior Unsecured Regular Bond/Debenture, Assigned Baa2

**RATINGS RATIONALE**

Moody's stated that the Baa2 debt rating incorporates BNDES's fundamental credit quality and all relevant country risks. At Baa2, the bond rating is at the country ceiling for foreign currency bonds and notes for Brazil, and, thus carries the positive outlook that is currently assigned to the ceiling.

The principal methodologies used in rating Banco Nacional de Desenvolvimento Econômico e Social were Bank Financial Strength Ratings: Global Methodology published in February 2007, and Incorporation of Joint Default Analysis into Moody's Bank Ratings: A Refined Methodology published in March 2007. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found on Moody's website.

Moody's last rating action on BNDES was on January 5, 2010, when Moody's assigned long-term foreign currency debt rating of Baa2 to US\$1 billion unsecured, unsubordinated notes issued by BNDES.

Banco Nacional de Desenvolvimento Econômico e Social (BNDES) is headquartered in Rio de Janeiro, Brazil, and it had total assets of R\$472.4 billion (US\$262.3 billion) and total equity of R\$30.6 billion (US\$17 billion) as of June 30, 2010. BNDES is wholly owned by the Brazilian National Treasury, and it is the main source of long-term debt and equity financing in Brazil. BNDES plays a major role as the vehicle for the execution of the Brazilian government's development and investment policies.

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