



Rating Action: Moody's rates ABC Brasil's subordinated notes Ba1

Global Credit Research - 08 Apr 2010

New York, April 08, 2010 -- Moody's Investors Service assigned a Ba1 long-term foreign currency debt rating to the US\$300 million subordinated unsecured notes issued by Banco ABC Brasil S.A. (BAB). The notes are due April 2020, and are eligible for Tier II equity upon regulatory approval. The outlook on the rating is stable.

The rating agency noted that the subordination of the notes was taken into consideration by applying a one notch differential off BAB's Baa3 global local currency deposit rating, as per Moody's notching convention.

The principal methodologies used in rating Banco ABC Brasil was Moody's "Bank Financial Strength Ratings: Global Methodology" and "Incorporation of Joint-Default Analysis into Moody's Bank Ratings: A Refined Methodology", published in February and March 2007, respectively. They are available on www.moodys.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Rating Methodologies sub-directory on Moody's website.

The last rating action on Banco ABC Brasil was on September 22, 2009, when Moody's upgraded the bank's long and short term foreign currency deposit ratings to Baa3/P-3, from Ba2/NP. The action was in connection with the sovereign action on Brazil's foreign currency deposit ceiling. For further detail on Brazil's upgrade, please refer to Moody's press release "Moody's upgrades Brazil to Baa3 and assigns a positive outlook," dated September 22, 2009.

Banco ABC Brasil is headquartered in São Paulo, Brazil and had total consolidated assets of R\$7,377 million (US\$4,237 million) and equity of R\$1,218 million (US\$612.3 million) as of December 31, 2009.

The following rating was assigned to the US\$300 billion Subordinated Unsecured Tier II Notes due 2020:

Ba1 long-term foreign currency debt rating, stable outlook

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