



Moody's Investors Service

Rating Action: **Moody's rates Banco Pine's subordinated notes Ba3**

Global Credit Research - 08 Feb 2010

New York, February 08, 2010 -- Moody's Investors Service assigned a Ba3 long-term foreign currency debt rating to the US\$125 million subordinated notes issued by Banco Pine S.A. (Pine). The notes are due in January 2017, and are eligible for Tier 2 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 Pine's Ba2 global local currency deposit rating, as per Moody's notching convention. At this rating level, Pine's foreign currency bond rating is not constrained by Brazil's Baa2 country ceiling.

The last rating action on Pine was on August 23, 2007, when Moody's upgraded the bank's long-term foreign currency deposit rating to Ba2 from Ba3, following Moody's upgrade of Brazil's foreign currency ceiling for deposits to Ba2, from Ba3. All other ratings assigned to Pine remained unchanged.

The principal methodologies used in rating Banco Pine were "Bank Financial Strength Ratings: Global Methodology" and "Incorporation of Joint Default Analysis into Moody's Bank Ratings: A Refined Methodology", which can be found on www.moody.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.

Banco Pine is headquartered in São Paulo, Brazil, with assets totaling R\$ 7.2 billion (US\$ 4.1 billion) and equity of R\$815 million (US\$459 million) as of September 30, 2009.

The following rating was assigned to the US\$125 million Subordinated Notes due in 2017:

Ba3 long-term foreign currency debt rating, stable outlook.

Sao Paulo

Ceres Lisboa
VP - Senior Credit Officer
Financial Institutions Group
Moody's America Latina Ltda.
55-11-3043-7300

New York
M. Celina Vansetti
Senior Vice President
Financial Institutions Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653



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