

Rating Action: Banco Citibank S.A.

Moody's reviews Banco Citibank's C- financial strength for possible downgrade

New York, January 19, 2009 -- Moody's Investors Service placed Banco Citibank S.A. (Citibank)'s bank financial strength rating of C- on review for possible downgrade and lowered its baseline credit assessment to Baa2 from Baa1. At the same time, Moody's affirmed Citibank's foreign currency deposit ratings of Ba2 and Not Prime and foreign currency senior unsecured debt rating of Baa3, all with stable outlook.

The review follows the actions taken by Moody's on the ratings of Citigroup Inc. and its lead bank Citibank N.A., on January 16, 2009. For further details on those rating actions, please refer to Moody's press release "Moody's places Citigroup's ratings (snr at A2 and Prime-1) under review for possible downgrade" dated January 16, 2009.

Moody's noted that the rating review was prompted by the downgrade of Citigroup's financial strength rating due to its weakened financial condition. The review of Banco Citibank will focus on assessing the implications for the Brazilian's operations and performance of the continued weakening of the parent company's financial profile. Banco Citibank maintains significant funding, operational, and business relationship with the parent including sharing the same brand, products, and customers. Moody's will also consider the potential impact of the parent's planned global business line restructuring on the Brazilian franchise.

Moody's also said that the review of the C- bank financial strength is indicative that the rating is less robust relative to that of other C-rated banks, and has therefore lowered the baseline credit assessment to Baa2.

Nevertheless, the rating agency recognizes that Citibank's long-track record of operations in Brazil, well established image in corporate banking, and services to high net worth individuals are positive to the bank's financial strength.

Banco Citibank S.A. is headquartered in São Paulo, Brazil, and had total assets of R\$39.9 billion (US\$20.8 billion) and equity of R\$4.2 billion (US\$2.2 billion) in September 2008.

Moody's last rating action on Citibank was on August 23, 2007, when Moody's upgraded the bank's long-term foreign currency deposits, in connection with Moody's upgrade of Brazil's country ratings.

The principal methodologies used in rating Banco Citibank 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 Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating Banco Citibank can also be found in the Credit Policy & Methodologies directory.

The following actions related to Banco Citibank have been taken:

C- bank financial strength rating: on review for possible downgrade

The following ratings of Banco Citibank have been affirmed:

Ba2/ Not Prime foreign currency deposit rating, stable outlook

Baa3 foreign currency senior debt rating, stable outlook

New York
Alexandre Albuquerque
Analyst
Financial Institutions Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

New York
M. Celina Vansetti

Senior Vice President
Financial Institutions Group
Moody's Investors Service
JOURNALISTS: 212-553-0376
SUBSCRIBERS: 212-553-1653

CREDIT RATINGS ARE MIS'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

© Copyright 2009, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moody.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."