



Announcement: Moody's assigns Baa2 to Itaú Unibanco Holding's proposed subordinated notes; outlook positive

Global Credit Research - 16 Sep 2010

New York, September 16, 2010 -- Moody's Investors Service assigned a Baa2 foreign currency debt rating to the subordinated unsecured notes to be issued by Itaú Unibanco Holding S.A. through its Cayman Branch (IUH Cayman) in the minimum amount of US\$ 500 million due in January 2021. The outlook on the notes' rating is positive, in line with the country ceiling for Brazil's bonds.

Assignments:

Issuer: Itaú Unibanco Holding S.A., Cayman Branch

Subordinate Regular Bond/Debenture, Assigned Baa2

RATINGS RATIONALE

The rating agency noted that subordination of the new note issue was considered by applying a one-notch differential from IUH's A2 issuer rating, per Moody's notching convention. At this rating level, IUH Cayman's foreign currency bond rating is constrained by Brazil's Baa2 country ceiling, which also has a positive outlook.

The proposed notes are being issued under the existing US\$10 billion Global Medium Term Note rated Baa2 and Prime-2 as for the foreign currency debt ratings, long and short-term, respectively, and are eligible for Tier 2 equity upon regulatory approval.

The last rating action on Itaú Unibanco Holding, Cayman Branch was on April 12, 2010, when Moody's rated the Global Medium Term Note Program and the US\$1 billion subordinated notes due April 2020. Other ratings remained unchanged. On March 19, 2010, Moody's assigned an issue rating of A2 to Itaú Unibanco Holding S.A..

The principal methodologies used in rating Itaú Unibanco Group 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.

Itaú Unibanco Holding is headquartered in São Paulo, Brazil and had total consolidated assets of R\$651.6 billion (US\$362.5 billion) and equity of R\$55.1 billion (US\$30.6 billion) as of June 30, 2010.

REGULATORY DISCLOSURES

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