

Rating Action: Moody's rates Itaú Unibanco Holding's MTN Program and subordinated notes Baa2

Global Credit Research - 12 Apr 2010

New York, April 12, 2010 -- Moody's Investors Service assigned long- and short-term foreign-currency debt ratings of Baa2 and Prime-2, respectively, to Itaú Unibanco Holding S.A. (IUH)'s US\$10,000,000,000 Global Medium Term Note Program. At the same time, Moody's assigned a Baa2 long-term foreign currency subordinated debt rating to the US\$1,000,000,000 subordinated notes issued by IUH, through its Grand Cayman Branch. The notes issued under the referenced program are due in April 2020 and are eligible for Tier 2 equity upon regulatory approval. The outlook on IUH's debt ratings is positive.

The rating agency noted that the subordination of the notes was taken into consideration by applying an one-notch differential off IUH's A2 global local currency deposit rating, as per Moody's notching convention in line with Moody's Guidelines for Rating Bank Hybrid Securities and Subordinated Debt. However, at the issuer's unsupported rating level of A2, IUH's foreign currency bond rating is constrained by Brazil's Baa2 country ceiling, which has a positive outlook. That explains the senior and subordinated debt ratings being at the same Baa2 level.

The principal methodologies used in rating Itaú Unibanco Group 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 IUH was taken on March 23, 2010, when Moody's assigned to IUH local currency issuer ratings of A2/P-1 and foreign currency issuer ratings of Baa2/P-2, long and short-term, respectively. At the same time, Moody's affirmed all ratings assigned to IUH's operating subsidiaries, Itaú Unibanco S.A. and Banco Itaú BBA S.A.. Note that IUH is subject to the same banking regulations as its operating subsidiaries in Brazil, and that supervision is done at the consolidated group level.

Itaú Unibanco Holding is headquartered in São Paulo, Brazil and had total consolidated assets of R\$608.3 billion (US\$349.4 billion) and equity of R\$50.7 billion (US\$25.5 billion) as of December 31, 2009.

The following ratings were assigned to the US\$10 billion Global MTN Program launched by Itaú Unibanco Holding S.A., acting through its principal office in Brazil or through its Grand Cayman Branch :

Long-term foreign-currency senior unsecured debt rating of Baa2, positive outlook.

Short-term foreign-currency senior unsecured debt rating of Prime-2

Long-term foreign-currency subordinated debt rating of Baa2, positive outlook.

The following rating was assigned to the US\$1,000,000,000 subordinated unsecured notes, due in April 2020 issued by Itaú Unibanco Holding S.A., Cayman Branch:

Long-term foreign currency subordinated debt rating of Baa2, positive outlook.

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