

Rating Action: Banco Ibi S.A. - Banco Multiplo

Moody's reviews Banco Ibi's ratings for possible upgrade

New York, June 05, 2009 -- Moody's Investors Service placed the ratings of Banco Ibi S.A. Banco Múltiplo (Ibi) on review for possible upgrade, including: the bank financial strength rating (BFSR) of E+, global long and short term local currency (GLC) deposit ratings of B1 and Not Prime, respectively, foreign currency deposit ratings of B1 and Not Prime, and Brazilian national scale ratings of Baa1.br and BR-2.

The rating action was prompted by Banco Bradesco's announcement on June 4, 2009 that it entered into an agreement to acquire a 100% controlling interest in Ibi's capital and those of its subsidiaries, Ibi Corretora de Seguros Ltda., Ibi Promotora de Vendas Ltda. and Ibi Participações Ltda from COFRA, the Swiss-based holding company. The payment will be made with new Bradesco shares corresponding to approximately 1.6% of its capital stock. The agreement also includes a 20-year partnership with Ibi's sister company, retail store chain C&A Modas Ltda that will allow Bradesco to distribute its financial products and services through C&A stores. The acquisition remains subject to the approval of the relevant authorities.

According to Moody's, the review of the bank financial strength rating will consider the extent to which Ibi's franchise will benefit from its association with Bradesco including its brand, robust risk management and corporate governance practices, and lower cost funding. Moody's also indicated that the review of Ibi's global and national scale deposit ratings will be focusing on the probability of parental and systemic support as a result of the bank's position within the Bradesco organization.

Banco Ibi's headquarters are located in Barueri, São Paulo, Brazil. As of December 2008, the bank reported total assets of R\$5.6 billion (US\$2.7 billion) and equity of R\$864 million (US\$370 million).

Moody's last rating action on Ibi was on March 31, 2009, when Moody's Investors Service downgraded Ibi's BFSR to E+ from D-, its local and foreign currency deposit ratings to B1 and Not Prime from Ba3 and Not Prime and the long-term national scale deposit rating to Baa1.br from A3.br.

The principal methodologies used in rating Ibi 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 Ibi can also be found in the Credit Policy & Methodologies directory.

The following ratings of Banco Ibi were placed on review for possible upgrade:

Bank Financial Strength Rating: E+

Global local currency deposit ratings: B1/Not-Prime

Foreign currency deposit ratings: B1/Not-Prime

Brazilian national scale deposit rating: Baa1.br/BR-2

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