



Moody's Investors Service

## Rating Action: **Moody's: FC ratings of private Brazilian banks on review for possible upgrade**

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Global Credit Research - 07 Jul 2009

New York, July 07, 2009 -- Moody's Investors Service placed on review for possible upgrade the Ba2 long-term foreign currency deposit ratings of certain Brazilian banks. Moody's also placed on review for upgrade the Baa3 foreign currency bond ratings of selected Brazilian banks, as well as the Baa3 long-term foreign-currency subordinate perpetual bond ratings of Banco Bradesco S.A., Grand Cayman Branch, Banco Santander S.A. -- Cayman Branch and Itaú Unibanco S.A. (Cayman Islands).

These rating actions are the direct result of Moody's review for possible upgrade of Brazil's Baa3 country ceiling for foreign currency bonds and notes, as well as Brazil's Ba2 country ceiling for foreign currency deposits.

The agency noted that the actions on the deposit and bond ratings of the banks have no effects on their financial strength ratings (BFSRs) or local currency deposit ratings or their respective outlooks.

For further detail, please refer to Moody's press release "Moody's places Brazil's ratings on review for possible upgrade" dated July 6, 2009.

The following ratings have been placed on review for possible upgrade:

Banco ABC Brasil S.A.: Ba2 long-term foreign currency deposit rating

Banco BBM S.A.: Ba2 long-term foreign-currency deposit rating

Banco BGN S.A.: Ba2 long-term foreign-currency deposit rating

Banco Bradesco S.A.: Ba2 long-term foreign currency deposit rating and Baa3 long-term foreign currency bond rating

Banco Bradesco S.A. (Grand Cayman Branch): Baa3 long-term foreign currency bond rating and Baa3 long-term foreign currency junior subordinated debt rating

Banco Citibank S.A.: Ba2 long-term foreign currency deposit rating

Banco Industrial e Comercial S.A - BICBANCO: Ba2 long-term foreign currency deposit rating

Itaú Unibanco S.A.: Ba2 long-term foreign currency deposit rating and Baa3 long-term foreign currency bond rating

Itaú Unibanco S.A. (Cayman Islands): Ba2 long-term foreign currency deposit rating, Baa3 long-term foreign currency bond rating and Baa3 long-term foreign currency junior subordinated debt rating

Banco Itaú BBA S.A.: Ba2 long-term foreign-currency deposit rating and Baa3 long-term foreign currency bond rating

Banco Itaú BBA (Nassau Branch): Baa3 long-term foreign currency bond rating

Banco Safra S.A.: Ba2 long-term foreign currency deposit rating

Banco Santander S.A. (Brazil): Ba2 long-term foreign currency deposit rating

Banco Santander S.A. -- Cayman Branch: Baa3 long-term foreign currency junior subordinated debt

Banco Sofisa S.A.: Ba2 long-term foreign currency deposit rating

Banco Votorantim S.A.: Ba2 long-term foreign currency deposit rating and Baa3 long-term foreign currency bond rating

Banco Votorantim S.A. (Nassau Branch): Baa3 long-term foreign currency bond rating

BES Investimento do Brasil S.A.: Ba2 long-term foreign currency deposit rating and Baa3 long-term foreign currency bond rating

HSBC Bank Brasil S.A. - Banco Múltiplo: Ba2 long-term foreign currency deposit rating

ING Bank N.V. -- São Paulo: Ba2 long-term foreign-currency deposit rating

União de Bancos Brasileiros S.A. - Unibanco: Ba2 long-term foreign currency deposit rating

The principal methodologies used in rating the Brazilian banks 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.moodys.com](http://www.moodys.com) in the Credit Policy & Methodologies directory in the Ratings Methodologies sub-directory. Other methodologies and factors that may have been considered in the process of rating the banks can also be found in the Credit Policy & Methodologies directory.

Moody's last rating action on Banco ABC Brasil was on June 03, 2009, when Moody's concluded the review confirming the bank's BFSR at D+ (D plus) and the outlook changed to stable.

Moody's last rating action on Banco BBM was August 23, 2007, when the bank's long-term foreign currency deposit rating was upgraded to Ba2, following the same action on the country's foreign currency deposit ceiling.

Moody's last rating action on Banco BGN was on November 10, 2008, when the bank's long-term global local currency deposit rating was upgraded to Ba1, the long-term foreign currency rating to Ba2 and the long-term national scale deposit rating to Aa2.br from A2.br, following the regulatory approval of BGN's acquisition by BNP Paribas Group in Brazil; stable outlook.

Moody's last rating action on Banco Bradesco was on August 23, 2007, when the bank's long-term foreign-currency bank deposit rating was upgraded to Ba2, and the foreign currency bond rating was upgraded to Baa3, following the same action on the country's foreign currency deposit and bond ceilings; stable outlook.

Moody's last rating action on Banco Bradesco (Grand Cayman branch) was on August 23, 2007, when the bank's long-term foreign-currency senior bond rating and foreign currency junior subordinated bond rating were upgraded to Baa3, following the same action on the country's foreign currency bond ceiling; stable outlook.

Moody's last rating action on Banco Citibank S.A. was on January 19, 2009, when the bank's BFSR of C- was placed on review for possible downgrade and the baseline credit assessment (BCA) was lowered to Baa2.

Moody's last rating action on Banco Industrial e Comercial (BICBanco) was on August 23, 2007, when the bank's long-term foreign-currency bank deposit rating was upgraded to Ba2, following the same action on the country's foreign currency deposit ceiling; stable outlook.

Moody's last rating action on Itau Unibanco (former Banco Itaú) was on November 3, 2008, when the bank's ratings were affirmed following the announcement of the merger with Unibanco; stable outlook.

Moody's last rating action on Itau Unibanco (Cayman Islands), former Banco Itau Cayman Islands, was on August 23, 2007, when the bank's long-term foreign-currency bank deposit rating was upgraded to Ba2 and the long-term foreign-currency senior bond rating was upgraded to Baa3, following the same action on the country's foreign currency deposit and bond ceilings; stable outlook.

Moody's last rating action on Banco Itau BBA was on August 23, 2007, when the bank's long-term foreign-currency bank deposit rating was upgraded to Ba2 and the long-term foreign-currency senior bond rating was upgraded to Baa3, following the same action on the country's foreign currency deposit and bond ceilings; stable outlook.

Moody's last rating action on Banco Itau BBA (Nassau Branch) was on August 23, 2007, when the bank's long-term foreign-currency senior bond rating was upgraded to Baa3, following the same action on the country's foreign currency bond ceiling; stable outlook.

Moody's last rating action on Banco Safra was on August 23, 2007, when the bank's long-term foreign-currency bank deposit rating was upgraded to Ba2, following the same action on the country's foreign currency deposit ceiling; stable outlook.

Moody's last rating action on Banco Santander (Brazil) was on November 17, 2008 when the bank's BFSR was upgraded to C and the local currency deposit rating upgraded to A2, following the regulatory approval of the acquisition of Banco Real in Brazil (ABNAMRO's operations); stable outlook.

Moody's last rating action on Banco Santander (Cayman Branch) was on August 23, 2007, when the bank's long-term foreign-currency junior subordinate debt rating was upgraded to Baa3, following the same action on the country's foreign currency bond ceiling; stable outlook.

Moody's last rating action on Banco Sofisa was on October 4, 2008, when the rating agency assigned a D+ BFSR, Ba1/NP long and short-term local currency deposit ratings, Ba2/NP long and short-term foreign currency deposit ratings and Aa2.br/BR-1 national scale deposit rating in Brazil; stable outlook.

Moody's last rating action on Banco Votorantim was on January 15, 2009, when the bank's Baa1 local currency deposit rating was placed on review for possible upgrade, following the announcement of the partnership with Banco do Brasil.

Moody's last rating action on Banco Votorantim (Nassau Branch) was on August 23, 2007, when the bank's long-term foreign-currency senior bond rating was upgraded to Baa3, following the same action on the country's foreign currency bond ceiling; stable outlook.

Moody's last rating action on BES Investimento do Brasil was on April 23, 2009, when the bank's long-term GLC deposit rating of Baa1 was placed on review for possible downgrade, following an action at the parent bank Banco Espirito Santo (Portugal), and all other ratings were affirmed with stable outlook.

Moody's last rating action on HSBC Bank Brasil was on April 17, 2009, when the bank's ratings were affirmed; stable outlook.

Moody's last rating action on ING Bank (São Paulo) was on August 23, 2007, when the bank's long-term foreign-currency bank deposit rating was upgraded to Ba2, following the same action on the country's foreign currency deposit ceiling; stable outlook.

Moody's last rating action on Unibanco was on November 3, 2008, when the bank's ratings were affirmed following the announcement of the merger with Banco Itau; stable outlook.

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