

Rating Action: Brazil Foreign Diversified Payment Rights Finance Company, Series 2008-2

Moody's assigns A3 rating to Santander (Brazil)'s Electronic Remittance Backed Notes

New York, August 28, 2008 -- Moody's Investors Service has assigned an A3 rating to the Series 2008-2 notes issued by Brazil Foreign Diversified Payment Rights Finance Company, a Cayman Island special purpose corporation (SPC). The notes are backed by future U.S. dollar and Euro cash flows generated by the electronic remittance business of the Brazilian bank Banco Santander S.A. (Santander). The SPC was established for the purpose of this program by Santander, which also originates and acts as servicer for the receivables.

The diversified payment rights sold pursuant to this transaction include all existing and future rights to U.S. dollar and Euro payments related to payment orders to be received by Santander from a correspondent bank outside of Brazil or Japan or from a customer of a Santander non-Brazilian or non-Japanese branch to pay a specified amount to an eligible beneficiary. The payment order can be transmitted (a) in case of a bank outside of Brazil or Japan by an MT100 or MT200 series message delivered by the SWIFT system, or (b) in the case of a customer of an office of Santander outside of Brazil or Japan, by a request that the customer's account be debited to pay a beneficiary in Brazil. Proceeds in excess of scheduled debt service on the notes will be released to Santander as the originator percentage interest.

RATING RATIONALE

The A3 rating assigned to the notes is based primarily on:

- The financial and operational strength of Santander, and its prominent position in the Brazilian banking system
- The historical volumes generated by Santander's electronic remittance business
- The low likelihood of sovereign interference in the cash flows because of the nature of the underlying future receivables--that is, the generation of receivables through electronic means and the off-shore cash settlement process--and several legal and structural protections incorporated into the transaction
- The adequate ratio of remittance cash flows to maximum scheduled debt service, based on cash flows generated by commercial and personal payments to beneficiaries in Brazil
- The participation and strength of Santander's correspondent banks, including those which have signed acknowledgement agreements committing to deposit all remittance-related cash flows to the collateral trust account, until otherwise instructed by the indenture trustee
- Structural and legal protections incorporated into the transaction, including required minimum debt service coverage ratios, which, if not met, trigger the early amortization of the notes.

The Series 2008-2 is the third series of notes to be issued out of the SPC. Additional series of notes may be issued provided certain conditions are met.

BANCO SANTANDER S.A. (BRAZIL)

Santander (Brazil) is the fifth-largest privately owned institution in Brazil with total assets of R\$ 126.8 billion (approximately US\$ 81.8 billion) as of June 2008. The Bank is the Brazilian subsidiary of Banco Santander (Spain). Preserving the 7th position in market in Brazil with a relatively steady deposit participation of 4.43% in the industry, the division accounted for 35% of Santander's Latin American operations, and 11% of Santander's global results. The bank carries a long-term foreign currency deposits rating of Ba2, a local currency deposit rating of A3, and a financial strength rating of C- (C minus).

RATING ACTION

The complete rating action with respect to the Brazil Foreign Diversified Payment Rights Finance Company note issuance is as follows:

U.S. \$300,000,000 Series 2008-2 Floating Rate Notes, rated A3

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