

Brazilian Bradesco Rated BB+ by Fitch for Long Term Foreign Currency

Contributed by Newsroom
Monday, 18 July 2005

Fitch Ratings, the international rating agency, has given Brazil's Banco Bradesco S.A. a BB- (BB minus) with a stable outlook for its long term foreign currency and BB+ for its long term local currency and finally and AA for national long-term.

According to Fitch, the ratings reflect Bradesco's robust franchise and consistent track record. The foreign currency ratings are at Brazil's country ceiling.

The local currency rating, higher than the sovereign's, reflects a broad-based national franchise with a strong track record of consistent results through turbulent economic cycles, achieved thanks to solid management of a diversified business customer and deposits base.

As has its peers, Bradesco has seen robust recent performance as the strength of its franchise has helped to produce strong loan growth driven by consumer and middle-market lending, accompanied by broad-based growth of non-interest income, which has boosted results to record profits.

While the growing level of Tier 2 instruments in its capital base bears watching, the bank's commitment to maintain its Tier 1 base at or above Brazil's high regulatory minimum should assure adequate capitalization as the bank continues its growth.

Bradesco is the largest privately owned financial conglomerate in Latin America, frequently holding market shares of 10% to 20%. Its insurance and private pension fund subsidiaries are the largest in the country. It is controlled by two entities managed by the bank's top executives.

Fitch - www.fitchratings.com