

Brazil's Itaú Swallows BankBoston in Chile and Uruguay

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The leading Brazilian bank Itaú announced yesterday it had reached a deal with Bank of America for the purchase of all assets belonging to BankBoston in Chile and Uruguay.

The negotiation begun last May following the acquisition of BankBoston assets in Brazil. Itaú which is Brazil's second private bank in assets said it was paying the equivalent of 1.05 million US dollars to take over BankBoston in Chile and Uruguay. The bank will also issue ordinary shares equivalent to 1.7% of its capital.

According to Itaú taking the February 21-April 24 period average share price the value of the 20.5 million shares to be issued is equivalent to some 627 million US dollars.

"These acquisitions are consistent with Itaú's capital business which represents additional value to shareholders, with the purpose of giving sustainability to Itaú and also confirm the bank's trust in the region", said Itaú in a release for equity holders.

Further on the release describes Chile as a "mature economy" with solid internationally acknowledged institutions, as shown by the investment grade awarded to the country by the risk assessment agency Moody's.

With the new acquisitions Itaú estimates its assets in 203 billion reais equivalent to 92.8 billion US dollars. With the expansion to new markets the number of clients will also increase considerably, from 17.2 million to 18.1 million, adds the release.