

PRESS RELEASE

Itaú-Unibanco is most sustainable bank for 6th consecutive year

Bradesco follows; BBVA only international group in top 5; Banco Hipotecario and Mibanco top mid-sized ranking

Sao Paulo, Miami, Madrid, 3 November 2010: Itaú-Unibanco remains the most sustainable bank for the 6th consecutive year in the prestigious annual ranking of Latin America's "Most Sustainable Large Banks" conducted by Management & Excellence SA (Sao Paulo, Madrid) and *LatinFinance* (Miami, New York, London). Banco Hipotecario, Argentina, and Mibanco, Perú, tie for first place among the most sustainable Latin mid-sized banks.

In the individual categories, **Banco Bradesco** and **Itaú-Unibanco** tie for first place for **Corporate Governance**, while **Banco do Brasil** and **Real-Santander** share first place under **Corporate Social Responsibility**. Surprisingly, **BBVA Continental** of Perú, comes in first place together with Itaú-Unibanco in the toughest and most heavily weighted area of **Sustainability** ("sustainable management"). **Santander Real**, which did not make it into the top 6 but is ranked in the study, ranks first in Corporate Social Responsibility with a perfect score of 100%. Yet no other Santander bank managed to get themselves into the top 14, which reveals uneven central management.

TOP SIX LARGE LATIN AMERICAN BANKS (M&E/LF 2010 Sustainability Ranking)

Position/Large Bank	Highest positions in categories*	Sustainable Value Added™ of market cap/ % of market cap**	Sustainability Rating***	Management Strength Indicator****
1. Itaú-Unibanco	1 st in Sustainability, 1 st in Governance	R\$ R\$ 6.7 bn. / 3.8%	AAA+ (2009)	.99
2. Banco Bradesco	1 st in Governance	R\$ R\$ 3.91 bn. / 3.8%	AAA+ (2010)	.96
3. BBVA Banco Continental	1 st in Sustainability	NA	NA	.92
4. BBVA Columbia	2 nd in CSR	NA	NA	.92
5. Banco do Brasil	1 st in CSR	NA	NA	.85
6. BCI Chile	2 nd in Governance	NA	NA	.87

The *Management Strength Indicator* (MSI), an indicator measuring consistency of scores across the three areas assessed, continued to increase. Itaú-Unibanco achieved a thus far unprecedented level of .99 (1.0 is perfect score). In 2006 Itau scored .82. The improvement reflects the Bank's strong efforts for uniform compliance and performance in all areas. Banco do Brasil achieves the lowest score among the top 6 big banks, revealing its relatively recent commitment to sustainability. Mid cap banks score generally lower than big banks, with BicBanco, however, outscoring most big banks except Itaú-Unibanco.

TOP SIX MID-CAP LATIN AMERICAN BANKS (M&E/LF 2010 Sustainability Ranking)

Position/Mid Bank	Highest positions in categories*	Sustainable Value Added™ of market cap/% of market cap**	Sustainability Rating***	Management Strength Indicator****
1. Banco Hipotecario	1 st in Governance	NA	NA	.94
1. Mibanco	1 st in CSR; 1 st in Sustainability	US\$ 9.28 mn. / 3.6%	AAA+ (2010)	.95
2. Bicbanco	3 rd in Sustainability	R\$0.108 bn. 3.5%	AAA (2010)	.98
3. Indusval Multistock	3 rd in Governance	NA	NA	.87
4. ABC Brasil	3 rd in Governance	NA	NA	.67
5. Banco Compartamos	5 th in CSR	NA	NA	.75

Brazil leads in the study with the top 3 large banks and 2 mid-cap banks. Of the 23 banks worldwide in the Dow Jones Sustainability Index World (DJSI), only one (Citi) is U.S. while two are Brazilian. Indeed, Brazil is the *only* BRIC country to be represented in the DJSI banking section. The UK is the strongest country with 5 banks in the 2010 edition of the Index.

The annual study and rankings of the most sustainable large and mid sized banks cover 164 criteria for large banks 152 for mid banks, which cover such areas as diverse as 12 types of risk managed by the bank to minority shareholder rights. Every year, the criteria are slightly adjusted to current market developments.

Yet performance among the 14 large banks included in the study still varied greatly in individual areas of compliance. In governance, for example, banks do not like to rotate auditing firms every year, as has become practice in the USA. In sustainability, where the performance spread between 1st placed BBVA Continental and last ranked BBVA Bancomer is nearly 30 percentage points, a number of banks do not pursue such projects as environmental certifications, transparency on intellectual assets, environmental risk assessments. Nor have their equity prices been stable and volume in long-term credit been raised.

While the key trend is to comply with increasingly uniform standards as encouraged by such institutions as the DJSI, Global Reporting Initiative or just simply sector conventions, banks have become unimaginative in developing new ideas in sustainability. Virtually no bank analyzes the financial returns of sustainability investments, which total over US\$250 mn. annually (per bank) among the biggest banks.

Management & Excellence (M&E) and *LatinFinance* have jointly carried out this study of the most sustainable Latin banks for six years. M&E also carries out other regular studies on sustainability: “Most Transparent IBovespa Companies with Razao Contabil), “Most Sustainable Latin Corporations”, and “Most Sustainable Oil/Gas Companies Worldwide” (with

Oil&Gas Journal Online). M&E has offices in Sao Paulo and Madrid, and a partnership in the USA with SustainEdge, USA. It is known for being an innovator in sustainability research and consulting methods.

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Notes:

* *The M&E/LatinFinance ranking consists of three major categories, each its own subranking: Sustainability, Corporate Governance and Corporate Social Responsibility. The highest positions the respective banks achieved in any of these subrankings are cited.*

***Sustainable Value Added SVA™ is a method used by M&E to estimate the contribution of sustainability to total market (here for 31 December 2009). SVA is calculated annually utilizing the past 5 years data of the SAM Dow Jones Sustainability Index (DJSI) World, MSCI World, M&E full sustainability ratings, companies' market caps and Return on Sustainability-ROS® data (if available)*

****M&E sustainability ratings, valid for 3 years, monitored annually and typically covering roughly 500 criteria depending on the company rated*

*****Variance minus 1.0 of scores between the three areas covered in this ranking Governance, CSR and sustainability. Higher score shows stronger management (1.0 is highest score).*

NA: *Not rated/audited*