

**Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of Banco Do Estado Do Para S.A.**

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23 Apr 2019

New York, April 23, 2019 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Banco Do Estado Do Para S.A. (Banpara) and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

Banco do Estado do Para's Ba2 long-term local currency deposit rating reflects the bank's baseline credit assessment (BCA) of ba2.

Banpara's ba2 BCA acknowledges the bank's small state-owned franchise, with a well-established operation in the state of Para, particularly focused on providing banking services to public employees, a loyal customer base. The BCA considers the consistently sound financial fundamentals reported by the bank, including high capitalization, strong earnings stream as well as superior asset quality metrics. The large majority of Banpara's operations is related to low-risk secured payroll lending activity. The BCA incorporates the lack of business diversification of Banpara's retail franchise and its constrained footprint that challenged its competitive position where the main peers are the largest Brazilian banks. Banpara is funded by a sticky and low cost core deposit base, an important contributor to its high margined business.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Banks published in August 2018. Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

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