

**Indusval attracts foreign partners, increases capital in the minimum amount of R\$ 200 million and promotes Jair Ribeiro's return to the financial market**

-- Warburg Pincus, one of the world's largest managers of private equity, will supply R\$150 million in its first investment in the country's sector

--Indusval will hold a strategic investment at Sertrading to generate more business

-- Leading team unites Jair Ribeiro (founder of Banco Patrimônio) and Alfredo de Goye (Sertrading) to Manoel Félix Cintra Neto and Luiz Masagão (former BM&F)

-- The aim of the institution, that shifts its commercial name to Banco Indusval & Partners, will be the expansion of the corporate credit markets, capital market and foreign trade

**Sao Paulo, March 23, 2011 – Banco Indusval S.A.** announces the closing of a strategic partnership to increase its capital, with the intake of a renowned team of partners and the reinforcement of its strategy in corporate credit, capital market and foreign trade.

The current institution controlling shareholders Manoel Félix Cintra Neto (former BM&F), Luiz Masagão (former BM&F) and Carlos Ciampolini will be joined by entrepreneur and former banker Jair Ribeiro (former *Banco Patrimônio*, Chase Manhattan and CPM Braxis), who will from now on be co-president of the institution.

These partners can also count on another strategic entrance: the **Warburg Pincus**, a leading global private equity firm, which has US\$ 36 billion in assets under management in companies around the world. This is the first investment of the global manager in a Brazilian bank, offering new frontiers for the long-term resources in the domestic financial sector.

Banco Indusval will hold a strategic investment of R\$ 25 million on Sertrading's capital increase, taking a minority stake of 17.7% in the leading foreign trade company. Banco Indusval will also hold an option of acquiring the remaining shares of the company over the next two years.



With the investment agreement and the arrival of new shareholders, Banco Indusval reinforces its strategy of pursuing excellence in corporate credit with a deep knowledge of their clients' activities, as well aims to become one of leaders of the growing fix income securities market.

The institution will change its commercial name to **Banco Indusval & Partners**, enhancing their character to work with partners and developing a culture of partnership with executives participating in the management and capital.

The agreement provides an increase of the bank's capital in the minimum amount of R\$ 200 million (a value that could reach R\$ 280 million, depending on the exercise of preemptive rights by the bank's existing minority shareholders). Of the total amount, have already been agreed to and will be fully paid up R\$ 150 million by Warburg Pincus, R\$21 million by current Banco Indusval controllers and R\$ 30 million by Sertrading shareholders (Jair Ribeiro, Alfredo de Goeye, entre outros)

In parallel, the bank will sign an operating agreement with the company, with a term of five years, by which it is preferred for the purchase of receivables generated by Sertrading foreign trade operations, as well as for the development of certain markets together, expanding the product base of both organizations. Last year, the flow of foreign trade from Sertrading was R\$1.6 bi, an increase of 45% over the previous year.

Sertrading also entered into a separate transaction to purchase the Brazilian and Argentine activities of J.P. Morgan foreign trade logistics services (JPMorgan Chase Vastera do Brasil and J.P. Morgan Vastera Argentina).

In addition, J.P. Morgan will extend a 2-year term loan with principal amount of USD 25 million to Banco Indusval and acquire 5-year term warrants that will allow it to secure a minority stake in Banco Indusval, corresponding to approximately 2.5% of the Banco Indusval's corporate capital after the capital increase. J.P. Morgan will not be part of the control group and will have no involvement in the management of Banco Indusval & Partners.

"The operation is a further outspread of the process of strengthening Brazilian companies in the domestic and global market. Our aim is to transform Banco Indusval into a great financial institution of the country: strong, agile and innovative," stated Manoel Félix Cintra Neto, chief executive of the bank's Administrative Council. "Besides benefiting from synergies and new products, this is the union of entrepreneurs of the

financial sector and foreign trade that have known each other and done business for over 25 years," he adds.

## **UNPRECEDENTED ALLIANCE**

"The combined strengths of the companies and their partners, together with the global expertise of Warburg Pincus, give us a privileged position to exploit a booming market," said Jair Ribeiro, who returns to the financial sector after five years dedicated to leading the consolidation of the largest information technology services company in the country, CPM Braxis. Ribeiro will be co-CEO and, after the Central Bank's approval, become a part of the controlling group. Luiz Masagão shares the presidency with him. Alfredo de Goeye remains as chairman of Sertrading.

Led by a unique team of entrepreneurs, the institution will have a loan portfolio of R\$ 2 billion and over 700 corporate clients. The Sertrading partnership enables **Banco Indusval & Partners** to have closer operational relationship to its clients, offering an even wider range of services and products in addition to expanding activities in the foreign trade platform.

"We want to offer innovative solutions for the market, developing differentials for the entire institution. Our proposal in corporate lending is to become more and more closer to our clients' operational activities, deeply knowing their structure and the market they serve. Moreover, we aim to position ourselves as one of the leaders in the fixed income corporate bond market," says Jair Ribeiro. "We believe that Brazil will enter into a new phase of capital market, with the expansion of the local bond market that has a grand potential growth. The United States corporate bond market has a volume five times larger than that of equity," he adds. The recently launched government package that encourages long-term private credit reinforces the bank's new strategy.

According to Luiz Masagão, at first, the bank will seize the natural synergy among its clients. "The bank's capitalization and the partnership to Sertrading will allow us to expand the assets portfolio with less credit risk, maintaining our characteristics of solidity and safety in terms of leverage, besides generating corporate credits with quality, because we can monitor our clients' operational aspects. We will offer an even greater range of financial products, including access to capital markets", he explains.

"Foreign trade will show exponential growth considering the whole economy, and that should expand Sertrading's field of activity. We intend to grow our market share and offer a wider range of services and products to our clients," stated Alfredo de Goeye.



"Investing in financial institutions has been a specialty of Warburg Pincus over the last 25 years. We have successfully invested and added value to more than 65 financial institutions around the world. We strongly believe in the Brazilian market, in the potential of the domestic credit and the corporate bond market, and above all, in the competence and integrity of the team that will lead Banco Indusval & Partners", says Alain Belda, managing partner of Warburg Pincus and CEO in Brazil. Upon the completion of this transaction, Alain Belda, who is former chief of the Administrative Council and CEO of Alcoa, will become a part of the company's Administrative Council.

#### **About Banco Indusval S.A.:**

Founded in 1967, the bank is a Brazilian financial institution traditionally oriented to the corporate credit, both in Brazilian and foreign currencies. The bank offers a wide range of services and customized products such as credit granting, financing and foreign trade operations, also offering banking services in addition to the various investment options suitable for each investor profile. The bank made its IPO in 2007 and is listed on Level 1 of the BM&FBovespa's Corporate Governance. In 2010, it achieved R\$ 29 million net profit on shareholders' equity of R\$ 430 million [check numbers - see Portuguese press release] and a loan portfolio of R\$1.9 billion (December 2010).

#### **About Sertrading:**

Established in 2001, the company is the result of the expertise of its partners Alfredo de Goeye and Jair Ribeiro in foreign trade and the financial market. One of the largest foreign trade services company in Brazil, Sertrading imports and exports to more than 90 countries. In 2010, the trading volume was R\$ 1.6 billion a volume that has grown at an annual rate of 45%. Considering our timeline, we can highlight the creation of Serlac, a leading company of the Brazilian dairy products exports. In addition to the São Paulo based operation, Sertrading also has a subsidiary in China.

#### **About Warburg Pincus:**

Warburg Pincus is a leading global private equity firm. The firm has more than US\$35 billion in assets under management. Its active portfolio of more than 110 companies is highly diversified by stage, sector and geography. Warburg Pincus is a growth investor and an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 13 private equity



funds, which have invested more than \$35 billion in over 600 companies in more than 30 countries. Since inception, Warburg Pincus has invested more than \$12 billion in technology, media and telecommunications, including past and current investments in BEA Systems, Bharti Airtel, FIS (NYSE: FIS), iParadigms, Nuance Communications (NASDAQ: NUAN), Wall Street Systems and Ziggo. The firm has offices in Beijing, Frankfurt, Hong Kong, London, Mumbai, New York, San Francisco, Sao Paulo and Shanghai. For more information, please visit [www.warburgpincus.com](http://www.warburgpincus.com).

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