ABC BRASIL
ARAB BANKING CORPORATION

1Q10 Earnings Release

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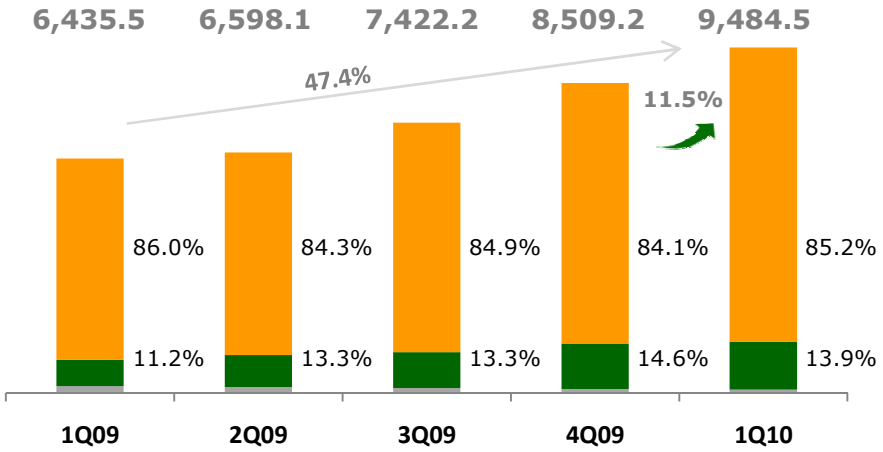
Highlights

- **Return On Average Equity** (RoAE) in 1Q10 reached 15.2% p.a.
- The **Credit Portfolio** including guarantees issued reached BRL 9,484.5 million, an outstanding increase of 11.5% over 4Q09 and 47.4% when compared to 1Q09.
- Adjusted **Net Income*** in 1Q10 totaled BRL 46.9 million, an increase of 5.5% compared to 4Q09 and 96.0% in comparison to 1Q09.
- The **number of clients** increased by 9.3% QoQ and 54.7% in the year.
- Issuance of **Subordinated Debt** in the amount of USD 300 million, concluded in April 8, 2010, increasing the capital and the ability to leverage the bank.

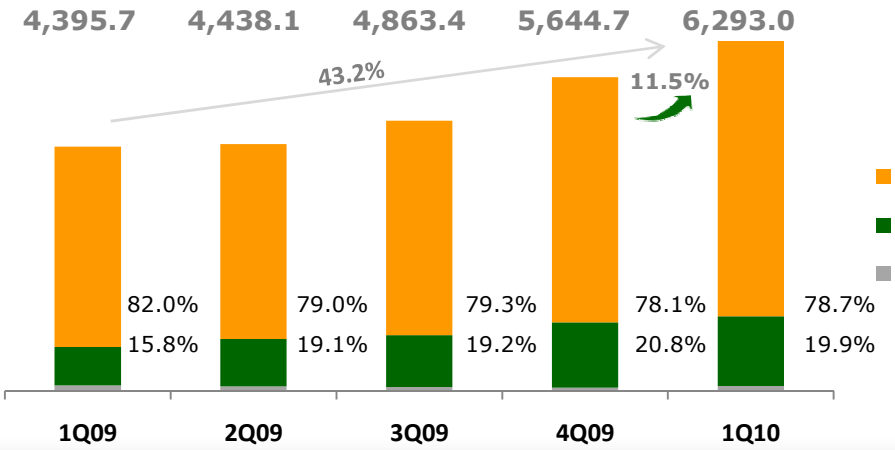
**Divestment of CETIP and joint to program for settlement of tax debits published by the Federal Government (REFIS)*

Credit Portfolio

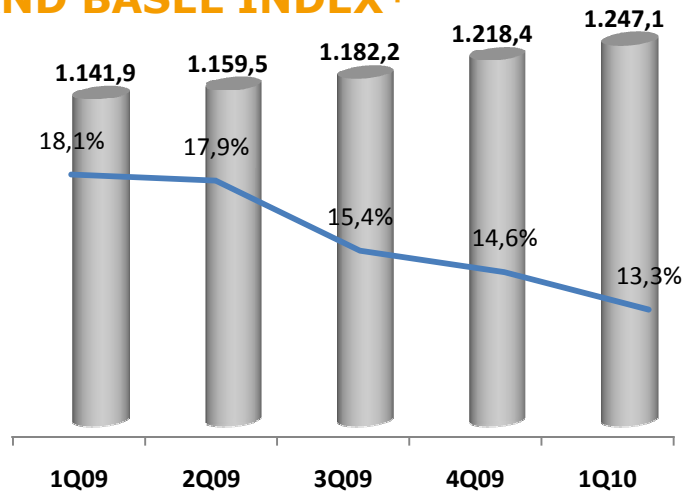
CREDIT PORTFOLIO (BRL million)
Including guarantees issued



LOANS (BRL million)



SHAREHOLDERS' EQUITY (BRL million) AND BASEL INDEX*

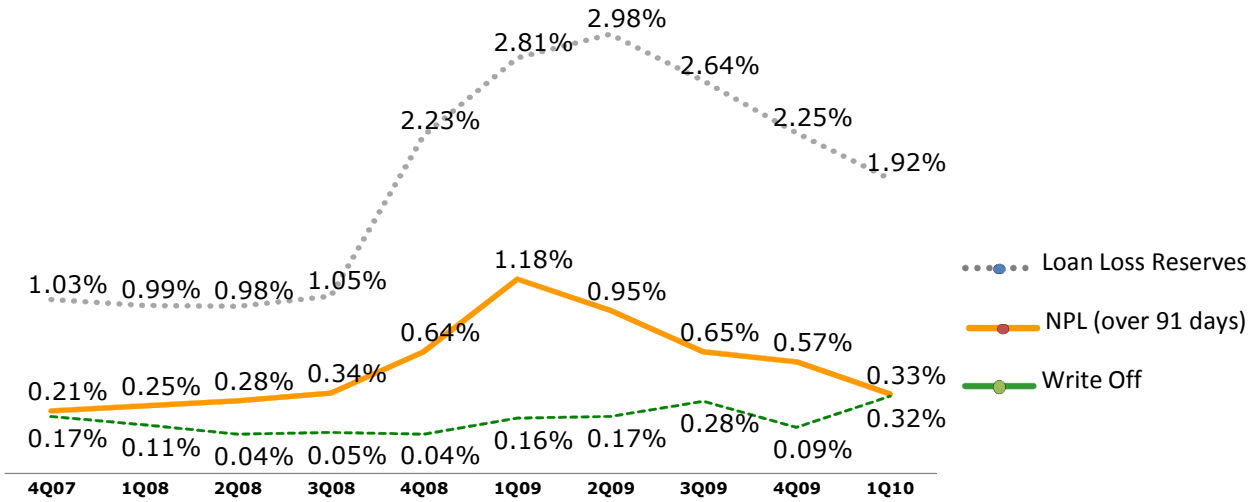


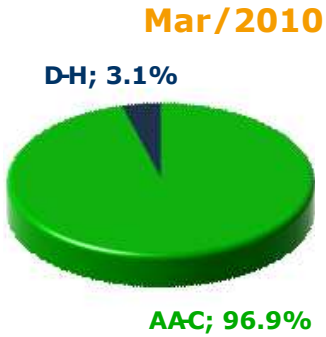
It was concluded on April 8th the offshore issuance of Subordinated Notes in the amount of USD300 million. These Notes have increased Basel Index by around 550 bps since April 2010.

Credit Portfolio Quality

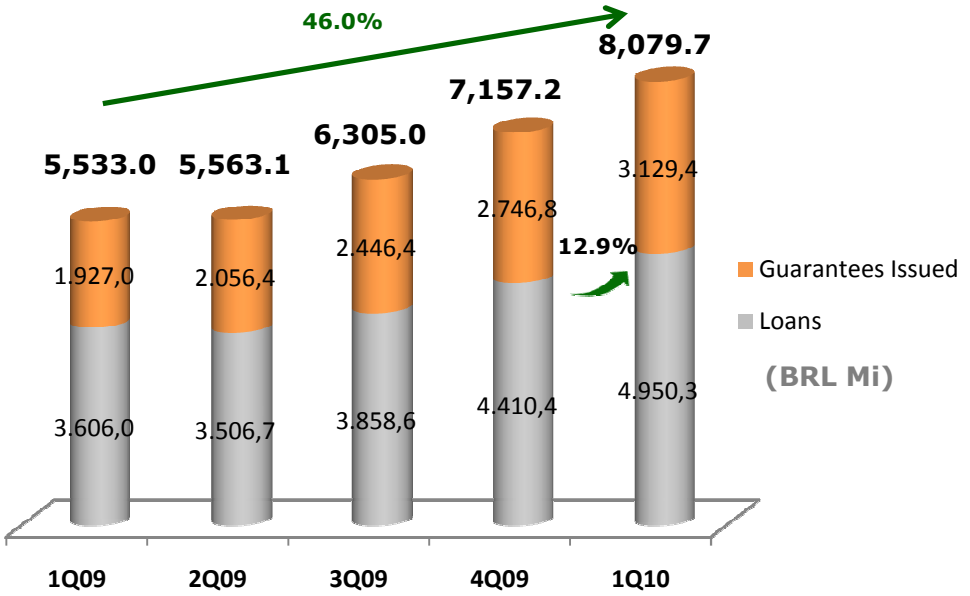
	1	2	3	4	5	6	7
Segments	**Loan Portfolio * (BRL million)**	**Write Off (BRL million)**	**Write Off / Loan Portfolio**	**LLR ** (BRL million)**	**LLR ** / Loan Portfolio**	**Past Due > 90 days (BRL million)**	**Past Due > 90 days / Loan Portfolio**
Corporate	4,950.3	13.6	0.27%	75.1	1.52%	11.5	0.23%
Middle Market	1,252.2	4.7	0.38%	41.7	3.33%	8.1	0.65%
Other	90.5	1.7	1.88%	4.1	4.50%	1.4	1.54%
Total - 1Q10	**6,293.0**	**20.0**	**0.32%**	**120.9**	**1.92%**	**21.0**	**0.33%**
4Q09	5,644.7	5.1	0.09%	127.2	2.25%	32.4	0.57%
3Q09	4,863.4	13.4	0.28%	128.4	2.64%	31.5	0.65%
2Q09	4,438.1	7.7	0.17%	132.4	2.98%	42.1	0.95%
1Q09	4,395.7	6.9	0.16%	123.4	2.81%	51.9	1.18%

** Excluding guarantees issued.*

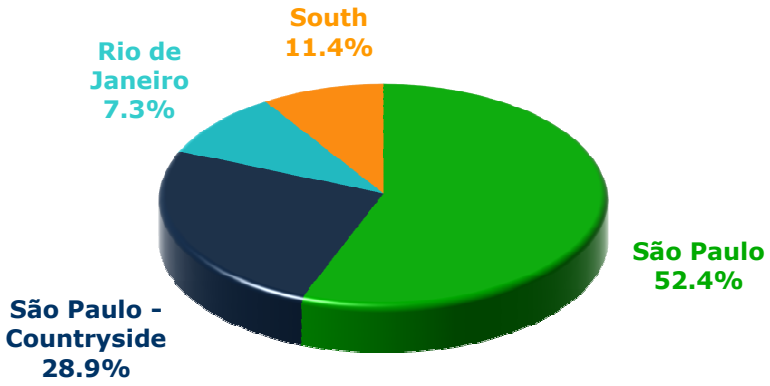




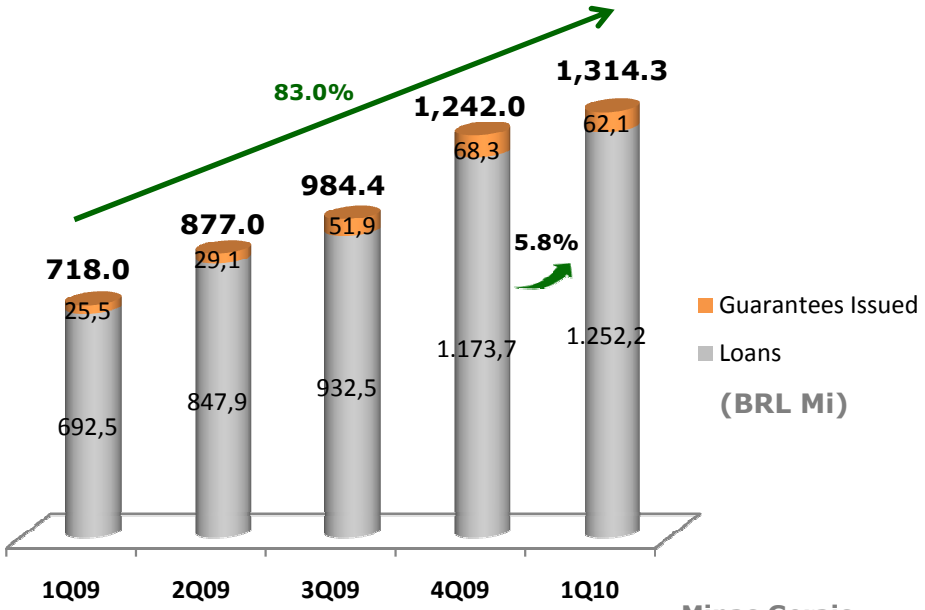
Corporate



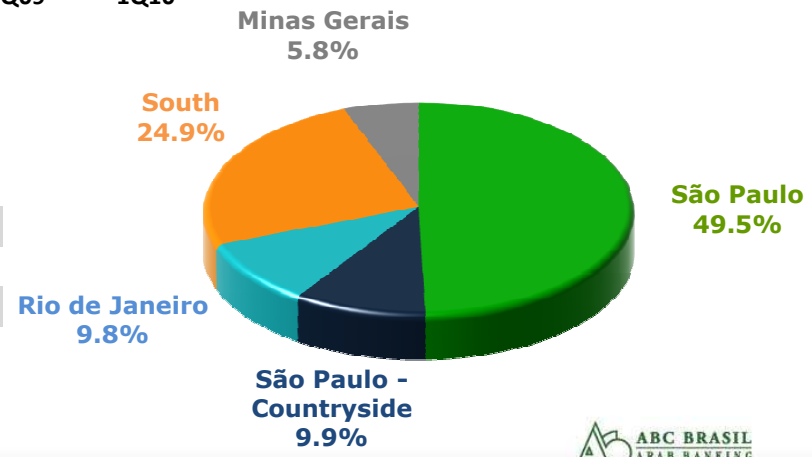
	1Q09	4Q09	1Q10
Ticket	11.8	12.0	12.0
Duration	329	342	346
Groups	470	596	675



Middle Market



	1Q09	4Q09	1Q10
Ticket	1.9	2.0	2.0
Duration	209	258	256
Groups	388	618	652



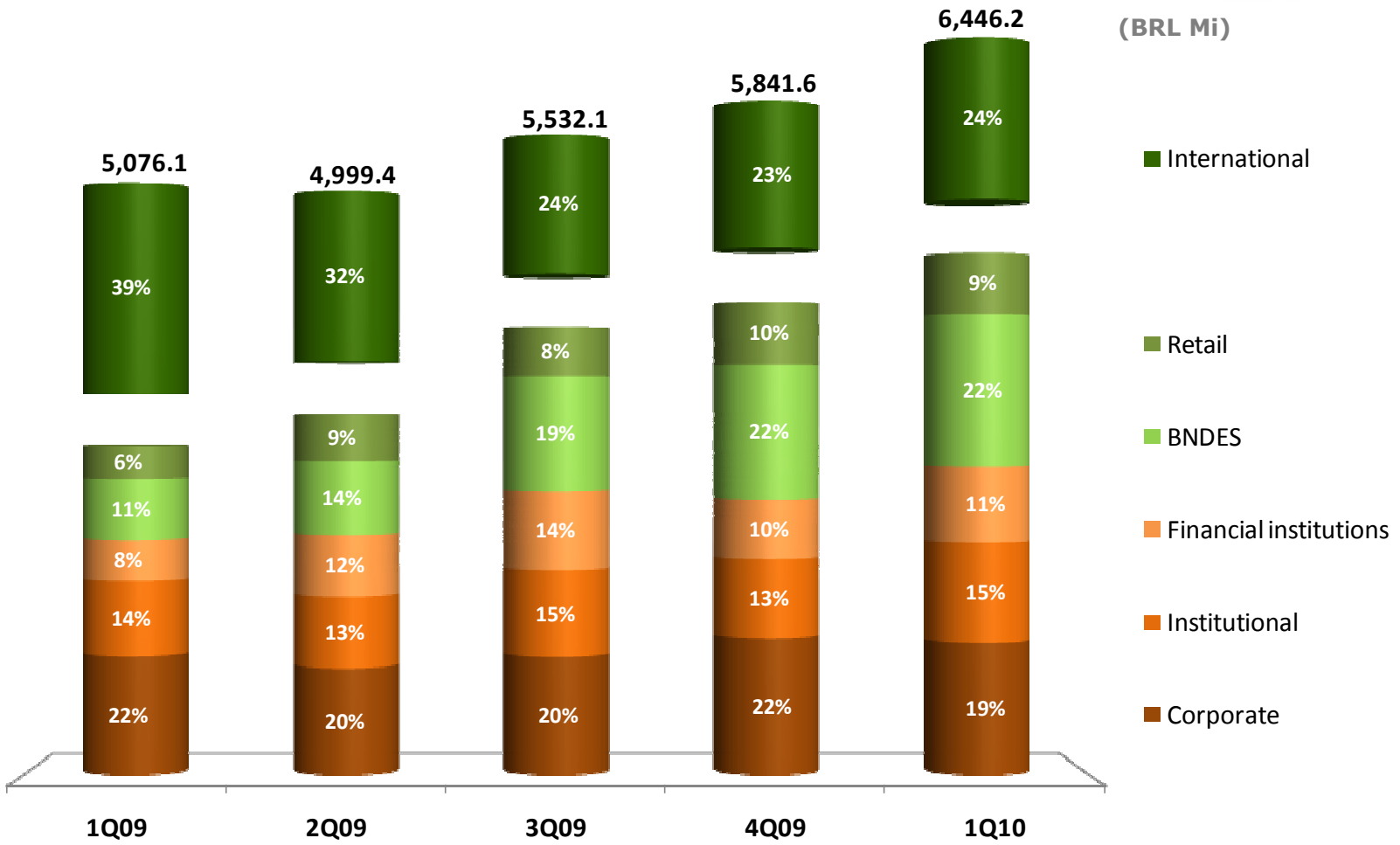
Other Activities

TREASURY, M&A AND CAPITAL MARKETS

Treasury (BRL Mi)	**1Q10**	**4Q09**	**1Q09**
Revenues	14.7	10.8	0.2
Consolidated Average VaR	1.7	2.3	2.1

Capital Markets (BRL Mi)	**1Q10**	**4Q09**	**1Q09**
Underwriting Fees and M&A	2.4	0.6	0.3
Numbers of deals	8	3	2

Funding


(BRL Mi)
5,076.1
4,999.4
5,532.1
5,841.6
6,446.2
39%
32%
24%
23%
24%
6%
11%
8%
14%
22%
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13%
22%
9%
22%
11%
15%
19%
1Q09
2Q09
3Q09
4Q09
1Q10
International
Retail
BNDES
Financial institutions
Institutional
Corporate

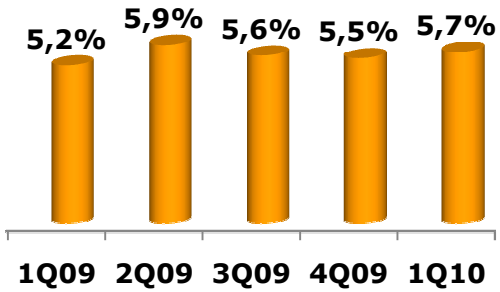
Managerial Income Statement
Revenue

MANAGERIAL NET INTEREST INCOME

NII (BRL million)	1Q10	4Q09	Var.(%)	1Q09	Var.(%)
Credit Operations	93.8	87.9	6.7	88.7	5.7
Treasury*	14.7	10.8		0.2	
Net Interest Income before Loan-Loss Provisions (LLP)	108.5	98.7	9.9	88.9	22.0
LLP	(13.8)	(4.1)	237.9	(25.6)	(46.1)
LLP (Brazilian Central Bank resolution nº 2,682)	(13.8)	(10.8)	27.3	(25.1)	(45.1)
Additional LLP		6.8		(0.5)	
Total	**94.7**	**94.6**	**0.1**	**63.3**	**49.6**

** Treasury result with managerial adjustments*

NIM (p.a.)



INCOME FROM SERVICES RENDERED

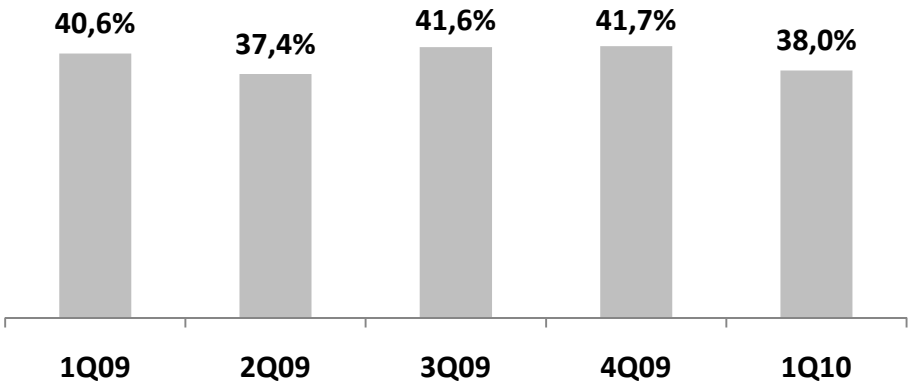
Income from services rendered (BRL million)	1Q10	4Q09	Chg.(%)	1Q09	Chg.(%)
Guarantees issued	14.9	14.1	6.0	7.4	101.0
Underwriting Fees and M&A	2.4	0.6		0.3	
Banking Fees	7.1	5.1	38.9	2.6	174.4
Total	**24.4**	**19.8**	**23.4**	**10.3**	**137.2**

Managerial Income Statement
Expenses

PERSONNEL, ADMINISTRATIVE AND PROFIT-SHARING EXPENSES

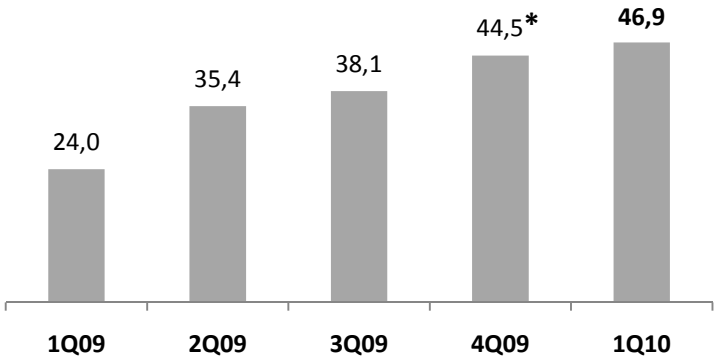
Expenses (BRL million)	1Q10	4Q09	Var.(%)	1Q09	Var.(%)
Personnel	(20.9)	(20.3)	3.4	(20.6)	1.5
Other administrative expenses	(14.3)	(15.7)	(8.4)	(12.3)	16.4
Profit Sharing	(15.4)	(13.5)	14.4	(7.5)	106.0
Taxes	(8.3)	(3.5)	133.4	(0.5)	1,408.8
Total	**(59.0)**	**(53.0)**	**11.4**	**(41.0)**	**43.9**

EFFICIENCY RATIO
(including profit sharing)

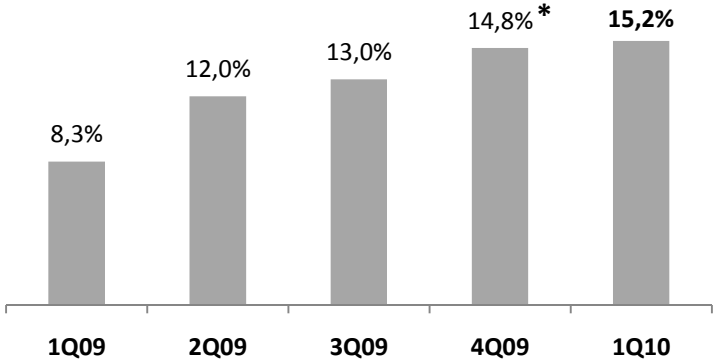


Profitability

ADJUSTED NET INCOME
BRL million



ADJUSTED ROAE
(p.a.)



**Excluding extraordinary effects of divestment of CETIP and joint to program for settlement of tax debits published by the Federal Government*

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