Quarterly Information - ITR

Banco ABC Brasil S.A.

March 31, 2017

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Company Information / Capital Composition

Number of shares (Units)	Current quarter 03/31/2017
Paid-up capital	
Common	95,780,135
Preferred	94,207,966
Total	**189,988,101**
Treasury stock	
Common	-
Preferred	3,337,968
Total	**3,337,968**

A free translation from Portuguese into English of the Quarterly Financial Information (ITR) prepared in Brazilian currency and in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank and presented according with the standards issued by the Brazilian Securities Exchange Commission – CVM and Central Bank of Brazil

Individual financial statements / Balance sheet - Assets (In thousands of reais)

Code	Description	Current quarter 03/31/2017	Prior year 12/31/2016
1	**Total assets**	**25,778,969**	**25,669,523**
1.01	**Current assets**	**19,497,555**	**19,436,743**
1.01.01	**Cash and banks**	**17,572**	**8,777**
1.01.02	**Interbank short-term investments**	**5,788,447**	**5,777,686**
1.01.02.01	Money market investments	4,804,214	4,657,643
1.01.02.02	Interbank deposits	642,370	712,630
1.01.02.03	Foreign investments	341,863	407,413
1.01.03	**Marketable securities**	**5,650,699**	**5,809,211**
1.01.03.01	Own portfolio	4,811,702	4,747,274
1.01.03.02	Linked to repurchase agreements	22,804	5,807
1.01.03.03	Linked to guarantees given	29,032	82,313
1.01.03.04	Derivative financial instruments	787,161	973,817
1.01.04	**Interbank accounts**	**17,108**	**1,515**
1.01.04.01	Unsettled payments and receipts	17,037	-
1.01.04.03	Reserve requirements - Central Bank Deposits	71	1,515
1.01.06	**Loans**	**6,100,184**	**5,981,798**
1.01.06.01	Public sector	55,678	66,477
1.01.06.02	Private sector	6,224,881	6,080,097
1.01.06.04	Allowance for loan losses	(180,375)	(164,776)
1.01.08	**Other credits**	**1,668,729**	**1,733,573**
1.01.08.01	Foreign exchange portfolio	764,691	566,651
1.01.08.02	Income receivable	14,253	15,502
1.01.08.03	Trading and intermediation of securities	174,871	50,882
1.01.08.04	Credits on guarantees honored	12,475	30,328
1.01.08.05	Others	747,830	1,127,640
1.01.08.06	Allowance for losses on other credits	(45,391)	(57,430)
1.01.09	**Other assets**	**254,816**	**124,183**
1.01.09.01	Prepaid expenses	10,989	10,280
1.01.09.02	Other assets	243,827	113,903
1.02	**Non-current assets**	**6,046,936**	**6,000,391**
1.02.02	**Marketable securities**	**1,765,095**	**1,708,323**
1.02.02.01	Own portfolio	974,890	1,036,333
1.02.02.02	Reserve requirements - Central Bank Deposits	1,082	-
1.02.02.03	Linked to guarantees given	582,243	637,505
1.02.02.04	Derivative financial instruments	206,880	34,485
1.02.05	**Loans**	**4,110,153**	**4,170,671**
1.02.05.02	Private sector	4,271,290	4,321,264
1.02.05.04	Allowance for losses on lending operations	(161,137)	(150,593)
1.02.07	**Other credits**	**170,843**	**118,667**
1.02.07.01	Foreign exchange portfolio	3,674	10,246
1.02.07.02	Income receivable	1,153	1,779
1.02.07.04	Sundry	223,391	164,094
1.02.07.05	Allowance for losses on other credits	(57,375)	(57,452)
1.02.08	**Other assets**	**845**	**2,730**
1.02.08.01	Prepaid expenses	845	2,730
1.03	**Permanent assets**	**234,478**	**232,389**
1.03.01	**Investments**	**188,718**	**185,351**
1.03.01.02	Investments in subsidiaries	188,104	184,737
1.03.01.04	Other investments	614	614
1.03.02	**Fixed assets**	**29,377**	**30,902**
1.03.02.01	Other fixed assets	50,527	50,740
1.03.02.02	Accumulated depreciation	(21,150)	(19,838)
1.03.04	**Intangible**	**16,383**	**16,136**
1.03.04.01	Intangible assets	38,971	37,462
1.03.04.02	Accumulated amortization	(22,588)	(21,326)

Individual financial statements / Balance sheet - Liabilities (In thousands of reais)

Code	Description	Current quarter 03/31/2017	Prior year 12/31/2016
2	**Total liabilities and equity**	**25,778,969**	**25,669,523**
2.01	**Current liabilities**	**15,193,887**	**15,379,163**
2.01.01	**Deposits**	**5,333,803**	**4,790,963**
2.01.01.01	Demand deposits	27,401	42,615
2.01.01.02	Interbank deposits	567,092	472,809
2.01.01.03	Time deposits	4,739,310	4,275,539
2.01.02	**Open market funding**	**22,791**	**5,799**
2.01.02.01	Own portfolio	22,791	5,799
2.01.03	**Acceptance and issue of securities**	**3,152,404**	**3,289,646**
2.01.03.02	Real estate, mortgage, credit and similar notes	3,145,535	3,272,218
2.01.03.03	Certificates of structured finance	6,869	17,428
2.01.04	**Interbank accounts**	**6,188**	**127**
2.01.04.01	Unsettled receipts and payments	6,188	127
2.01.05	**Interbranch accounts**	**27,688**	**11,763**
2.01.05.01	Third party funds in transit	27,688	11,763
2.01.06	**Borrowings**	**3,566,449**	**4,036,809**
2.01.06.02	Foreign borrowings	3,566,449	4,036,809
2.01.07	**Onlendings in Brazil**	**876,605**	**943,101**
2.01.07.01	BNDES	513,988	482,552
2.01.07.02	FINAME	194,372	208,239
2.01.07.03	Other agencies	168,245	252,310
2.01.08	**Foreign onlendings**	**653,699**	**606,361**
2.01.09	**Other liabilities**	**1,554,260**	**1,694,594**
2.01.09.01	Foreign exchange portfolio	367,650	207,335
2.01.09.02	Derivative financial instruments	646,642	813,863
2.01.09.03	Social and statutory	52,592	82,186
2.01.09.04	Taxes and social security	254,555	373,498
2.01.09.05	Trading and intermediation of securities	110,095	32,605
2.01.09.06	Tax collection	2,214	3,201
2.01.09.07	Subordinated debts	32,953	65,714
2.01.09.08	Sundry	87,559	116,192
2.02	**Non-current liabilities**	**7,523,078**	**7,363,068**
2.02.01	**Deposits**	**650,026**	**549,392**
2.02.01.01	Time deposits	644,301	543,844
2.02.01.02	Interbank deposits	5,725	5,548
2.02.03	**Acceptance and issue of securities**	**3,543,003**	**2,868,196**
2.02.03.01	Real estate, mortgage, credit and similar notes	3,542,899	2,868,094
2.02.03.03	Certificates of structured finance	104	102
2.02.06	**Borrowings**	**924**	**31**
2.02.06.01	Foreign borrowings	924	31
2.02.07	**Onlending in Brazil**	**1,052,742**	**1,161,748**
2.02.07.01	BNDES	606,798	668,901
2.02.07.02	FINAME	440,392	475,301
2.02.07.03	Other agencies	5,552	17,546
2.02.08	**Foreign onlendings**	**1,010,157**	**1,104,606**
2.02.09	**Other liabilities**	**1,266,226**	**1,679,095**
2.02.09.01	Foreign exchange portfolio	3,674	10,246
2.02.09.02	Derivative financial instruments	273,052	90,560
2.02.09.03	Social and statutory	315	315
2.02.09.04	Taxes and social security	56,194	26,721
2.02.09.05	Subordinated debts	842,764	1,499,012
2.02.09.06	Debts instruments elegible for capital	62,831	19,808
2.02.09.07	Sundry	27,396	32,433
2.03	**Deferred income**	**30,077**	**34,074**
2.05	**Equity**	**3,031,927**	**2,893,218**
2.05.01	**Capital**	**2,203,244**	**2,121,765**
2.05.01.01	Brazilian residents	303,155	328,711
2.05.01.02	Foreign residents	1,900,089	1,793,054
2.05.02	**Capital reserve**	**26,928**	**32,422**
2.05.04	**Profit reserve**	**749,760**	**738,789**
2.05.04.01	**Legal**	**142,532**	**142,532**
2.05.04.02	**Statutory**	**642,307**	**642,307**
2.05.04.02.01	Equalization of dividends	587,307	587,307
2.05.04.02.02	Repurchase of own company shares	55,000	55,000
2.05.04.07	**Other income reserves**	**(35,079)**	**(46,050)**
2.05.04.07.01	Treasury stock	(35,079)	(46,050)
2.05.05	**Equity valuation adjustments**	**7,733**	**242**
2.05.05.01	Securities adjustments	7,733	242
2.05.06	**Retained profit**	**44,262**	**-**

Individual financial statements / Income statement
(In thousands of reais)

Code	Description	YTD - current year 01/01/2017 to 03/31/2017	YTD - prior year 01/01/2016 to 03/31/2016
3.01	**Income from financial intermediation**	**575,226**	**353,955**
3.01.01	Lending operations	393,955	345,904
3.01.02	Marketable securities operations	377,674	279,149
3.01.03	Gain (losses) on derivative financial instruments	(175,548)	(311,122)
3.01.04	Foreign exchange operations	(20,877)	35,331
3.01.05	Income from receivables acquired	22	4,693
3.02	**Financial intermediation expenses**	**(373,082)**	**(20,709)**
3.02.01	Funding expenses	(337,935)	(191,216)
3.02.02	Borrowings and onlendings	23,142	219,506
3.02.03	Allowance for loan losses	(57,925)	(49,813)
3.02.04	Allowance for loan losses- exchange rate variation on foreign exchange contracts	(23)	882
3.02.05	Income from receivables acquired	(341)	(68)
3.03	**Gross profit from financial intermediation**	**202,144**	**333,246**
3.04	**Other operating (expenses) / income**	**(37,519)**	**(119,158)**
3.04.01	Income from services rendered	76,333	56,107
3.04.02	Personnel expenses	(48,377)	(53,140)
3.04.03	Other administrative expenses	(25,731)	(23,989)
3.04.04	Taxes	(18,848)	(8,158)
3.04.05	Other operating income	7,682	9,783
3.04.06	Other operating expenses	(31,945)	(103,092)
3.04.07	Equity pickup from subsidiaries	3,367	3,331
3.05	**Operating income**	**164,625**	**214,088**
3.06	**Non-operating loss**	**(7,694)**	**(7,880)**
3.06.01	Income	2,716	1,173
3.06.02	Expenses	(10,410)	(9,053)
3.07	**Income before taxes and profit sharing**	**156,931**	**206,208**
3.08	**Provision for income and social contribution taxes**	**(29,966)**	**(89,526)**
3.08.01	Provision for income tax	(24,865)	(50,367)
3.08.02	Provision for social contribution tax	(20,835)	(44,378)
3.08.03	Deferred tax credits	15,734	5,219
3.10	**Profit sharing / statutory contributions**	**(30,110)**	**(25,533)**
3.10.01	Profit sharing	(30,110)	(25,533)
3.13	**Net income for the period**	**96,855**	**91,149**
3.99	**Profit per share - (Reais)**	**0.51891**	**0.53856**

Individual financial statements / Statement of comprehensive income (In thousands of reais)

Code	Description	YTD - current year 01/01/2017 to 03/31/2017	YTD - prior year 01/01/2016 to 03/31/2016
4.01	Net income for the period	96,855	91,149
4.02	Other comprehensive income (loss)	7,491	9,519
4.03	**Comprehensive income for the**	**104,346**	**100,668**

Individual financial statements / Statement of cash flow - Indirect method (In thousands of reais)

	Description	YTD – current year 01/01/2017 to 03/31/2017	YTD – prior year 01/01/2016 to 03/31/2016
6.01	**Net cash from operating activities**	**(616,370)**	**1,004,667**
6.01.01	**Cash generated by operating activities**	**174,195**	**157,773**
6.01.01.01	Net income for the period	96,855	91,149
6.01.01.02	Depreciation and amortization	2,575	2,261
6.01.01.03	Equity pickup from subsidiaries	(3,367)	(3,331)
6.01.01.04	Adjustment to market value - securities	7,491	9,519
6.01.01.05	Provision for impairment of assets not for own use	4,667	6,703
6.01.01.08	Gain (loss) on disposal of assets not for own use	3,152	1,201
6.01.01.11	Allowance for loan losses	57,948	48,931
6.01.01.12	Provision for contingent liabilities	4,874	1,340
6.01.02	**Changes in assets and liabilities**	**(790,565)**	**846,894**
6.01.02.01	Interbank investments	(226,843)	354,928
6.01.02.02	Marketable securities and derivative financial instruments	117,011	(235,688)
6.01.02.03	Lending operations	(115,816)	469,754
6.01.02.04	Other credits and assets	6,035	(223,385)
6.01.02.05	Interbank accounts - assets / liabilities	(9,532)	353,010
6.01.02.06	Interbranch accounts	15,925	40,806
6.01.02.07	Other liabilities	(573,348)	91,145
6.01.02.08	Deferred income	(3,997)	(3,676)
6.02	**Net cash from investing activities**	**(136,725)**	**(29,901)**
6.02.01	Disposal of assets not for own use	3,004	1,164
6.02.04	Acquisition of assets not for own use	(132,938)	(26,073)
6.02.06	Acquisition of fixed assets and intangible assets	(1,297)	(2,719)
6.02.09	Allocations of reserves	(5,494)	(2,273)
6.03	**Net cash from financing activities**	**545,808**	**(2,038,212)**
6.03.01	Deposits	643,474	(817,027)
6.03.02	Open market funding	16,992	13,595
6.03.03	Borrowings and onlendings	(692,080)	(1,093,347)
6.03.04	Securities acceptance and issuance	537,565	(163,243)
6.03.05	Capital increase	81,479	62,875
6.03.06	Treasury shares	10,971	4,577
6.03.07	Interest on equity	(52,593)	(45,642)
6.05	**Increase (decrease) in cash and cash equivalents**	**(207,287)**	**(1,063,446)**
6.05.01	Cash and cash equivalents at beginning of the period	4,369,169	4,966,820
6.05.02	Cash and cash equivalents at end of the period	4,161,882	3,903,374

Individual financial statements / Statement of changes in equity - 01/01/2017 to 03/31/2017
(In thousands of reais)

Code	Description	Capital	Capital reserve	Revaluation reserve	Income reserve	Retained earnings / accumulated losses	Equity valuation adjustment	Total equity
5.01	Opening balance	2,121,765	32,422	-	738,789	-	242	2,893,218
5.03	**Adjusted balance**	**2,121,765**	**32,422**	**-**	**738,789**	**-**	**242**	**2,893,218**
5.04	Net income of the period	-	-	-	-	96,855	-	96,855
5.05	Allocations	-	-	-	-	(52,593)	-	(52,593)
5.05.02	Interest on equity	-	-	-	-	(52,593)	-	(52,593)
5.07	Equity valuation adjustments	-	-	-	-	-	7,491	7,491
5.07.01	Marketable securities adjustment	-	-	-	-	-	7,491	7,491
5.08	Capital Increase	81,479	-	-	-	-	-	81,479
5.09	Allocations of capital reserves	-	(5,494)	-	-	-	-	(5,494)
5.09.01	Allocations of reserves - Management remuneration	-	(5,494)	-	-	-	-	(5,494)
5.10	Treasury shares	-	-	-	10,971	-	-	10,971
5.13	**Closing balance**	**2,203,244**	**26,928**	**-**	**749,760**	**44,262**	**7,733**	**3,031,927**

Individual financial statements / Statement of changes in equity - 01/01/2016 to 03/31/2016 (In thousands of reais)

Code	Description	Capital	Capital reserve	Revaluation reserve	Income reserve	Retained earnings / accumulated losses	Equity valuation adjustment	Total equity
5.01	Opening balance	1,980,139	27,013	-	513,465	-	(10,958)	2,509,659
5.03	**Adjusted balance**	**1,980,139**	**27,013**	**-**	**513,465**	**-**	**(10,958)**	**2,509,659**
5.04	Net income of the period	-	-	-	-	91,149	-	91,149
5.05	Allocations	-	-	-	-	(45,642)	-	(45,642)
5.05.02	Interest on equity	-	-	-	-	(45,642)	-	(45,642)
5.07	Equity valuation adjustments	-	-	-	-	-	9,519	9,519
5.07.01	Marketable securities adjustment	-	-	-	-	-	9,519	9,519
5.08	Capital Increase	62,875	-	-	-	-	-	62,875
5.09	Allocations of capital reserves	-	(2,273)	-	-	-	-	(2,273)
5.09.01	Allocations of reserves - Management remuneration	-	(2,273)	-	-	-	-	(2,273)
5.10	Treasury shares	-	-	-	4,577	-	-	4,577
5.13	**Closing balance**	**2,043,014**	**24,740**	**-**	**518,042**	**45,507**	**(1,439)**	**2,629,864**

Individual financial statements / Statement of value added (In thousands of reais)

Code	Description	YTD – current year 01/01/2017 to 03/31/2017	YTD – prior year 01/01/2016 to 03/31/2016
7.01	**Revenues**	**601,293**	**370,914**
7.01.01	Financial intermediation	575,226	353,955
7.01.02	Income from services rendered	76,333	56,107
7.01.03	Allowance for loan losses	(57,948)	(48,931)
7.01.04	Other	7,682	9,783
7.02	**Financial intermediation expenses**	**(315,134)**	**28,222**
7.03	**Inputs acquired from third parties**	**(59,725)**	**(129,803)**
7.03.02	Services provided by third parties	(1,673)	(1,833)
7.03.04	**Others**	**(58,052)**	**(127,970)**
7.03.04.01	Data Processing and Telecom	(4,126)	(3,372)
7.03.04.02	Financial system services	(4,370)	(4,090)
7.03.04.11	Specialized technical services	(3,444)	(3,275)
7.03.04.12	Travel expenses	(1,383)	(1,124)
7.03.04.13	Promotions and Public Relations	(663)	(205)
7.03.04.14	Other Operating Expenses	(31,945)	(103,092)
7.03.04.15	Non-operating income	(7,694)	(7,880)
7.03.04.16	Other Administrative Expenses	(4,427)	(4,932)
7.04	**Gross value added**	**226,434**	**269,333**
7.05	**Allowances**	**(2,575)**	**(2,261)**
7.05.01	Depreciation, amortization and depletion	(2,575)	(2,261)
7.06	**Net produced value added**	**223,859**	**267,072**
7.07	**Value added received on transfer**	**3,367**	**3,331**
7.07.01	Equity pickup	3,367	3,331
7.08	**Total distributable value added**	**227,226**	**270,403**
7.09	**Value added distribution**	**227,226**	**270,403**
7.09.01	**Personnel**	**67,959**	**68,418**
7.09.01.01	Direct compensation	29,019	34,299
7.09.01.02	Benefits	5,476	5,295
7.09.01.03	Unemployment Compensation Fund (FGTS)	2,831	2,951
7.09.01.04	**Other**	**30,633**	**25,873**
7.09.01.04.01	Profit Sharing	30,110	25,533
7.09.01.04.03	Training	523	340
7.09.02	**Taxes, charges and contributions**	**59,342**	**107,939**
7.09.02.01	Federal	55,304	106,460
7.09.02.02	State	10	13
7.09.02.03	Municipal	4,028	1,466
7.09.03	**Third party capital remuneration**	**3,070**	**2,897**
7.09.03.01	Rents	3,070	2,897
7.09.04	**Own capital remuneration**	**96,855**	**91,149**
7.09.04.01	Interest on equity	52,593	45,642
7.09.04.03	Retained earnings	44,262	45,507

Performance in the first quarter of 2017

We submit to your consideration the individual and consolidated accounting information of Banco ABC BRASIL S.A. for the quarter ended on March 31, 2017.

Banco ABC BRASIL S.A.

Banco ABC Brasil S.A. is a commercial bank specialized in lending and providing services for midsized to large companies. Nonetheless, it is one of the few Brazilian banks featuring international control and local autonomy.

The bank is managed by a highly qualified team of senior executives, who are also shareholders of the bank, holding vast experience in financial markets and having broad autonomy for decision taking, in addition to the capability to foresee and explore sectorial and cyclical opportunities in the Brazilian economy.

Banco ABC Brasil S.A. is present in Brazil since 1989, and from this date on has been building a solid Corporate Clients portfolio by offering wide high-value added financial products. Nevertheless, the Bank is recognized by its robust expertise on credit risk assessment and concession.

Banco ABC Brasil S.A. is listed in the Level 2 of Corporate Governance of São Paulo Stock Exchange (BM&FBovespa).

Shareholding Structure

As of March 31, 2017 the shareholding structure of Banco ABC Brasil S.A. was the following: Bank ABC: 59.67%; Free-float: 32.94%; Management and Board members: 5.63%; and Stocks in Treasury: 1.76%.

Business Profitability

Banco ABC BRASIL S.A. reported net income of BRL 96.9 million in the first quarter of 2017 (BRL 108.5 million in the 4Q16 and BRL 91.1 million in the 1Q16), reaching an annualized return on average equity of 13.1% pa in the quarter (15.2% pa in 4Q16 and 14.3% pa in 1Q16).

The bank's quarterly net income variation quarter over quarter, is explained mainly due to higher gross income from financial intermediation, growth on banking service fees and lower personnel & other administrative expenses and tax expenses, partially offset by an increase in loan loss provision expenses.

The increase of the bank's net income in the first quarter of 2017 compared to the same period of previous year is mainly due to the growth of revenues from financial intermediation and from banking services fees and lower personnel expenses, partially offset by an increase on loan loss provision expenses, other administrative expenses and tax expenses.

Credit Portfolio

The credit portfolio (including guarantees issued) totaled BRL 21,191.2 million as of March 31, 2017 (BRL 20,887.3 million as of the end of December 2016 and BRL 19,856.0 as of the end of March 2016). Regarding the credit portfolio quality, 96.4% of the loan transactions and 98.9% of the guarantees issued transactions were rated between AA and C at the end of March of 2017, in accordance with Brazilian Central Bank Resolution No. 2682. Considering both portfolios, the ratio was 96.4%. The allowance for loan losses represented 3.87% of the loan portfolio as of the end of March 2017 (3.69% as of the end of December 2016 and 3.38% as of the end of the March 2016).

IN CVM 381/03

In compliance with CVM Ruling No. 381 of January 14, 2003, which provides for the need to disclose, by audited entities, information on service performance by the Independent Auditor, Banco ABC BRASIL S.A., informs that independent audit services of the financial statements of the Bank and its controlled companies are provided by Ernst & Young Auditores Independentes S.S.

No services unrelated to audit were performed.

The policy adopted meets the principles that preserve Auditor's independence, in accordance with criteria internationally accepted. These principles are as follows: 1) the auditor must not audit his/her own work; 2) the auditor must not perform managerial activities in his/her customer; 3) the auditor must not promote his/her customer's interests.

Securities Portfolio

At the end of the period, Banco ABC BRASIL S.A. has BRL 454.7 million in securities classified as "held to maturity", in accordance with Circular No. 3,068/01 of November 8, 2001 of the Central Bank of Brazil. The Bank has the financial capability and intention to hold these securities to maturity.

Arbitration Clause

Banco ABC BRASIL S.A. is subject to arbitration in the Market Arbitration Chamber, in accordance with the Arbitration Clause contained in its Articles of Association.

Risk management

1) Corporate risk

Bank ABC Brasil S.A. understands that risk management is a process intended to create and preserve the institution's value, providing reasonable guarantee that events that may affect the institution will be identified and continuously managed in accordance with its risk appetite. Accordingly, Banco ABC Brasil S.A. maintains specific structures to meet Resolutions Nos. 3,380/06, 3,464/07, 3,721/09, 4,090/12 and 4,327/14 of the Central Bank of Brazil, which govern operational, market, credit and liquidity risk management activities, and environmental and social responsibility, respectively. The information related to risk management in compliance with the aforementioned resolutions and circulars Nos. 3,678/13 and 3,748/15 of the Central Bank of Brazil is available on the website of Banco ABC Brasil S.A. (www.abcbrasil.com.br – Investor Relations - IR Services - risk factors - Risk Management Structure - Banco ABC Brasil).

Corporate Risk Management is responsibility of all areas and associates. They must perform their activities at best standards and timely communicate risks, failures, and control deficiencies to areas better positioned to solve them. It is exercised, however, in a centralized manner by the departments under the Vice-President of Risk Management and Credit.

The governance structure of the Bank considers that the company must be managed with main focus on the generation of value to shareholders, without damaging the rights of other stakeholders, respecting the laws that regulate the markets according to accepted and recommended ethical standards.

Such structure meets the regulation of BM&FBovespa SA - Securities, Commodities and Futures Exchange, the Securities and Exchange Commission (CVM) and the Central Bank of Brazil. It is based on bodies defined by the current regulation – such as the Board of Directors and Audit Committee – and supported by internal ones, like the Board Risk Committee and the Executive Committee, and operating committees, such as for example the Credit Committee, the Financial Committee and the Operational Risk and Compliance Committee.

The Board of Directors is liable for defining the Institution's risk appetite by the approval of business strategies and maintenance of high governance standards. It must guarantee the effectiveness of the risk management framework, providing independence and resources for the good operation thereof. Accordingly, it is supported by bodies and committees created for such purpose.

The Executive Committee is liable for executing the definitions set by the Board of Directors and for managing the activities of the institution.

2) Operational risk

The Bank acknowledges that Operational Risk is a specific risk category and should be managed as such. It should cover the institution as a whole, involving all its personnel, including third-party services and consider its processes, activities, systems, products and physical structure. Operational risk management also comprises legal risks, reckoning with the support of the Legal Department.

Operational risk management is organized in three lines of defense: 1) the managers of the several areas; 2) the Risk Management area and the Operational Risk and Compliance Committee and 3) the Internal Audit.

Management is based on ongoing identification, assessment, monitoring, control and mitigation of risks through specific tools. The effectiveness of actions is reinforced by timely communication to management, involvement of people, and the efforts to spread a risk management culture. The Operational Risk and Compliance Committee is the internal body that discusses operational risk, business continuity management, compliance, information security and internal control matters.

3) Market and liquidity risks

The market and liquidity risks are managed through internal information and tools operated by the Risk Management area, which centralizes the control activities, monitoring the portfolio exposures, as well as current and future acceptable liquidity levels.

Treasury executes the decisions taken by the Financial Committee and manages proprietary positions within the limits determined. It also manages the funding as well the inflow and outflow gap. The Financial Committee formally discusses such exposures in its weekly meetings and designs a strategy for the subsequent period.

The Risk Management area provides daily information to the Management, Treasury, and members of the Financial Committee. It also prepares periodic specific reports to the Board of Directors and the Audit Committee. In addition, it has to disclose the Bank's risk appetite to the areas involved in the liquidity and market risk management and in the design of new products or activities.

4) Credit risk

Credit risk management permeates diverse Bank activities of authorization, execution, control, and monitoring. This also includes not only individual outlook for economic groups, clients, and operations, but also the aggregate risk factors of the portfolio, such as concentration in a sector, product, or region.

The approval of client relationships and of the concession of credit lines is the responsibility of the Credit Committee, up to the limits under Administrative jurisdiction. Beyond that limit, the Board Risk Committee has exclusive rights of approval.

The process of management is dynamic and shared, notably in the areas of Credit Risk Analysis, Administration, and Risk Management, which are part of the structure of the Credit and Risks Vice-Presidency. This seeks to guarantee that risks are within stipulated limits and that the coverage of required guarantees are at desired levels, with the expected quality and accessible to the Bank in case of default.

The Credit Risk Management area is responsible for monitoring the credit portfolio. This includes accompanying the quality of portfolios and carrying out of stress tests, as well as the development and good performance of models for attributing counterparty and deal risk classifications. The area also monitors risk concentration and evaluates the impacts of adverse scenarios.

Above all, however, credit risks are the responsibility of the areas and personnel that maintain commercial relationships with the client.

5) Environmental and Social Responsibility

The environmental and social responsibility policy defines the guidelines for the identification, assessment, monitoring, mitigation and control of environmental and social risk in compliance with Resolution 4,327/14 of the Central Bank of Brazil.

The Bank has research tools, internal analysis processes and governance structure that allow the management of such risks. The Bank also applies environmental and social questionnaires to the clients according to internal eligibility criteria.

6) Capital management

The capital management is conducted jointly by the Executive Committee and the Board of Directors based on activities coordinated by the Financial Planning area, which is also responsible for structuring the annual strategic plan and monitoring the budget. The Risk Management and the Finance areas participate also in the process, contributing with information, subsidies and complementary assessment. The information relating to capital management in compliance with Resolution No. 3,988/11 of the Central Bank of Brazil is available on the website of Banco ABC Brazil S.A. (www.abcbrasil.com.br – Investor Relations - IR Services - risk factors).

7) Compensation Committee

The Bank has a Compensation Committee established in the first General Shareholder's Meeting of 2012 that shall be responsible for (i) proposing to the Board of Directors the various forms of fixed and variable compensation, the benefits as well as the bespoke recruitment and severance programs; (ii) supervising the implementation and operation of the compensation policy for the institution's managers; (iii) reviewing on an annual basis the institution's management compensation policy and recommending to the Board of Directors any correction or improvement; (iv) proposing to the Board of Directors the sum of overall compensation for managers to be submitted to the General Shareholders Meeting in accordance with article 152 of Corporation Law; (v) assessing future internal or external scenarios and their possible impacts on management compensation; (vi) analyzing the institution's management compensation policy in relation to market practices in order to identify significant discrepancies in relation to similar companies and proposing adjustments when necessary; (vii) ensuring that the management compensation policy is always compatible with the risk management policy, with the institution's current and projected objectives and financial position as well the provisions of that resolution; and (viii) preparing on an annual basis in a ninety day period as from December 31, each year a document known as the Compensation Committee Report as provided in Resolution No. 3,921 of Brazil's National Monetary Council.

8) Compliance risk

Banco ABC Brazil through its Compliance department seeks to ensure the existence of corporate policies, processes, controls and continuous monitoring of meeting regulatory requirements of regulatory agencies and professional associations, as well as prevent and combat money laundering and terrorism financing. Acting on the orientation and awareness, aimed at curbing activities and conduct that could cause damage to the institution's image and use its best efforts in the dissemination and practices of Law Nº 12,846 of Anti-Corruption an Bribery Law. Within the Compliance area have the security area information that is responsible for defining and implementing rules and policies to ensure the confidentiality, integrity and availability of information.

Sao Paulo, May 03, 2017.

The management

Notes to the financial statements

Based on National Monetary Council Resolution No. 3,853/10 and BACEN Circular Letter No. 3,447/10, Banco ABC Brasil S.A decided to prepare its consolidated quarterly financial information in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil.

Thus, we did not fill in the charts referring to standardized consolidated data since they only apply when preparing consolidated financial statements in accordance with the pronouncements issued by CPC approved by CVM and aligned with international standards issued by IASB.

We present below the consolidated balance sheet and the related consolidated income statement, explanatory notes, consolidated cash flows and consolidated statement of value added in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil:

A free translation from Portuguese into English of the Quarterly Financial Information (ITR) prepared in Brazilian currency and in accordance with accounting practices adopted in Brazil applicable to institutions authorized by Brazilian Central Bank and presented in accordance with the standards issued to operate by Brazilian Securities Exchange Commission – CVM and Brazilian Central Bank

Banco ABC Brasil S.A.

Consolidated balance sheets
March 31, 2017 and December 31, 2016
(In thousands of reais)

		Consolidated	
Assets	Notes	**March 2017**	**December 2016**
Current assets		**20,098,653**	**19,630,086**
Cash and banks	3	17,572	8,777
Interbank investments	4	**5,788,447**	**5,777,686**
Money market investments		4,804,214	4,657,643
Interbank deposits		642,370	712,630
Foreign investments		341,863	407,413
Marketable securities and derivative instruments		**6,150,583**	**5,999,763**
Own portfolio	5.a	4,982,926	4,937,826
Linked to guarantees given	5.a	29,032	82,313
Linked to repurchase agreement	5.a	22,804	5,807
Derivative financial instruments	5.b	1,115,821	973,817
Interbank accounts	6	**17,108**	**1,515**
Unsettled payments and receipts		17,037	-
Reserve requirements - Central Bank Deposits		71	1,515
Lending operations		**6,100,184**	**5,981,798**
Loans - public sector	7	55,678	66,477
Loans - private sector	7	6,224,881	6,080,097
Allowance for loan losses	8	(180,375)	(164,776)
Other credits		**1,769,943**	**1,736,364**
Credits on guarantees honored		12,475	30,328
Foreign exchange portfolio	9	764,691	566,651
Receivables		14,253	15,502
Trading and intermediation of securities	10.a	275,621	50,882
Sundry	10.b	748,294	1,130,431
Allowance for losses on other credits	8	(45,391)	(57,430)
Other assets		**254,816**	**124,183**
Other assets		243,827	113,903
Prepaid expenses		10,989	10,280
Noncurrent assets		**6,046,955**	**6,000,424**
Marketable securities and derivative instruments		**1,765,095**	**1,708,323**
Own portfolio	5.a	974,890	1,036,333
Reserve requirements - Central Bank Deposits	5.a	1,082	-
Linked to guarantees given	5.a	582,243	637,505
Derivative financial instruments	5.b	206,880	34,485
Lending operations		**4,110,153**	**4,170,671**
Loans - private sector	7	4,271,290	4,321,264
Allowance for loan losses	8	(161,137)	(150,593)
Other credits		**170,862**	**118,700**
Foreign exchange portfolio	9	3,674	10,246
Receivables		1,153	1,779
Sundry	10.b	223,410	164,127
Allowance for losses on other credits	8	(57,375)	(57,452)
Other assets		**845**	**2,730**
Prepaid expenses		845	2,730
Permanent assets		**46,374**	**47,652**
Investments	11	**614**	**614**
Other investments		614	614
Fixed assets	12	**29,377**	**30,902**
Other fixed assets		50,527	50,740
Accumulated depreciation		(21,150)	(19,838)
Intangible	12	**16,383**	**16,136**
Intangible assets		38,971	37,462
Accumulated amortization		(22,588)	(21,326)
Total assets		**26,191,982**	**25,678,162**

Liabilities	Notes	Consolidated March 2017	Consolidated December 2016
Current liabilities		**15,606,900**	**15,387,802**
Deposits	13	**5,333,425**	**4,790,707**
Demand deposits		27,023	42,359
Interbank deposits		567,092	472,809
Time deposits		4,739,310	4,275,539
Money market funding		**22,791**	**5,799**
Own portifolio		22,791	5,799
Funds from acceptance and issue of securities	14	**3,152,404**	**3,289,646**
Real estate, mortgage, credit an similar notes		3,145,535	3,272,218
Certificates of structured finance		6,869	17,428
Interbank accounts		**6,188**	**127**
Obligations to participants settlement systems		6,188	127
Interbranch accounts		**27,688**	**11,763**
Third party funds in transit		27,688	11,763
Borrowings	15	**3,566,449**	**4,036,809**
Foreign borrowings		3,566,449	4,036,809
Onlendings in Brazil – government agencies	15	**876,605**	**943,101**
BNDES		513,988	482,552
FINAME		194,372	208,239
Other institutions		168,245	252,310
Transfers abroad	15	**653,699**	**606,361**
Liabilities due to transfers abroad		653,699	606,361
Derivative financial instruments	5.b	**947,900**	**813,863**
Derivative financial instruments		947,900	813,863
Other liabilities		**1,019,751**	**889,626**
Collection of taxes		2,214	3,201
Foreign exchange portfolio	9	367,650	207,335
Social and statutory		52,592	82,186
Taxes and social security	16.a	256,805	382,366
Trading and intermediation of securities		219,978	32,605
Subordinated debts	16.b	32,953	65,714
Sundry	16.c	87,559	116,219
Noncurrent liabilities		**7,523,078**	**7,363,068**
Deposits	13	**650,026**	**549,392**
Interbank deposits		5,725	5,548
Time deposits		644,301	543,844
Funds from acceptance and issue of securities	14	**3,543,003**	**2,868,196**
Real estate, mortgage, credit an similar notes		3,542,899	2,868,094
Certificates of structured finance		104	102
Borrowings	15	**924**	**31**
Foreign borrowings		924	31
Onlendings in Brazil – government agencies	15	**1,052,742**	**1,161,748**
BNDES		606,798	668,901
FINAME		440,392	475,301
Other institutions		5,552	17,546
Transfers abroad	15	**1,010,157**	**1,104,606**
Liabilities due to transfers abroad		1,010,157	1,104,606
Derivative financial instruments	5.b	**273,052**	**90,560**
Derivative financial instruments		273,052	90,560
Other liabilities		**993,174**	**1,588,535**
Foreign exchange portfolio	9	3,674	10,246
Social and statutory		315	315
Taxes and social security	16.a	56,194	26,721
Subordinated debts	16.b	842,764	1,499,012
Debts instruments elegible for capital		62,831	19,808
Sundry	16.c	27,396	32,433
Deferred income		**30,077**	**34,074**
Deferred income		30,077	34,074
Share holders' equity	26	**3,031,927**	**2,893,218**
Capital:		**2,203,244**	**2,121,765**
Brazilian residents		303,155	328,711
Foreign residents		1,900,089	1,793,054
Capital reserve		26,928	32,422
Income reserves		784,839	784,839
Equity valuation adjustment		7,733	242
Treasury shares		(35,079)	(46,050)
Retained earnings		44,262	-
Total Liabilities		**26,191,982**	**25,678,162**

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated income statements
Quarters ended March 31, 2017 and 2016
(In thousands of reais, except earnings per share)

	Notes	YTD - current year 01/01/2017 to 03/31/2017	YTD - prior year 01/01/2016 to 03/31/2016
Income from financial intermediation		**581,195**	**359,903**
Lending operations		393,955	345,904
Marketable securities		383,591	284,858
Gain (loss) on derivative financial instruments	5.b	(175,496)	(310,883)
Foreign exchange operations		(20,877)	35,331
Gain on financial assets sale or transfer		22	4,693
Expenses from financial intermediation		**(373,082)**	**(20,709)**
Funding expenses		(337,935)	(191,216)
Borrowings and onlendings		23,142	219,506
Allowance for loan losses	8	(57,925)	(49,813)
Allowance for loan losses - Exchange rate variation on credit assignment operations		(23)	882
Gain / (loss) on financial assets sale or transfer		(341)	(68)
Gross income from financial intermediation		**208,113**	**339,194**
Other operating income (expenses)		**(41,318)**	**(122,964)**
Income from services rendered	17	76,333	56,107
Personnel expenses		(48,377)	(53,258)
Other administrative expenses	18	(25,877)	(24,087)
Taxes		(19,134)	(8,417)
Other operating income	19	7,682	9,783
Other operating expenses	20	(31,945)	(103,092)
Operating income		**166,795**	**216,230**
Non-operating loss		**(7,694)**	**(7,880)**
Income before taxes and profit sharing		**159,101**	**208,350**
Income and social contribution taxes	21	**(32,136)**	**(91,668)**
Provision for income tax		(26,229)	(51,597)
Provision for social contribution tax		(21,628)	(45,063)
Deferred tax credits		15,721	4,992
Profit sharing		**(30,110)**	**(25,533)**
Net income for the quarter		**96,855**	**91,149**
Net earnings per outstanding share - in R$ - 186,650,133 shares (169,245,471 in 2016)		**0.51891**	**0.53856**

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated statements of changes in equity
Quarters ended March 31, 2017 and 2016
(In thousands of reais)

			Income reserves						
	Capital	Capital reserve	Legal reserve	Dividends equalization	Share buyback	Equity valuation adjustment	Retained earnings	Treasury shares	Total
Balances at December 31, 2015	**1,980,139**	**27,013**	**122,204**	**389,583**	**55,000**	**(10,958)**	**-**	**(53,322)**	**2,509,659**
Adjustment to market value - securities	-	-	-	-	-	9,519	-	-	9,519
Acquisition / distribuition of treasury shares	-	-	-	-	-	-	-	4,577	4,577
Capital Increase	62,875	-	-	-	-	-	-	-	62,875
Net income for the period	-	-	-	-	-	-	91,149	-	91,149
Interest on equity	-	-	-	-	-	-	(45,642)	-	(45,642)
Realization of reserves - Management remuneration	-	(2,273)	-	-	-	-	-	-	(2,273)
Balances at March 31, 2016	**2,043,014**	**24,740**	**122,204**	**389,583**	**55,000**	**(1,439)**	**45,507**	**(48,745)**	**2,629,864**
Balances at December 31, 2016	**2,121,765**	**32,422**	**142,532**	**587,307**	**55,000**	**242**	**-**	**(46,050)**	**2,893,218**
Adjustment to market value - securities	-	-	-	-	-	7,491	-	-	7,491
Acquisition / distribuition of treasury shares	-	-	-	-	-	-	-	10,971	10,971
Capital Increase	81,479	-	-	-	-	-	-	-	81,479
Net income for the period	-	-	-	-	-	-	96,855	-	96,855
Interest on equity	-	-	-	-	-	-	(52,593)	-	(52,593)
Realization of reserves - Management remuneration	-	(5,494)	-	-	-	-	-	-	(5,494)
Balances at March 31, 2017	**2,203,244**	**26,928**	**142,532**	**587,307**	**55,000**	**7,733**	**44,262**	**(35,079)**	**3,031,927**

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated statements of cash flows - Indirect method
Quarters ended March 31, 2017 and 2016
(In thousands of reais)

	YTD – current year 01/01/2017 to 03/31/2017	YTD – prior year 01/01/2016 to 03/31/2016
Operating activities		
Adjusted net income of the period	**177,562**	**161,104**
Net income of the period	96,855	91,149
Adjustment to net income:	**80,707**	**69,955**
Depreciation and amortization	2,575	2,261
Gain on disposal of assets not used in banking operations	3,152	1,201
Provision for impairment of assets not of own use	4,667	6,703
Allowance for loan losses	57,948	48,931
Provision for contingent liabilities	4,874	1,340
Mark-to-market - marketable securities	7,491	9,519
Changes in assets and liabilities	**(793,810)**	**842,766**
Interbank investments	(226,843)	354,928
Marketable securities andderivative financial instruments	108,937	(267,653)
Lending operations	(115,816)	469,754
Other credits and other assets	(92,374)	(385,162)
Iinterbank accounts	(9,532)	353,010
Interbranch accounts	15,925	40,806
Other liabilities	(470,110)	280,759
Deferred income	(3,997)	(3,676)
Cash flow (used in) / provided by operating activities	**(616,248)**	**1,003,870**
Investments activities		
Acquisition of fixed assets and intangible	(1,297)	(2,719)
Acquisition of assets not used in banking operations	(132,938)	(26,073)
Disposal of assets on own use	3,004	1,164
(Realization) / Constituition of reserves of capital	(5,494)	(2,273)
Cash flow (used in) investment activities	**(136,725)**	**(29,901)**
Financing activities		
Deposits	643,352	(816,230)
Money market funding	16,992	13,595
Borrowings and onlendings	(692,080)	(1,093,347)
Acceptance and issuance of securities	537,565	(163,243)
Treasury shares	10,971	4,577
Capital increase	81,479	62,875
Interest on equity	(52,593)	(45,642)
Cash (used in) / provided by financing activities	**545,686**	**(2,037,415)**
Increase / (Decrease) of cash and cash equivalents	**(207,287)**	**(1,063,446)**
At beginning of the period	4,369,169	4,966,820
At end of the period	4,161,882	3,903,374
Change in cash and cash equivalents	**(207,287)**	**(1,063,446)**

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated statements of value added
Quarters ended March 31, 2017 and 2016
(In thousands of reais)

	Notes	YTD – current year 01/01/2017 to 03/31/2017	YTD – prior year 01/01/2016 to 03/31/2016
Determination of Value Added			
Income		**607,262**	**376,862**
Income from financial intermediation		581,195	359,903
Income from services rendered	17	76,333	56,107
Set-up of allowance for loan losses		(57,948)	(48,931)
Other operating income	19	7,682	9,783
Expenses from financial intermediation		**(315,134)**	**28,222**
Assets acquired from third parties		**(59,871)**	**(129,901)**
Telecommunications and data processing	18	(4,126)	(3,377)
Services provided by third parties	18	(1,673)	(1,713)
Financial services	18	(4,399)	(4,200)
Specialized technical services	18	(3,461)	(3,288)
Travel expenses	18	(1,383)	(1,124)
Promotions and public relations	18	(663)	(205)
Other operating expenses	20	(31,945)	(103,092)
Non-operating income		(7,694)	(7,880)
Other administrative expenses	18	(4,527)	(5,022)
Gross value added		**232,257**	**275,183**
Retained values		**(2,575)**	**(2,261)**
Depreciation and amortization	18	(2,575)	(2,261)
Net value added		**229,682**	**272,922**
Total value added to be distributed		**229,682**	**272,922**
Distribution of value added		**229,682**	**272,922**
Salaries and social charges		**67,959**	**68,514**
Direct compensation		29,019	34,380
Benefits		5,476	5,303
Social Charges - FGTS		2,831	2,958
Training		523	340
Profit sharing		30,110	25,533
Taxes, charges and compulsory contributions		**61,798**	**110,362**
Federal		57,760	108,880
State		10	13
Municipal		4,028	1,469
Compensation of third party capital		**3,070**	**2,897**
Rental	18	3,070	2,897
Compensation of shareholders		**96,855**	**91,149**
Interest on equity	26.b	52,593	45,642
Retained profit		44,262	45,507

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated statements of comprehensive income
Quarters ended March 31, 2017 and 2016
(In thousands of reais)

	YTD - current year 01/01/2017 to 03/31/2017	YTD - prior year 01/01/2016 to 03/31/2016
Net income for the period	96,855	91,149
Other comprehensive income (loss)	7,491	9,519
Comprehensive income for the period	**104,346**	**100,668**

See accompanying notes.

Notes to quarterly information

1. Operations

The Bank is a publicly traded corporation and a subsidiary of the Arab Banking Corporation, based in Bahrain. In Brazil, the Bank is engaged in asset and liability operations inherent to multiple bank activities, being authorized to operate with commercial, foreign exchange, investment, credit and financing and housing financing portfolios.

The Bank's operations are conducted through branches in Brazil and abroad through an overseas branch located in Georgetown, Cayman Islands (Note 23).

2. Financial statements presentation, consolidation criteria and significant accounting practices

Financial statements presentation and consolidation criteria

The financial statements (Individual and Consolidated) were prepared in accordance with accounting practices adopted in Brazil, in light of accounting guidelines contained in Law No. 6,404/76 with amendments introduced by Law No. 11,638/07 and 11,941/09, and the standards and instructions of the Central Bank of Brazil (BACEN) and the Brazilian Securities and Exchange Commission (CVM). The consolidated financial statements include the financial statements of Banco ABC Brasil S.A. and those of the subsidiaries ABC Brasil Distribuidora de Títulos e Valores Mobiliários S.A. and ABC Brasil Administração e Participações Ltda., for which the direct and indirect ownership interest as of March 31, 2017, is equivalent to approximately 100%.

The accounting practices adopted to record operations and assess the Bank's assets, including operations conducted by the overseas branch and its consolidated subsidiaries were consistently applied and investments, rights, obligations and P&L among consolidated companies were eliminated.

In accordance with the convergence process to international accounting standards, certain standards and interpretations were issued by Brazilian FASB (CPC), which will be applicable to financial institutions only when approved by BACEN. The accounting pronouncements already approved by BACEN are:

Resolution No. 3,566/08 - Impairment of assets;
Resolution No. 3,604/08 - Cash flow statement;
Resolution No. 3,750/09 - Related party disclosure;
Resolution No. 3,823/09 - Provisions, contingent liabilities and contingent assets;
Resolution No. 3,973/11 - Subsequent events;
Resolution No. 3,989/11 - Share-based payments;
Resolution No. 4,007/11 - Accounting policies, change in estimates and correction of errors;
Resolution No. 4,144/12 - Conceptual framework; and
Resolution No. 4,424/12 - Employee benefits.

The preparation of the financial statements (individual and consolidated) in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil, require that management use assumptions and professional judgment in determining amounts and in recording of accounting estimates, such as the allowance for loan losses, deferred income tax, provision for contingencies and valuation of derivative instruments receivable and payable. Settlement of these transactions involving these estimates may result in amounts different from those estimated, due to the uncertainties related to the determination process.

Notes to quarterly information

Significant accounting practices are summarized as follows:

a) Asset valuation criteria

Interbank investments, loans and other rights, except for marketable securities and derivative financial instruments, are stated at cost of acquisition, of investment or release, plus exchange rate variation, monetary restatement and contractual interest. Allowances are recognized for adjustment to realizable value when market value is lower.

Marketable securities and derivative financial instruments are classified in accordance with management's intention to hold them in the portfolio, or their availability for sale, and are recorded as follows:

Trading securities: are acquired for the purpose of being actively and frequently traded. They are adjusted to market value with the related gain or loss recognized directly in the statements of income for the period.

Held to maturity: marketable securities for which the Bank has the intent and ability to maintain in portfolio to maturity are stated at cost, plus earnings reflected in the statements of income for the period. Permanent losses are recognized in P&L for the year.

Available for sale: marketable securities which cannot be classified as either trading securities or as held to maturity are adjusted to market value. The difference between the amounts restated by the yield curve of the security and market value is recorded under a separate account in shareholders' equity, net of tax effects, and transferred to the statements of income for the period when effectively realized.

Derivative financial instruments: marked to market against P&L for the period.

Forward operations are recorded at final contracted value, less the difference between such value and cash value of the asset or right. This difference is recognized as income or expenses based on the agreement effective terms.

Option transactions are recorded at the value of premiums paid or received through effective exercise thereof reduction restated at market value. They are then written off as a decrease or increase in asset or right cost, for the effective exercise thereof, or as income or expenses if not exercised.

Futures transactions are recorded at daily adjustment values, allocated as income or expenses.

Swap operations are recorded at the value of the receivables-payables difference, which is allocated as income or expenses.

Operations with other derivative financial instruments are recorded based on the agreement characteristics.

The allowance for loan losses is recognized at an amount considered sufficient to cover potential losses on the Bank's loan portfolio, based on past experience, assessment of delinquent accounts and collateral risks, as well as specific terms and conditions of the operations, in conformity with BACEN Resolution No. 2,682/99.

The provision for guarantees provided is based on the assessment of the losses associated with the probability of future disbursements related to the guarantees, and specific characteristics of the operations performed according to the requirements of Central Bank of Brazil Resolution No. 4,512/16. It is recorded in an amount considered sufficient to cover probable losses during the entire term of the guarantee provided. The classification of operations are consistent with the requirements applied by Resolution No. 2,682/99 of the Central Bank of Brazil.

Notes to quarterly information

Investments in subsidiaries are stated by the equity method in proportion to the Bank's ownership interest; other investments are stated at cost of acquisition, less a reserve, where applicable, to cover permanent losses.

Assets and rights, classified under fixed assets in use are stated at cost of acquisition, less depreciation, where applicable, provided under the straight line method using rates that take the useful lives of the assets into consideration.

Intangible assets are stated at cost of acquisition, less amortization, where applicable, provided under the straight-line method over the estimated useful lives of the assets, as from the date these were made available for use.

b) Cash and cash equivalents

Cash and cash equivalents, as established in CMN Resolution No. 3,604/08 include cash, bank deposits, short-term highly liquid investments, with insignificant risks of changes in value, with maturity less than 90 days.

c) Liability valuation criteria

Obligations, charges and measurable or known risks, including income taxes for the period are stated at the amounts updated through to the balance sheet date.

Foreign-currency obligations are translated into local currency at the exchange rate in force on the balance sheet date as disclosed by the Central Bank of Brazil. Liabilities subject to monetary restatement based on contractual clauses are stated at amounts updated through to the balance sheet date.

d) Hedge Accounting

Considering the exposure to currency risk and the conditions of loan market abroad through long-term subordinated debt instruments, the Bank has selected some derivative financial instruments to total hedge (fair value hedge) the principal amounts of loans taken out and related interest due. In order to equalize the effects of mark to market of the derivative financial instruments selected for hedge purposes to market, the principal hedged amount, plus interest due, is stated at fair value and also mark to market.

The variation in the fair value of hedge derivatives is recognized in the income statement. However, the variation in the fair value of the hedged item attributed to the hedged risk is accounted for as part of its book value, also recognized in the statement of income for the year. When a hedge instrument matures or is sold, cancelled or exercised, or when it does not meet hedge accounting requirements, the hedge strategy ends.

The objectives of this operation and the hedging strategy for such risks during the entire operation are duly documented, together with the assessment, both at the beginning of the hedge transaction and on an ongoing basis, confirming that derivative financial instruments of the hedging operations are highly effective in the offset of variations in the fair value (mark to market) of the hedged item. A hedge instrument is considered highly effective when the variation in the fair value or cash flow of the coverage risk during the hedging period reduces 80% to 125% of the risk variation.

The fair value of the derivative financial instruments used as hedge, as well as the market value of the loan subject to hedge, are disclosed in Notes 5.b, 15.b and 16.b respectively.

Other financial instruments and exposures of trading books and banking books do not follow a specific hedge accounting policy. Risks to which such portfolios are mitigated by diverse financial instruments (Note 5.b).

Notes to quarterly information

e) Classification of current and noncurrent/long-term assets and liabilities

Operating assets and liabilities with maturities or effective possibility of settlement up to one year from the balance sheet date are classified as current while those with maturity or effective possibility of settlement after this date are classified as noncurrent.

f) Recognition of revenues and expenses

Revenues and expenses, including income, charges, monetary or exchange variances of inflation indices or official exchange rates applicable to current and noncurrent/long-term assets and liabilities, are recognized on accrual basis. Income and expenses also include the effects of asset adjustments to market or realizable value. Interest on past-due loan installments outstanding for over 60 days is recognized only when the respective amount is received.

Deferred income and social contribution taxes on temporary differences arising from nontaxable or nondeductible income and expenses, the future additions or exclusions of which are authorized by tax legislation, are also determined on the accrual basis.

g) Contingent assets, contingent liabilities and legal, tax and social security liabilities

The recognition, measurement and disclosure of contingent assets and liabilities, and legal liabilities take place according to the criteria described below:

Contingent assets - are not recognized in the financial statements, except when there is evidence providing guarantee of their realization, on which further appeals can no longer be filed.

Contingent liabilities - are recognized in the financial statements when, based on the opinion of legal advisors and the Bank's management, the risk of loss of a legal or administrative proceeding is regarded as probable, with a probable outflow of funds for settling the liabilities, and when the amounts involved may be measured with sufficient accuracy. Contingent liabilities classified by legal advisors as possible losses are only disclosed in notes, whereas those classified as remote losses do not require provision or disclosure.

Legal liabilities - tax and social security - refer to lawsuits aiming to challenge the legality and constitutionality of certain taxes and contributions.

h) Impairment of non-financial assets

An impairment loss is recognized if the book value of an asset, or its cash-generating unit, exceeds its recoverable amount. An impairment loss is recognized in profit or loss.

i) Income and Social Contribution Taxes

Income tax is calculated at 15%, with a 10% surtax on the portion of annual taxable income in excess of R$ 240, adjusted by additions and exclusions prescribed by legislation.

On May 22, 2015, it was published the MP No. 675, later converted into Law No. 13,169, of October 6, 2015, which increases from 15% to 20% the rate of Social Contribution on Net Income - CSLL, effective on September 1st, 2015.

Notes to quarterly information

j) Earnings per share

Earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the number of shares outstanding during the period, excluding shares purchased by the Company and held as treasury shares.

3. Cash and cash equivalents

Cash and cash equivalent components:

	Bank and Consolidated	
	March 2017	December 2016
Cash and banks	**17,572**	**8,777**
Interbank investments	**4,144,310**	**4,360,392**
Foreign investments	341,863	407,413
Other investments with maturity less than 90 days	3,802,447	3,952,979
Total cash and cash equivalents	**4,161,882**	**4,369,169**

4. Interbank investments

The balance of interbank investments is composed of money market investments backed by federal government bonds with maturities up to September 2017, in the amount of R$ 4,804,214 (R$ 4,657,643 at December 31, 2016), foreign currency overnight investments in the amount of R$ 341,863 (R$ 407,413 at December 31, 2016) and investments in interbank deposits maturing in January 2018, in the amount of R$ 642,370 (R$ 712,630 at December 31, 2016).

Notes to quarterly information

5. Marketable securities and derivative financial instruments

a) Marketable securities

The classification of marketable securities at March 31, 2017 and December 31, 2016 are as follows:

	March 2017				December 2016	
	Bank		Consolidated		Bank	Consolidated
	Cost	Market	Cost	Market	Market	Market
Trading securities						
Financial Treasury Bills - "LFT"	1,142,135	1,141,032	1,288,555	1,287,402	1,112,163	1,274,626
Eurobonds	20,404	20,508	20,404	20,508	14,601	14,601
National Treasury Notes - "NTN - B"	217,841	219,556	217,841	219,556	209,964	209,964
National treasury bills - "LTN"	1,334,154	1,380,102	1,334,154	1,380,102	1,113,913	1,113,913
Bank Deposit Certificate - "CDB"	22,894	22,899	47,748	47,753	56,360	84,449
Debentures	2,284	2,284	2,284	2,284	-	-
Subtotal - Trading securities	**2,739,712**	**2,786,381**	**2,910,986**	**2,957,605**	**2,507,001**	**2,697,553**
Securities available for sale (b)						
Eurobonds	25,368	24,320	25,368	24,320	25,861	25,861
National Treasury Notes - "NTN - A"	82,451	81,081	82,451	81,081	81,606	81,606
Debentures	1,122,396	1,121,582	1,122,396	1,121,582	1,101,025	1,101,025
Promissory Notes - "NP"	389,861	390,354	389,861	390,354	500,403	500,403
Rural Product bills - "CPR"	181,421	186,081	181,421	186,081	171,215	171,215
Foreign government bonds	1,365,097	1,377,234	1,365,097	1,377,234	1,332,082	1,332,082
Subtotal - Securities available for sale	**3,166,594**	**3,180,652**	**3,166,594**	**3,180,652**	**3,212,192**	**3,212,192**
Held to maturity						
National treasury bills - "LTN" (a)	454,720	454,720	454,720	454,720	790,039	790,039
Subtotal - held to maturity	**454,720**	**454,720**	**454,720**	**454,720**	**790,039**	**790,039**
Total	**6,361,026**	**6,421,753**	**6,532,300**	**6,592,977**	**6,509,232**	**6,699,784**

(a) Securities classified as held to maturity are valued at amortized cost. If they were valued at market value, on March 31, 2017, would have positive adjustment of R$ 38,204 (positive adjustment of R$ 26,155 on December 31, 2016).

(b) The market value submitted is net of the allowance for losses of securities in the amount of R$ 117,524 on March 31, 2017 (R$ 98,748 on December 31, 2016).

At March 31, 2017, unrealized income on securities classified as available for sale totaled a gain of R$ 14,058 (gain of R$ 440 at December 31, 2016), which is recorded in equity under the account "Equity valuation adjustment" net of tax effects, amounting to R$ 7,733 (R$ 242 at December 31, 2016).

As of March 31, 2017, the balance of securities with no quotes prices on activity market is R$ 2,848,804 (R$ 3,141,119 at December 31, 2016).

Notes to quarterly information

The Bank's portfolio as of March 31, 2017, classified by maturity or effective possibility of settlement, are as follows:

	Bank						
	March 2017						
	Up to 1 Month	1 to 3 months	3 to 6 months	6 to 12 Months	1 to 3 years	Over 3 years	Total
Trading securities							
Financial Treasury Bills - "LFT"	-	-	-	113,069	847,228	180,735	1,141,032
Eurobonds	-	-	-	-	-	20,508	20,508
National Treasury Notes - "NTN - B"	-	81,875	-	-	77,974	59,707	219,556
National Treasury Bills - "LTN"	-	-	-	-	1,380,102	-	1,380,102
Bank Deposit Certificate - "CDB"	22,899	-	-	-	-	-	22,899
Debentures	-	-	-	-	-	2,284	2,284
Subtotal - Trading securities	**22,899**	**81,875**	**-**	**113,069**	**2,305,304**	**263,234**	**2,786,381**
Securities available for sale							
Eurobonds	-	24,320	-	-	-	-	24,320
National Treasury Notes - "NTN - A"	-	-	-	-	-	81,081	81,081
Debentures	-	128,834	131,673	175,170	384,274	301,631	1,121,582
Promissory Notes - "NP"	-	172,017	21,298	40,478	147,356	9,205	390,354
Rural product bills - "CPR"	-	171	5,962	-	128,069	51,879	186,081
Foreign government bonds	-	-	-	1,377,234	-	-	1,377,234
Subtotal - Securities available for sale	**-**	**325,342**	**158,933**	**1,592,882**	**659,699**	**443,796**	**3,180,652**
Held to maturiry							
National Treasury Bills - "LTN"	-	-	-	-	454,720	-	454,720
Subtotal - Held to maturity	**-**	**-**	**-**	**-**	**454,720**	**-**	**454,720**
Total - March 2017	**22,899**	**407,217**	**158,933**	**1,705,951**	**3,419,723**	**707,030**	**6,421,753**
Total - December 2016	**458,702**	**91,932**	**449,662**	**1,464,490**	**2,560,995**	**1,483,451**	**6,509,232**

Notes to quarterly information

	Consolidated						
	March 2017						
	Up to 1 Month	1 to 3 months	3 to 6 months	6 to 12 Months	1 to 3 years	Over 3 years	Total
Trading securities							
Financial Treasury Bills - "LFT"	-	-	-	113,069	993,598	180,735	1,287,402
Eurobonds	-	-	-	-	-	20,508	20,508
National Treasury Notes - "NTN - B"	-	81,875	-	-	77,974	59,707	219,556
National Treasury Bills - "LTN"	-	-	-	-	1,380,102	-	1,380,102
Bank Deposit Certificate - "CDB"	22,899	-	-	24,854	-	-	47,753
Debentures	-	-	-	-	-	2,284	2,284
Subtotal - Trading securities	**22,899**	**81,875**	**-**	**137,923**	**2,451,674**	**263,234**	**2,957,605**
Securities available for sale							
Eurobonds	-	24,320	-	-	-	-	24,320
National Treasury Notes - "NTN - A"	-	-	-	-	-	81,081	81,081
Debentures	-	128,834	131,673	175,170	384,274	301,631	1,121,582
Promissory Notes - "NP"	-	172,017	21,298	40,478	147,356	9,205	390,354
Rural product bills - "CPR"	-	171	5,962	-	128,069	51,879	186,081
Foreign government bonds	-	-	-	1,377,234	-	-	1,377,234
Subtotal - Securities available for sale	**-**	**325,342**	**158,933**	**1,592,882**	**659,699**	**443,796**	**3,180,652**
Held to maturiry							
National Treasury Bills - "LTN"	-	-	-	-	454,720	-	454,720
Subtotal - Held to maturity	**-**	**-**	**-**	**-**	**454,720**	**-**	**454,720**
Total - March 2017	**22,899**	**407,217**	**158,933**	**1,730,805**	**3,566,093**	**707,030**	**6,592,977**
Total - December 2016	**458,702**	**96,165**	**449,662**	**1,488,346**	**2,723,458**	**1,483,451**	**6,699,784**

The Bank has securities linked to security of its operations as follows:

		Bank and Consolidated	
		Market Value	
		March 2017	December 2016
Operation type	**Linked securities**		
Derivatives - BM&FBOVESPA e CBLC	LTN / NTN / CDB	313,557	442,748
Exchange - BM&FBOVESPA	LTN	48,675	42,473
Agribusiness credit bills funding	Rural Product Bills / Debentures	249,043	234,597
Total		**611,275**	**719,818**

b) Derivative financial instruments

The Bank operates in the derivatives market to hedge against market price variances and to reduce currency and exchange rate risks of its assets and liabilities and cash flows contracted under compatible terms, rates and amounts.

Derivatives are used as a risk transfer tool aimed to cover Banking Book and Trading Book portfolio positions. In addition, highly liquid derivatives traded on stock exchanges are used, within strict limits and with regular review, in order to manage Trading Book portfolio exposures.

In order to manage risks arising therefrom, internal limits for global exposure and by portfolio have been set, which are monitored on a daily basis. Considering the likelihood of existing limits that have been exceeded due to not anticipated issues, management has defined internal policies that require that realigning conditions be immediately defined. These risks are monitored by an independent function from the operating functions and are reported to management on a daily basis.

Notes to quarterly information

Risk exposure is based on the Value at Risk (VaR) calculation over a time horizon of one year through historical simulation with a confidence level of 99% and retention periods from one-day to trading portifolio and twenty-one days for non trading portifolio. Besides the exposure controls and VaR, the Bank also conducts tests of sensitivity analysis to assess the impact of changes in interest rates on the portfolio.

Derivatives operations have a counterparty credit limit set according to the customer's profile and are reviewed periodically by credit committees with participation from senior management. The operations are under the custody of the Futures and Commodities Exchange (BM&FBOVESPA) or the Clearinghouse for the Custody and Financial Settlement of Securities (CETIP) as well as the Chicago Stock Exchange.

The market values of these derivative financial instruments are determined based on quotations disclosed by specialized stock exchanges and, in certain cases, when there is no liquidity or market quotation, estimates of present values and other pricing techniques are used.

The bases adopted for determining market prices are as follows:

- Futures: stock exchange quotations;

- Options: determined based on the criteria set forth in the contracts, calculated according to known models used by the market;

- Swaps: cash flows for each contract are discounted to present value, in accordance with the respective interest rate curves, obtained based on BM&FBOVESPA prices adjusted to the credit risk of the counterparties; and

- Forward: the future value of the transaction discounted to present value as rates obtained at BM&FBOVESPA grants or reference stock exchange market adjusted to the credit risk of the counterparties.

Notes to quarterly information

Differentials and adjustments to derivative financial instruments are recorded in the respective balance sheet accounts, and matched against the result of operations. They are adjusted to market value and the notional value of financial instruments is recorded in memorandum accounts, as follows:

	March 2017				December 2016	
	Bank				Bank	
	Notional value	Cost - Receivable / received (Payable / paid)	Marked to market adjustment	Market Value	Notional Value	Market value
Future contracts	**9,079,656**	**-**	**-**	**-**	**7,320,104**	**-**
Purchase commitments	**3,189,156**	**-**	**-**	**-**	**3,107,416**	**-**
Interbank market	2,141,872	-	-	-	1,891,720	-
Foreign currency	1,045,653	-	-	-	1,213,863	-
Others	1,631	-	-	-	1,833	-
Sales commitments	**5,890,500**	**-**	**-**	**-**	**4,212,688**	**-**
Interbank market	5,417,616	-	-	-	4,212,688	-
Foreign currency	472,884	-	-	-	-	-
Asset position	**11,177,288**	**867,496**	**126,545**	**994,041**	**10,638,976**	**1,005,509**
Swap contracts	**1,480,574**	**76,179**	**2,672**	**78,851**	**1,590,247**	**73,797**
Interbank market	685,065	72,837	1,560	74,397	675,109	71,265
Foreign currency	3,833	53	-	53	20,480	399
Fixed rates	791,676	3,289	1,112	4,401	891,188	1,639
Others	-	-	-	-	3,470	494
Options contracts	**7,645,833**	**627,871**	**121,728**	**749,599**	**7,241,104**	**739,744**
Purchase commitments	**4,214,753**	**137,129**	**(45,798)**	**91,331**	**2,451,735**	**2,701**
Foreign currency	4,212,069	136,819	(45,659)	91,160	2,448,619	2,532
Others financial assets	2,684	310	(139)	171	3,116	169
Sale commitment	**3,431,080**	**490,742**	**167,526**	**658,268**	**4,789,369**	**737,043**
Foreign currency	3,417,483	489,833	168,091	657,924	2,524,327	736,612
Others financial assets	13,597	909	(565)	344	2,265,042	431
Other financial instruments	**2,050,881**	**163,446**	**2,145**	**165,591**	**1,807,625**	**191,968**
Foreign currency	1,194,897	130,517	2,664	133,181	1,241,672	165,645
Others financial assets	855,984	32,929	(519)	32,410	565,953	26,323

Notes to quarterly information

	March 2017				December 2016	
	Bank				Bank	
	Notional value	Cost - Receivable / received (Payable / paid)	Marked to market adjustment	Market Value	Notional Value	Market value
Liability position	**9,836,545**	**(917,517)**	**68,305**	**(849,212)**	**9,236,054**	**(825,531)**
Swap contracts	**962,746**	**(67,280)**	**317**	**(66,963)**	**495,094**	**(16,994)**
Interbank market	470,463	(61,258)	5,613	(55,645)	134,306	(3,832)
Foreign currency	101,528	(4,021)	(1,057)	(5,078)	110,210	(9,864)
Fixed rates	372,022	(1,102)	(3,623)	(4,725)	230,188	(1,768)
Others	18,733	(899)	(616)	(1,515)	20,390	(1,530)
Options contracts	**7,649,402**	**(711,929)**	**72,558**	**(639,371)**	**7,246,724**	**(660,278)**
Purchase commitments	**4,391,009**	**(192,203)**	**114,497**	**(77,706)**	**2,564,444**	**(4,419)**
Foreign currency	4,385,880	(191,691)	114,547	(77,144)	2,558,884	(3,867)
Others financial assets	5,129	(512)	(50)	(562)	5,560	(552)
Sales commitments	**3,258,393**	**(519,726)**	**(41,939)**	**(561,665)**	**4,682,280**	**(655,859)**
Foreign currency	3,249,084	(518,682)	(42,638)	(561,320)	2,420,084	(655,427)
Others financial assets	9,309	(1,044)	699	(345)	2,262,196	(432)
Other financial instruments	**1,224,397**	**(138,308)**	**(4,570)**	**(142,878)**	**1,494,236**	**(148,259)**
Foreign currency	978,766	(113,089)	(3,386)	(116,475)	897,081	(122,570)
Others financial assets	245,631	(25,219)	(1,184)	(26,403)	597,155	(25,689)

Notes to quarterly information

	March 2017				December 2016	
	Consolidated				Consolidated	
	Notional value	Cost - Receivable / received (Payable / paid)	Marked to market adjustment	Market Value	Notional Value	Market value
Future contracts	**9,079,656**	**-**	**-**	**-**	**7,320,104**	**-**
Purchase commitments	**3,189,156**	**-**	**-**	**-**	**3,107,416**	**-**
Interbank market	2,141,872	-	-	-	1,891,720	-
Foreign currency	1,045,653	-	-	-	1,213,863	-
Others	1,631	-	-	-	1,833	-
Sales commitments	**5,890,500**	**-**	**-**	**-**	**4,212,688**	**-**
Interbank market	5,417,616	-	-	-	4,212,688	-
Foreign currency	472,884	-	-	-	-	-
Asset position	**12,114,788**	**1,197,221**	**125,480**	**1,322,701**	**10,638,976**	**1,005,509**
Swap contracts	**1,480,574**	**76,179**	**2,672**	**78,851**	**1,590,247**	**73,797**
Interbank market	685,065	72,837	1,560	74,397	675,109	71,265
Foreign currency	3,833	53	-	53	20,480	399
Fixed rates	791,676	3,289	1,112	4,401	891,188	1,639
Others	-	-	-	-	3,470	494
Options contracts	**8,583,333**	**957,596**	**120,663**	**1,078,259**	**7,241,104**	**739,744**
Purchase commitments	**4,214,753**	**137,129**	**(45,798)**	**91,331**	**2,451,735**	**2,701**
Foreign currency	4,212,069	136,819	(45,659)	91,160	2,448,619	2,532
Others financial assets	2,684	310	(139)	171	3,116	169
Sale commitment	**4,368,580**	**820,467**	**166,461**	**986,928**	**4,789,369**	**737,043**
Foreign currency	4,354,983	819,558	167,026	986,584	2,524,327	736,612
Others financial assets	13,597	909	(565)	344	2,265,042	431
Other financial instruments	**2,050,881**	**163,446**	**2,145**	**165,591**	**1,807,625**	**191,968**
Foreign currency	1,194,897	130,517	2,664	133,181	1,241,672	165,645
Others financial assets	855,984	32,929	(519)	32,410	565,953	26,323

Notes to quarterly information

	March 2017				December 2016	
	Consolidated				Consolidated	
	Notional value	Cost - Receivable / received (Payable / paid)	Marked to market adjustment	Market Value	Notional Value	Market value
Liability position	**10,745,920**	**(1,219,892)**	**69,422**	**(1,150,470)**	**9,236,054**	**(825,531)**
Swap contracts	**962,746**	**(67,280)**	**317**	**(66,963)**	**495,094**	**(16,994)**
Interbank market	470,463	(61,258)	5,613	(55,645)	134,306	(3,832)
Foreign currency	101,528	(4,021)	(1,057)	(5,078)	110,210	(9,864)
Fixed rates	372,022	(1,102)	(3,623)	(4,725)	230,188	(1,768)
Others	18,733	(899)	(616)	(1,515)	20,390	(1,530)
Options contracts	**8,558,777**	**(1,014,304)**	**73,675**	**(940,629)**	**7,246,724**	**(660,278)**
Purchase commitments	**4,391,009**	**(192,203)**	**114,497**	**(77,706)**	**2,564,444**	**(4,419)**
Foreign currency	4,385,880	(191,691)	114,547	(77,144)	2,558,884	(3,867)
Others financial assets	5,129	(512)	(50)	(562)	5,560	(552)
Sales commitments	**4,167,768**	**(822,101)**	**(40,822)**	**(862,923)**	**4,682,280**	**(655,859)**
Foreign currency	4,158,459	(821,057)	(41,521)	(862,578)	2,420,084	(655,427)
Others financial assets	9,309	(1,044)	699	(345)	2,262,196	(432)
Other financial instruments	**1,224,397**	**(138,308)**	**(4,570)**	**(142,878)**	**1,494,236**	**(148,259)**
Foreign currency	978,766	(113,089)	(3,386)	(116,475)	897,081	(122,570)
Others financial assets	245,631	(25,219)	(1,184)	(26,403)	597,155	(25,689)

Notes to quarterly information

To mitigate the risks of the operation to capture the subordinated debt of US$ 69,3 million (US$ 264,9 million at December 31, 2016) (Note 16.b), and Foreign Onlendings in the amount US$ 103,6 million (US$ 103,6 at December 31, 2016) (Note 15.b), the management decided to designate financial instruments shown below to hedge a portion of the principal amount and value of the a portion contractual interest.

		Bank and consolidated		
		March 2017		
Derivatives used as fair value hedge	Notional value	Curve Yield	Market value	MTM
Hedge instruments				
Swap contracts	**593,540**	**(70,782)**	**(70,482)**	**300**
Subordinate loans	**238,163**	**(31,137)**	**(31,486)**	**(349)**
Foreign currency - US dollar - Liabilities position (1)	238,163	(31,137)	(31,486)	(349)
Liabilities due to transfers abroad	**355,377**	**(39,645)**	**(38,996)**	**649**
Foreign currency - US dollar - Liabilities position (1)	355,377	(39,645)	(38,996)	649
Subject to hedge	**560,062**	**(560,062)**	**(560,362)**	**(300)**
Subordinate loan (Note 16.b)	227,621	(227,621)	(227,272)	349
Liabilities due to transfers abroad (Note 15.b)	332,441	(332,441)	(333,090)	(649)

(1) Amounts updated through the balance sheet date.

		Bank and consolidated		
		December 2016		
Derivatives used as fair value hedge	Notional value	Curve Yield	Market value	MTM
Hedge instruments				
Swap contracts	**1,251,687**	**(78,757)**	**(76,099)**	**2,658**
Subordinate loans	**896,310**	**(56,561)**	**(57,291)**	**(730)**
Foreign currency - US dollar - Liabilities position (1)	896,310	(56,561)	(57,291)	(730)
Liabilities due to transfers abroad	**355,377**	**(22,196)**	**(18,808)**	**3,388**
Foreign currency - US dollar - Assets position (1)	213,017	1,620	2,793	1,173
Foreign currency - US dollar - Liabilities position (1)	142,360	(23,816)	(21,601)	2,215
Subject to hedge	**1,216,882**	**(1,216,882)**	**(1,219,540)**	**(2,658)**
Subordinate loan (Note 16.b)	877,843	(877,843)	(877,113)	730
Liabilities due to transfers abroad (Note 15.b)	339,039	(339,039)	(342,427)	(3,388)

(1) Amounts updated through the balance sheet date.

Considering that cash flow (principal and interests) of the hedged item (subordinated debt and Foreign Onlendings) and cash flows of designated swaps are identical, effectiveness expected from the time such hedge instruments were designated and during the transaction is in conformity with the provisions set forth by the Central Bank of Brazil.

Notes to quarterly information

Derivative financial instruments by maturity as of March 31, 2017 and December 31, 2016 are as follows:

	March 2017							December 2016
	Bank							Bank
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total	Total
Off Balance								
Futures contracts	1,070,233	1,293,607	1,723,281	2,629,304	2,223,311	139,920	9,079,656	7,320,104
Option contracts	2,178	88,654	9,706,255	108,947	5,389,201	-	15,295,235	14,487,828
Swap contracts	140,297	525,906	710,919	281,054	600,517	778,167	3,036,860	3,337,028
Other financial instruments	549,517	1,301,534	694,023	580,096	150,108	-	3,275,278	3,301,861
Total - March 2017	**1,762,225**	**3,209,701**	**12,834,478**	**3,599,401**	**8,363,137**	**918,087**	**30,687,029**	**-**
Total - December 2016	**6,373,351**	**2,982,669**	**1,822,103**	**12,797,957**	**3,259,388**	**1,211,353**	**-**	**28,446,821**
Asset position								
Option contracts	8,980	393	565,571	1,286	173,369	-	749,599	739,744
Swap contracts	250	3,586	46,658	11,196	15,879	1,282	78,851	76,590
Other financial instruments	47,783	42,696	35,508	23,254	16,350	-	165,591	191,968
Total - March 2017	**57,013**	**46,675**	**647,737**	**35,736**	**205,598**	**1,282**	**994,041**	**-**
Total - December 2016	**41,248**	**69,059**	**41,038**	**822,472**	**34,306**	**179**	**-**	**1,008,302**
Liability position								
Option contracts	(8,046)	(2,431)	(485,169)	(984)	(142,741)	-	(639,371)	(660,278)
Swap contracts	(1,785)	(4,853)	(2,187)	(2,665)	(14,848)	(111,107)	(137,445)	(95,886)
Other financial instruments	(42,024)	(37,589)	(35,124)	(23,785)	(4,356)	-	(142,878)	(148,259)
Total - March 2017	**(51,855)**	**(44,873)**	**(522,480)**	**(27,434)**	**(161,945)**	**(111,107)**	**(919,694)**	**-**
Total - December 2016	**(47,686)**	**(40,123)**	**(35,289)**	**(690,765)**	**(10,696)**	**(79,864)**	**-**	**(904,423)**

	March 2017							December 2016
	Consolidated							Consolidated
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total	Total
Off Balance								
Futures contracts	1,070,233	1,293,607	1,723,281	2,629,304	2,223,311	139,920	9,079,656	7,320,104
Option contracts	2,178	88,654	11,553,130	108,947	5,389,201	-	17,142,110	14,487,828
Swap contracts	140,297	525,906	710,919	281,054	600,517	778,167	3,036,860	3,337,028
Other financial instruments	549,517	1,301,534	694,023	580,096	150,108	-	3,275,278	3,301,861
Total - March 2017	**1,762,225**	**3,209,701**	**14,681,353**	**3,599,401**	**8,363,137**	**918,087**	**32,533,904**	**-**
Total - December 2016	**6,373,351**	**2,982,669**	**1,822,103**	**12,797,957**	**3,259,388**	**1,211,353**	**-**	**28,446,821**
Asset position								
Option contracts	8,980	393	894,231	1,286	173,369	-	1,078,259	739,744
Swap contracts	250	3,586	46,658	11,196	15,879	1,282	78,851	76,590
Other financial instruments	47,783	42,696	35,508	23,254	16,350	-	165,591	191,968
Total - March 2017	**57,013**	**46,675**	**976,397**	**35,736**	**205,598**	**1,282**	**1,322,701**	**-**
Total - December 2016	**41,248**	**69,059**	**41,038**	**822,472**	**34,306**	**179**	**-**	**1,008,302**
Liability position								
Option contracts	(8,046)	(2,431)	(786,427)	(984)	(142,741)	-	(940,629)	(660,278)
Swap contracts	(1,785)	(4,853)	(2,187)	(2,665)	(14,848)	(111,107)	(137,445)	(95,886)
Other financial instruments	(42,024)	(37,589)	(35,124)	(23,785)	(4,356)	-	(142,878)	(148,259)
Total - March 2017	**(51,855)**	**(44,873)**	**(823,738)**	**(27,434)**	**(161,945)**	**(111,107)**	**(1,220,952)**	**-**
Total - December 2016	**(47,686)**	**(40,123)**	**(35,289)**	**(690,765)**	**(10,696)**	**(79,864)**	**-**	**(904,423)**

Notes to quarterly information

The unquoted derivative financial instruments where the pricing process is substantially based on the use of judgments and estimates has the amounts recorded in the Assets of R$ 204,758 and in the Liabilities of R$ 259,974.

Gains (losses) on derivative financial instruments for the period ended at March 31, 2017 and 2016 are as follows:

	March 2017				March 2016	
	Bank			Consolidated	Bank	Consolidated
	Gains	Losses	Net	Net	Net	Net
Swaps	144,823	(182,010)	(37,187)	(37,187)	(136,933)	(136,933)
Futures	1,498,920	(1,647,771)	(148,851)	(148,851)	(253,567)	(252,993)
Options	153,184	(148,218)	4,966	5,018	6,139	5,804
Forwards	214,524	(209,000)	5,524	5,524	73,239	73,239
Total	**2,011,451**	**(2,186,999)**	**(175,548)**	**(175,496)**	**(311,122)**	**(310,883)**

Risk sensitivity analysis in financial instrument operations

In accordance with CVM Rule No. 475/08, the Bank discloses a sensitivity analysis to all types of market risk stemming from financial instruments considered significant by management. The table below sets out the most probable scenario in management's assessment and two additional scenarios. The probable scenario considers contractual prices and, where applicable, indicators from various external sources or pricing models adopted to calculate the fair value of financial instruments at the balance sheet date. Scenario II considers a 25% deterioration in risk variables in view of the nature of financial instrument risk. Scenario III considers a 50% deterioration in the same variables.

	Exposure		
	Probable Scenario	Scenario II	Scenario III
i) Interest rate			
Net exposure to fixed interest rates (RWAjur1)	6,600	11,972	17,548
Net exposure of currency coupons (RWAjur2)	27,924	32,226	34,294
Net exposure of index coupons (RWAjur3)	15,340	16,942	18,398
Total interest rate exposure (Note 27)	**49,864**	**61,140**	**70,240**
ii) Foreign exchange rate			
Total exposure purchased at exchange rates	**2,151**	**5,378**	**10,757**

i) *Interest rates:*

According to criteria established by the Central Bank of Brazil through Resolution No. 3,464/07 and Circular No. 3,354/07 financial instruments classified under trading books represent exposure that would have an impact on the organization's income by mark to market or when realized or settled. Financial instruments indexed to interest rates pose potential risk from market fluctuations. These risks are managed through a methodology set out by the Central Bank of Brazil and the result of this analysis is considered when determining the minimum capital base required of financial institutions.

In order to comply with CVM Rule No. 475/08, regarding risk sensitivity, it was utilized, in the scenario analysis required in this regulation, the amount of the minimum capital requirement for interest rate exposure as of March 31, 2017.

Notes to quarterly information

ii) *Foreign exchange rate:*

Net exposure to exchange rates is regulated by the Central Bank of Brazil through Resolution No. 3,490/07 and Circular No. 3,568/11. These procedures set the maximum level of exposure at 30% of capital base.

The risk exposure calculation criteria as set out by the Central Bank of Brazil and in accordance with CVM Rule No. 475/08 were taken into account in the scenario analysis of net exposure at March 31, 2017.

iii) *Banking Book:*

These refer to operations that are not classified in the trading book, resulting from Bank business lines and their possible hedge instruments. Measurement and valuation of interest rate risk of banking book operations are regulated by the Central Bank of Brazil through Circular No. 3,365/07 that sets criteria and assumptions to gauge the degree of risk including stress tests whose results could indicate how much regulatory capital is required to cover such risks. Results of these procedures have no relevance on accounting practices regarding the recording and valuation of banking book operations are reported to the Central Bank of Brazil and at March 31, 2017 an exposure of R$ 52,026 was stated, which also takes into account interest rate risk of the aforementioned banking book in alternative scenarios according to methodologies set out by the regulatory body.

In order to carry out a risk sensitivity analysis, foreign exchange mismatch risk in the banking book is considered in the foreign exchange rate position as set out in item II.

6. Interbank accounts

The breakdown of interbank accounts represents the amount of R$ 17,108 as of March 31, 2017 (R$ 1,515 as of December 31, 2016), represented by Others - Payments and receivables to settle, in the amount of R$ 17,037 in 2017 e reserve requirements - Central Bank deposits, in the amount of R$ 71 (as of December 31, 2016).

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Notes to quarterly information

7. Lending operations, guarantees and responsibilities

Loans, other credits, guarantees and responsibilities are as follows:

Loans portfolio by modality:

	Bank and Consolidated	
	March 2017	**December 2016**
Loans		
Loans	4,774,675	4,932,155
Financing	3,950,980	3,797,868
Financing - Rural and agribusiness	1,826,194	1,737,815
Subtotal - Loans	**10,551,849**	**10,467,838**
Others receivables		
Advances on export contracts and interest (a)	412,590	373,467
Notes and loans receivable	505,745	792,189
Others	12,698	31,414
Subtotal - Others receivables	**931,033**	**1,197,070**
Subtotal - Loans and Others receivables	**11,482,882**	**11,664,908**
Subtotal - Financial guarantees and responsibilities (b)	**9,708,321**	**9,222,441**
Total	**21,191,203**	**20,887,349**

(a) The balance comprises advance of R$ 404,677 (R$ 365,670 as of December 31, 2016), demonstrated reducing Other liabilities (Note 9) plus R$ 7,913 (R$ 7,797 as of December 31, 2016) of income receivable related to such advances presented in Other credits (Note 9).

(b) The guarantees provided on behalf of clients are subject to charges and counter-guarantees by its beneficiaries. On March 31, 2017, the balance of provisions for guarantees and responsibilities is R$ 36,066 (R$ 36,746 at December 31, 2016) - Note 16.c.

Loans portfolio by sector activity:

	Bank and Consolidated					
	March 2017			**December 2016**		
	Loans	**Guarantees and responsibilities**	**Total**	**Loans**	**Guarantees and responsibilities**	**Total**
Private Sector						
Financial intermediaries	116,874	2,230,020	2,346,894	125,614	2,200,335	2,325,949
Industry	4,043,982	1,174,429	5,218,411	3,884,969	1,169,932	5,054,901
Commercial	1,761,453	876,052	2,637,505	1,745,357	993,951	2,739,308
Services	5,301,132	4,444,268	9,745,400	5,649,078	3,958,720	9,607,798
Individuals	203,763	104,895	308,658	193,413	54,742	248,155
Subtotal - Private sector	**11,427,204**	**8,829,664**	**20,256,868**	**11,598,431**	**8,377,680**	**19,976,111**
Public Sector	**55,678**	**878,657**	**934,335**	**66,477**	**844,761**	**911,238**
Total	**11,482,882**	**9,708,321**	**21,191,203**	**11,664,908**	**9,222,441**	**20,887,349**

Notes to quarterly information

Loans, guarantees and responsibilities, by maturity, are as follows:

	Bank and consolidated							
	March 2017							
	Maturities							
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Overdue after 15 days	Total
Loans	718,953	1,443,548	1,805,234	2,232,888	3,472,583	798,707	79,936	10,551,849
Other credits	203,378	277,114	232,406	160,842	7,590	7,110	42,593	931,033
Subtotal - Loans and other credits	**922,331**	**1,720,662**	**2,037,640**	**2,393,730**	**3,480,173**	**805,817**	**122,529**	**11,482,882**
Guarantees and responsibilities	**588,957**	**2,003,369**	**1,592,801**	**3,911,143**	**1,518,369**	**93,682**	**-**	**9,708,321**
Total - March 2017	**1,511,288**	**3,724,031**	**3,630,441**	**6,304,873**	**4,998,542**	**899,499**	**122,529**	**21,191,203**
Total - December 2016	**1,538,965**	**2,960,733**	**4,335,538**	**6,302,162**	**4,774,395**	**892,581**	**82,975**	**20,887,349**

According to CMN Resolution No. 3,533/08 and Resolution No. 3,895/10, the credit assignments with substantial retention of risks and benefits are replaced its results recognized by the remaining term of operations. The financial assets objects of sales remain recorded as loans and the amount received as obligations for sales or transfer of financial assets. The assignments are as described below:

(i) With substantial transfer of risks and benefits

During the quarter ended March 31, 2017, in the Bank and Consolidated, were performed credit assignment operations without coobrigation in amount of R$ 15,566 (R$ 3,218 at December 31, 2016), the effect of these operations on the result is loss at period ended March 31, 2017 of R$ 341 (the effect of these operations on the result was loss of R$ 796 for the quarter ended on March 31, 2016).

(ii) With substantial retention of risks and benefits

In the quarters ended March 31, 2017 and 2016, in the Bank and consolidated, not were performed credit assignment operations with coobrigation. There is no balance relating to financial asset object of the sale or transfer on March 31, 2017

There were no revenues and expenses from financial assets for sale or transfer. On December 31, 2016 the revenues totaled R$ 112 and expenses of obligations for transactions linked totaled R$ 68.

Credit risk concentrate on are as follows:

	Bank and Consolidated			
	March 2017		December 2016	
	Balance	% of portfolio (1)	Balance	% of portfolio(1)
Main debtor	715,448	3.38	714,067	3.42
10 main debtors	4,129,703	19.49	3,948,821	18.91
20 main debtors	5,930,615	27.99	5,775,898	27.65

(1) Total portfolio taking the balances of guarantees and responsibilities into consideration.

Notes to quarterly information

8. Allowance for loan and other credit losses

The portfolio of loans and other assets, and the allowance for loan and other credit losses, as of March 31, 2017 and December 31, 2016, are as follows:

		Bank and Consolidated			
		March 2017			
		Total operations			Allowance
Risk rating	Minimum Level of allowance	Normal course	Past due	Total	Res. 2682
AA	-	459,632	-	459,632	-
A	0.5%	4,397,248	-	4,397,248	21,986
B	1.0%	4,177,911	12,425	4,190,336	41,903
C	3.0%	1,773,365	609	1,773,974	53,219
D	10.0%	187,695	11,289	198,984	19,898
E	30.0%	151,618	11,999	163,617	55,068
F	50.0%	75,400	54,199	129,599	64,800
G	70.0%	105,041	1,919	106,960	74,872
H	100.0%	32,443	30,089	62,532	62,532
Additional provision (*)		-	-	-	50,000
Total		**11,360,353**	**122,529**	**11,482,882**	**444,278**

(*) Refers to additional provision to the minimum required by Resolution n. 2,682/99, considering the economic scenario and uncertainties related to it.

		Bank and Consolidated			
		December 2016			
		Total operations			Allowance
Risk rating	Minimum Level of allowance	Normal course	Past due	Total	Res. 2682
AA	-	446,441	-	446,441	-
A	0.5%	4,425,135	-	4,425,135	22,126
B	1.0%	4,307,518	27	4,307,545	43,075
C	3.0%	1,784,200	15,418	1,799,618	53,989
D	10.0%	151,349	12,918	164,267	16,427
E	30.0%	305,268	3,052	308,320	98,281
F	50.0%	127,809	2,857	130,666	65,333
G	70.0%	5,528	790	6,318	4,422
H	100.0%	28,685	47,913	76,598	76,598
Additional provision (*)		-	-	-	50,000
Total		**11,581,933**	**82,975**	**11,664,908**	**430,251**

(*) Refers to additional provision to the minimum required by Resolution n. 2,682/99, considering the economic scenario and uncertainties related to it.

Notes to quarterly information

Changes in the allowance for loan and other credit losses for the quarters ended March 31, 2017 and 2016 are as follows:

	Bank and Consolidated			
	March 2017			March 2016
	Loans	Other Credits	Total	Total
Balances at the beginning of the quarter	315,369	114,882	430,251	338,843
Set up / (Reversal)	54,409	3,516	57,925	49,813
Exchange rate variation	(1,660)	-	(1,660)	(4,428)
Classified as future year P&L	-	183	183	(92)
Loans written off as losses	(26,606)	(15,815)	(42,421)	(12,110)
Balances at the end of the quarter	**341,512**	**102,766**	**444,278**	**372,026**

At March 31, 2017, balance of renegotiated loans amount is R$ 640,568 (R$ 639,041 at December 31, 2016), being total loan transactions renegotiated over the quarter ended March 31, 2017 amounted to R$ 18,555 (R$ 205,705 in the quarter ended March 31, 2016).

The amount of loans recovered for the quarter ended March 31, 2017, previously offset against the provision, was R$ 1,028 (R$ 1,846 on March 31, 2016).

9. Foreign exchange portfolio

The balance of the foreign exchange portfolio is as under:

	Bank and Consolidated	
	March 2017	December 2016
Other credits		
Foreign exchange purchased to be settled - CCL	479,237	480,994
Allowance for Exchange variation of CCL	(55)	(36)
Rights on foreign Exchange sale	282,672	90,825
Advances received	(1,402)	(2,683)
Income receivable from advances on exchange	7,913	7,797
Total	**768,365**	**576,897**
Other liabilities		
Foreign exchange sold	281,610	87,755
Foreign exchange purchase liabilities	494,391	495,496
Advances on foreign exchange contracts	(404,677)	(365,670)
Total	**371,324**	**217,581**

Notes to quarterly information

10. Other credits

a) Trading account is substantially represented by receivables from the settlement of operations with financial assets recorded on stock exchanges.

b) The breakdown of other sundry credits are as follows:

	Bank		Consolidated	
	March 2017	**December 2016**	**March 2017**	**December 2016**
Tax credits (Note 21)	422,271	406,995	422,290	407,027
Debtors for the purchase of assets and assets	10,212	14,469	10,212	14,469
Guarantee deposit debtors	19,687	18,465	19,687	18,465
Taxes and contributions to be offset	15,442	62,433	15,902	65,217
Securities and loans receivable	501,135	786,750	501,135	786,750
Credits linked to credit assignment operations (1)	223	1,086	223	1,086
Other	2,251	1,536	2,255	1,544
Total	**971,221**	**1,291,734**	**971,704**	**1,294,558**

(1) In accordance with Resolution No, 3,533/08 of the Central Bank of Brazil, from January 2012 onwards the loan transactions with recourse are being shown in specific accounts within other credit.

11. Investments

	ABC Brasil Distribuidora de Títulos e Valores Mobiliários S.A.		ABC Brasil Administração e Participações Ltda.			
	March 2017	**December 2016**	**March 2017**	**December 2016**	**March 2017**	**March 2016**
Capital	50,002	50,002	55,632	55,632		
Equity	92,670	91,166	95,434	93,571		
Net income for the quarter	1,505	6,219	1,862	7,947		
Number of common shares owned	24,980,054	24,980,054	-	-		
Number of preferred shares owned	24,980,055	24,980,055	-	-		
Number of fund shares owned	-	-	55,631,814	55,631,814		
Ownership interest (%)	100.00	100.00	99.99	99.99		
Book value	92,670	91,166	95,434	93,571	**188,104**	**173,902**
Equity pickup	1,505	6,219	1,862	7,947	**3,367**	**3,331**

12. Fixed deferred and intangible assets

Fixed assets are depreciated using the straight line method at the following annual rates: installations, furniture, communication and security systems - 10%; such rates represent fairly the economic useful life of assets.

In compliance to Resolution No. 3,617/08 of the Central Bank of Brazil, up to September 2008, organizational and expansion expenses, represented by leasehold improvements, were recorded as deferred asset and amortization thereof were based on lease agreements expiration date.

Intangible assets correspond to acquisition and development of computer software and operating systems, amortized under the straight-line method at annual rate of 20%.

Notes to quarterly information

13. Deposits

Interbank and time deposits are made at prevailing market rates, with maturities as follows:

	Bank							Consolidated	
	March 2017						December 2016	March 2017	December 2016
	Without maturity	Up to 3 months	3 to 12 months	1 to 3 Years	Over 3 years	Total	Total	Total	Total
Demand deposits	27,401	-	-	-	-	27,401	42,615	27,023	42,359
Interbank deposits	-	285,758	281,334	5,725	-	572,817	478,357	572,817	478,357
Time deposits	-	1,084,045	3,655,265	590,420	53,881	5,383,611	4,819,383	5,383,611	4,819,383
Total - March 2017	**27,401**	**1,369,803**	**3,936,599**	**596,145**	**53,881**	**5,983,829**	**-**	**5,983,451**	**-**
Total - December 2016	**42,615**	**1,204,878**	**3,543,470**	**497,508**	**51,884**	**-**	**5,340,355**	**-**	**5,340,099**

14. Acceptance and issuance of securities

Funds from acceptances and issue of securities are traded at market interest rates and mature as follows:

	Bank and Consolidated					
	March 2017					December 2016
	Up to 3 months	3 to 12 months	1 to 3 years	Up to 3 years	Total	Total
Real estate credit bills	255,903	553,327	160,917	-	970,147	887,239
Agribusiness credit bills	310,794	1,173,201	1,058,828	2,051	2,544,874	2,280,018
Financial bills	235,608	616,702	2,315,373	5,730	3,173,413	2,973,055
Certificates of structured finance	3,443	3,426	104	-	6,973	17,530
Total - March 2017	**805,748**	**2,346,656**	**3,535,222**	**7,781**	**6,695,407**	**-**
Total - December 2016	**1,192,082**	**2,097,564**	**2,865,659**	**2,537**	**-**	**6,157,842**

Notes to quarterly information

15. Borrowings and onlendings

a) Borrowings and onlendings by maturity are as follows:

	Bank and Consolidated					
	March 2017					December 2016
	Up to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total	Total
Borrowings						
Foreign	1,177,925	2,388,524	794	130	3,567,373	4,036,840
Onlendings - Domestic						
BNDES	142,880	371,108	419,753	187,045	1,120,786	1,151,453
FINAME	53,933	140,439	248,854	191,538	634,764	683,540
Other institutions	40,276	127,969	5,552	-	173,797	269,856
Onlendings - Foreign	57,286	596,413	731,960	278,197	1,663,856	1,710,967
Total - March 2017	**1,472,300**	**3,624,453**	**1,406,913**	**656,910**	**7,160,576**	**-**
Total - December 2016	**1,565,766**	**4,020,505**	**1,582,321**	**684,064**	**-**	**7,852,656**

Foreign borrowings represent funds obtained on the international market for use in commercial foreign exchange operations related to import and export financing as well as onlendings and financing in foreign currencies.

These liabilities are subject to exchange rate variance as well as interest rates on the international market and are restated by exchange rate variation plus financial charges incurred through to the balance sheet date.

Domestic onlending liabilities are represented by funds and special programs managed by government institutions which are passed onto final borrowers and are adjusted based on official indices and financial charges up to the balance sheet date.

Foreign onlending are represented mainly by funds raised by the Bank with multilateral agencies (IFC - International Finance Corporation, IDB - Inter-American Development Bank, IIC - Inter-American Investment Corporation and PROPARCO - Societe de Promotion et de Participation pour la Cooperation Economique SA), which are passed onto final borrowers and are adjusted by the exchange rate variation and financial charges incurred through to the balance sheet date.

Notes to quarterly information

b) The compositions of the balance of foreign onlendings as of March 31, 2017 and December 31, 2016 are composed as follows:

	Bank and Consolidated	
	March 2017	**December 2016**
Borrowings and onlendings		
Foreign Onlendings subject to "Hedge accounting"		
Principal amount US$ 66,7 million (US$ 66,7 million in December 31, 2016)	211,187	217,233
Principal amount US$ 36,9 million (US$ 36,9 million in December 31, 2016)	116,965	120,314
Accrued interest	4,289	1,492
Subtotal	**332,441**	**339,039**
Adjustment to market value ("Hedge Accounting") - Notes 2.II.d and 5.b	649	3,388
Total	**333,090**	**342,427**
Other foreign onlendings	1,330,766	1,368,540
Total	**1,663,856**	**1,710,967**

Foreign onlendings, subject to hedge accounting of US$ 66,7 million (US$ 66,7 million in December 31, 2016) maturing in November 2018 and annual interest rate of 2.9%, paid on an semiannual basis and US$ 36,9 million (US$ 36,9 million in December 31, 2016) maturing in November 2022 and annual interest rate of 4.6%, paid on an semiannual basis.

16. Other liabilities

a) Tax and social security balances are as follows:

	Bank		Consolidated	
	March 2017	**December 2016**	**March 2017**	**December 2016**
Provision for income and social contribution taxes on income	41,912	122,533	44,046	131,297
Taxes and contributions payable	33,091	53,589	33,184	53,693
Provision for deferred income and social contribution taxes (Note 21)	235,746	224,097	235,769	224,097
Total	**310,749**	**400,219**	**312,999**	**409,087**

Notes to quarterly information

b) Subordinated debts:

The composition of the balance of subordinated debt at March 31, 2017 and December 31, 2016 are composed as follows:

	Bank and Consolidated	
	March 2017	December 2016
Subordinated debts subject to "Hedge accounting"		
Subordinated Notes US$ 69,3 million (US$ 264,9 million in December 31, 2016)	239,328	955,427
Subtotal	**239,328**	**955,427**
Outras dívidas subordinadas		
Financial bills	386,532	337,544
Subordinated Notes US$ 73,8 million (US$ 79,5 million in December 31, 2016)	249,857	271,755
Subtotal	**636,389**	**609,299**
Total Subordinated debts	**875,717**	**1,564,726**

The composition of the balance of subordinated debt from subordinated notes issued abroad, at March 31, 2017 and December 31, 2016, are composed as follows:

	Bank and Consolidated	
	March 2017	December 2016
Subordinated debts subject to "Hedge accounting"		
Subordinated Notes		
Principal amount US$ 49,3 million (US$ 244,9 million in December 31, 2016)	156,132	798,147
Valor do principal US$ 20,0 milhões (US$ 20,0 million in December 31, 2016)	63,368	65,182
Accrued interest	8,383	15,960
Discount subject to hedge accounting	(262)	(1,446)
Subtotal	**227,621**	**877,843**
Deferred fund-raising expenses	(681)	(2,876)
Discount not subject to hedge accounting (1)	13,261	84,082
Deferred hedge accounting P&L	(524)	(2,892)
Adjustment to market value ("Hedge Accounting") - Notes 2.II.d and 5.b	(349)	(730)
Total	**239,328**	**955,427**

(1) Financial instruments started by the "*reset*" amortized by maturity of subordinated debts.

	Bank and Consolidated	
	March 2017	December 2016
Others Subordinated debts		
Subordinated Notes US$ 73,8 million (US$ 79,5 million in December 31, 2016)	233,761	259,164
Goodwill	7,044	8,254
Deferred fund-raising expenses	(190)	(462)
Accrued interest	9,242	4,799
Total	**249,857**	**271,755**

Notes to quarterly information

Funds raised abroad, subject to hedged accounting structure of US$ 300,0 million, principal amount US$ 69,3 million in March, 2017 (US$ 264,9 in December 31, 2016) and maturing in April 2020 and annual interest rate of 7.9%, paid on a semiannual basis. On October 9, 2012, the Bank raised funds through the issuance of additional Subordinated Notes abroad in the amount of US$ 100,0 million principal amount US$ 73,8 million in March, 2017 (US$ 79,5 in December 31, 2016), with same maturity and interest rates.

In the quarter ended March 31, 2017, the Bank made a partial repurchase of the subordinated notes issued on April 8, 2010 and later on October 9, 2012, in the amount of US $ 201,361. The total amount paid for the repurchase in the period was US$ 221,497.

Goodwill and discount for raising these funds, and direct expenses, are deferred throughout the maturities of the respective notes.

The balance of R$ 386,532, related to capital through the issuance of financial bills with subordination clause, with maturity until October 2026 with an interest rate from 8.3 % to 9.3% + IPCA, from 2.7% to 3.2% + CDI, fixed rates from 13.5% to 20.3% and CDI from 119.0% to 130.0%.

In the quarter ended March 31, 2017, after receiving authorization to repurchase subordinated notes by the Central Bank of Brazil, the Bank began to disregard the subordinated notes from its Reference Equity - PR.

c) The balance of other sundry liabilities are as follows:

	Bank		Consolidated	
	March 2017	**December 2016**	**March 2017**	**December 2016**
Allowance for payments to be settled	45,705	73,787	45,705	73,814
Sundry domestic creditors	29	63	29	63
Provision for contingent liabilities (Note 25)	33,155	38,029	33,155	38,029
Provision for financial guarantees provided	36,066	36,746	36,066	36,746
Total	**114,955**	**148,625**	**114,955**	**148,652**

Notes to quarterly information

The financial guarantees provided are subject to charges and counter-guarantees and recorded in off balance accounts. As of March 31, 2017 and December 31, 2016, the balances of the financial guarantees provided composed as follows:

	Bank e Consolidated			
	March 2017		December 2016	
Type of guarantee	Amount	Provision	Amount	Provision
Guarantees given to customers	9,697,089	35,759	9,212,628	36,687
Import credit facilities	11,232	307	9,813	59
Total	**9,708,321**	**36,066**	**9,222,441**	**36,746**

The balances of the provided guarantees and responsabilities are shown as follows:

	Bank and consolidated			
	March 2017		December 2016	
Riks rating	Amount	Provision	Amount	Provision
AA	6,790,544	-	6,360,400	-
A	1,295,178	6,476	1,390,781	6,954
B	1,333,972	13,340	1,200,350	12,003
C	180,171	5,405	164,585	4,938
D	108,456	10,845	100,779	10,078
F	-	-	5,546	2,773
Total	**9,708,321**	**36,066**	**9,222,441**	**36,746**

17. Income from services rendered

Income from services rendered for the quarters ended on March 31, 2017 and 2016 are composed as follows:

	Bank and Consolidated	
	March 2017	March 2016
Income from guarantees given	53,963	45,297
Fees related to credit operations	1,456	3,182
Collection fees	3,279	2,869
Bank fees	1,788	2,189
Income from commissioning and security placement	15,658	2,400
Income from other services	189	170
Total	**76,333**	**56,107**

Notes to quarterly information

18. Other administrative expenses

Other administrative expenses, in the quarters ended on March 31, 2017 and 2016, are composed as follows:

	Bank		Consolidated	
	March 2017	March 2016	March 2017	March 2016
Third party services	1,673	1,833	1,673	1,713
Financial system services	4,370	4,090	4,399	4,200
Rentals	3,070	2,897	3,070	2,897
Specialist technical services	3,444	3,275	3,461	3,288
Data processing	3,286	2,614	3,286	2,615
Communication	840	758	840	762
Travel expenses	1,383	1,124	1,383	1,124
Depreciation and amortization	2,575	2,261	2,575	2,261
Promotions and public relations	663	205	663	205
Publications	154	17	162	17
Philanthropic contributions	-	279	-	279
Transportation	458	488	458	488
Asset maintenance and conservation	479	441	479	441
Water, electricity and gas	211	163	211	163
Materials	84	119	84	119
Insurance	113	121	113	121
Advertising and publicity	656	623	656	623
Condominium	670	655	670	655
Legal fees	243	329	243	329
Others	1,359	1,697	1,451	1,787
Total	**25,731**	**23,989**	**25,877**	**24,087**

19. Other operating income

Breakdown of other operating income, in the quarters ended on March 31, 2017 and 2016 are as follows:

	Bank and Consolidated	
	March 2017	March 2016
Interest and monetary correction of assets	518	2,190
Reversal of provision	4,874	-
Recovery of charges and expenses	130	433
Others recoveries	-	5,000
Others	2,160	2,160
Total	**7,682**	**9,783**

20. Other operating expenses

Breakdown of other operating expenses for the quarters ended on March 31, 2017 and 2016 are as follows:

	Bank and Consolidated	
	March 2017	March 2016
Provisions of constitution	-	1,340
Commissioning linked to operations	547	100
Discounts granted	1,429	1,040
Exchange variation	29,892	100,564
Other expenses	77	48
Total	**31,945**	**103,092**

Notes to quarterly information

21. Income and social contribution taxes

The nature and origin of deferred tax assets deferred tax liabilities, as well as the changes occurred in the quarter are stated as follows:

	December 2016	Additions	Write-offs	March 2017
Deferred tax assets				
Temporary differences:				
Allowance for loan losses and others	186,234	57,654	(50,515)	193,373
Adjustment to market value - securities and derivatives	111,065	47,410	(60,678)	97,797
Unrealized gains (losses) on futures market	14,896	14,834	(1,021)	28,708
Other	86,304	10,243	(2,193)	94,354
Adjustment to market value - available for sale securities	8,496	2,059	(2,517)	8,039
	406,995	**132,200**	**(116,924)**	**422,271**
Deferred tax liabilities				
Temporary differences:				
Adjustments to market value - securities and derivatives	(207,664)	(91,731)	91,108	(208,286)
Unrealized gains (losses) on futures market	(6,239)	(7,839)	1,374	(12,704)
Adjustment to market value - available for sale securities	(8,691)	(6,686)	1,015	(14,363)
Adjustment resulting from the transition tax regime - RTT (1)	(1,503)	-	1,110	(393)
	(224,097)	**(106,256)**	**94,607**	**(235,746)**
Net balance	**182,898**	**25,944**	**(22,317)**	**186,525**

(1) See Note 2.II.i) on accounting practices.

The consolidated financial statements include, further to the amounts presented in the table above, adjustment to market value of securities available for sale and financial instruments derivatives in amount of R$ 19 at March 31, 2017 (R$ 32 in December 31, 2016) in deferred tax assets and R$ 23 at March 31, 2017 in deferred tax liabilities.

The net balance of deferred tax assets and tax liabilities at March 31, 2017 and December 31, 2016 are stated as follows:

	Bank		Consolidated	
	March 2017	December 2016	March 2017	December 2016
Other credits - Sundry - Tax credits (Note 10.b)	422,271	406,995	422,290	407,027
Other liabilities - Provision for deferred taxes and contributions (Note 16.a)	(235,746)	(224,097)	(235,769)	(224,097)
Total	**186,525**	**182,898**	**186,521**	**182,930**

Notes to quarterly information

The realization of deferred tax credits and deferred tax liabilities at March 31, 2017 based on the history of profitability and estimated realization is stated as follows:

	Bank			Consolidated
Year	Assets	Liabilities	Net	Net
2017	125,826	(170,088)	(44,262)	(44,285)
2018	98,719	(10,379)	88,340	88,340
2019	120,199	(38,929)	81,270	81,289
2020	32,601	(3,682)	28,919	28,919
2021	12,458	(4,783)	7,675	7,675
2022	14,458	(1,340)	13,118	13,118
Above 5 years	18,010	(6,545)	11,465	11,465
Total	**422,271**	**(235,746)**	**186,525**	**186,521**
Present value - Selic	**324,921**	**(198,568)**	**126,353**	**126,346**

Expenses with income and social contribution taxes for the quarters ended on March 31, 2017 and 2016 are calculated as follows:

	Bank		Consolidated	
	March 2017	March 2016	March 2017	March 2016
Income before taxation less profit sharing	126,821	180,675	128,991	182,817
Total income and social contributions taxes	57,070	81,304	59,252	83,458
Net income from write-offs and write-ups of deferred liabilities net of tax credits	9,756	(94,630)	9,720	(95,040)
Nontaxable revenues / expenses net of nondeductible expenses	722	35,365	(793)	33,866
Equity pick up in subsidiaries	(1,515)	(1,499)	-	-
Interest on equity capital	(23,667)	(20,539)	(23,667)	(20,539)
Other amounts	(2,644)	(5,105)	(2,656)	(5,117)
Total income and social contribution taxes - Current	**39,722**	**(5,104)**	**41,856**	**(3,372)**
Deferred taxes and contributions				
Tax liabilities set up in period	99,570	213,544	99,593	213,728
Tax liabilities realized in the period	(93,592)	(113,695)	(93,592)	(113,695)
Tax credits set up in the period	(130,141)	(203,694)	(130,141)	(203,694)
Tax credits realized in the period	114,407	198,475	114,420	198,701
Total deferred taxes and contributions	**(9,756)**	**94,630**	**(9,720)**	**95,040**
Total income and social contribution taxes	**29,966**	**89,526**	**32,136**	**91,668**

Notes to quarterly information

22. Related parties

a) Subsidiaries and related companies

The amounts below refer to the Bank's transactions with subsidiaries and related companies. These operations were carried out under normal market conditions and rates of the dates of the respective transactions. For the quarter ended on March 31, 2017, transactions between related parties are as follows:

		March 2017		
Transactions / Related parties	**Relationship**	**Maturity**	**Assets / (Liabilities)**	**Income / (Expenses)**
Demand deposits				
ABC Brasil Adm, e Participações Ltda.	Subsidiary	No maturity	(134)	-
ABC Brasil DTVM S.A.	Subsidiary	No maturity	(244)	-
Marsau Comercial Exp. e Importadora Ltda.	Related party	No maturity	(20)	-
Time deposits and Fund from acceptance and issue of securities				
Marsau Uruguay Holdings Sociedad Anonima	Shareholder	04/26/2017	(1,534)	(2)
Management		Sundry	(32,351)	(3,556)
Borrowings				
Arab Banking Corporation (ABC)	Holding	03/10/2017	(422,912)	(3,297)
Dividends and interest on equity capital				
Marsau Uruguay Holdings Sociedad Anonima	Shareholder	04/01/2017	(27,487)	-

b) Fees of key management members

In 2012, the Bank defined a new Compensation Plan addressing rules and directives on payment of fixed and variable remuneration applicable to Board of Directors members and statutory officers and, at the discretion of a specific committee, to other executives with relevant positions and functions, observing the provisions of National Monetary Council Resolution No. 3,921/10.

The new plan has the following objectives: (i) align Banco ABC's management compensation practices with the risk management policy; (ii) avoid behavior that increases risk exposure above limits considered prudent in terms of the short, medium and long term strategies adopted by Banco ABC; (iii) create instruments to retain and attract talent to key Bank roles; and (iv) adapt the compensation policy to standards established in Resolution No. 3,921/10.

The compensation referred to in the plan takes into account: (i) the Bank's current and potential risks; (ii) the Bank's overall income, particularly recurring profit realized (net accounting income for the period adjusted by unearned income net of the effects of controllable non-recurring events); (iii) the ability to generate cash flow; (iv) the economic environment in which the Bank operates and its trends; (v) the long-term sustainable financial bases and future payment adjustments due to the risks assumed, the variations in the cost of capital and liquidity projections; (vi) the individual performance of managers based on contractual goals agreed with each manager as provided in profit sharing and filed at the Bank's headquarters; (vii) the performance of business units; and (viii) the relation between individual manager's performance, the performance of particular business units and the performance of the Bank as a whole.

Notes to quarterly information

Variable remuneration shall be calculated as follows:

a) Up to 50% (fifty percent) of the amount determined in variable remuneration is immediately paid in cash on payment of profit sharing; and

b) A minimum of 50% (fifty percent) of the amount determined for variable remuneration shall be deferred and paid in preferred shares of the Bank observing that the number of shares to be allocated to managers shall be determined through dividing the amount corresponding to deferred variable remuneration, net of withholding tax, by the unit share price calculated by the average closing price of the preferred shares issued by Banco ABC Brasil in the last 20 trading days of the semester.

The delivery of shares relating to deferred variable remuneration allocated to managers shall only take place if, in the applicable period of deferment there is no (i) significant reduction in recurring profit realized, or (ii) losses posted by the institution or business unit, or (iii) evidence of errors in accounting and/ or management practices that affect the income calculated in the variable remuneration rights acquisition period.

The total compensation of key members of management for the quarters ended in March 31, 2017 and 2016 are composed as follows:

	March 2017	March 2016
Fixed remuneration	5,542	5,371
Variable remuneration	6,949	7,057
Total short-term benefits	**12,491**	**12,428**
Share-based compensation	6,713	8,690
Total long-term benefits	**6,713**	**8,690**
Total	**19,204**	**21,118**

Notes to quarterly information

c) Summary of changes in the compensation plan:

To meet the resolution of compensation plan of the Bank was authorized by CVM to privately transfer shares of its own shares held in treasury for its executives.

In according to the compensation plan actions cited in Note 22.b, shares were granted to executives eligible for settlement at the end of the vesting period as shown below:

Distribution	Vesting period	Balance on December 2016	New entries	Converted into shares	Balance on March 2017
5º	02/25/2014 - 02/25/2017	281,988	-	(281,988)	-
6º	08/29/2014 - 08/29/2017	225,435	-	-	225,435
7º	02/24/2015 - 02/24/2017	295,161	-	(295,161)	-
7º	02/24/2015 - 02/24/2018	295,161	-	-	295,161
8º	08/20/2015 - 08/20/2017	311,546	-	-	311,546
8º	08/20/2015 - 08/20/2018	311,546	-	-	311,546
9º	02/24/2016 - 02/24/2017	466,707	-	(466,707)	-
9º	02/24/2016 - 02/24/2018	466,701	-	-	466,701
9º	02/24/2016 - 02/24/2019	466,698	-	-	466,698
10º	08/23/2016 - 08/23/2017	265,525	-	-	265,525
10º	08/23/2016 - 08/23/2018	265,525	-	-	265,525
10º	08/23/2016 - 08/23/2019	265,525	-	-	265,525
11º	02/21/2017 - 02/21/2018	-	292,024	-	292,024
11º	02/21/2017 - 02/21/2019	-	292,024	-	292,024
11º	02/21/2017 - 02/21/2020	-	292,024	-	292,024
Total		**3,917,518**	**876,072**	**(1,043,856)**	**3,749,734**

Notes to quarterly information

23. Overseas branch

The transactions with third parties carried out by the overseas branch as of March 31, 2017 and December 31, 2016 are as follows:

	March 2017		December 2016	
	US$	R$	US$	R$
Assets				
Cash and banks	1,250	3,961	1,078	3,513
Interbank investments	91,051	288,486	99,413	323,995
Marketable securities and derivative financial instruments	40,751	129,115	46,103	150,254
Lending operations - net	495,697	1,570,566	520,490	1,696,329
Other receivables, amounts and assets	6,794	21,526	6,622	21,583
Total	**635,543**	**2,013,654**	**673,706**	**2,195,674**
Liabilities				
Demand deposits	84	266	84	274
Time deposits	25,948	82,214	26,954	87,846
Funds from acceptance	1,028,606	3,259,035	1,157,698	3,773,055
Foreign borrowings	19,932	63,153	27,362	89,174
Derivative financial instruments	231	733	270	879
Other liabilities	**1,074,801**	**3,405,401**	**1,212,368**	**3,951,228**

24. Profit sharing

An allowance for profit sharing was established based on the Variable Compensation Program set up by Banco ABC Brasil S.A. and its employees, that takes into consideration activities developed by the Bank in various areas, the degree of responsibility, the degree of influence on earnings, as well as qualitative and quantitative targets set with individual Bank employees.

Notes to quarterly information

25. Contingent assets and liabilities and legal, tax and social security obligations

The Bank and its subsidiaries are involved in judicial and administrative proceedings of tax, labor and civil nature, both as plaintiff or claimer. Note 2.II.g) explains the criteria for recognizing and measuring these suits and proceedings.

a) Fiscal contingents

See below major lawsuits and proceedings whose likelihood of an unfavorable outcome had been rated as possible:

Corporate Income Tax (IRPJ) and Social Contribution Tax (CSLL) related to non-taxation of retained earnings of a foreign subsidiary

In 2001, the Bank filed a petition for writ of mandamus seeking a preliminary injunction that ensured the right not to add to its P&L figures, for the purposes of determination of IRPJ and CSLL, retained earnings that were never actually made available by ABC Brasil Banking Ltd, upon the divestiture of interest in that company. Currently the decision at first jurisdiction level is favorable. Total contingency corresponds to R$ 10,332.

Service Tax ("ISS") - 1994 a 2003

These are judicial proceedings involving ISS payment involving municipal authorities, mainly in connection with guarantees given (collateral signature and surety) referring to the period from 1994 to 2003, corresponding to R$ 1,109.

Fine - Service Tax ("ISS") - 2008 a 2011

This is an administrative proceeding in which the Bank discusses the release of 50% of fine, the assessment notices issued by the municipality of São Paulo, referring to the service tax on guarantees of income on the period from 2008 to 2011. The fine was launched on values whose enforceability was suspended as linked to the injunction where challenging the levy of this tax. The amount involved is R$ 12,168.

Social Security's Charges ("INSS")

The Bank is currently a defendant in a lawsuit related to payment of pension charges, mainly on profit sharing related to 2006 to 2012 exercises, amounting to R$ 187,406.

Unauthorized payment

Refers to payment of COFINS without fines, as established in article 63 of Law No. 9.430/96. Awaiting appeal decision. Amount demanded totals R$ 3,519.

Notes to quarterly information

Income Tax (IRPJ) and Social Contribution Tax (CSLL) related to the deduction of income for the period of 2010 on loans operations

Collection of income tax and social contribution related deduction of losses on loans operations in result of 2010. The Bank has estimated the losses as effective, however, the Receita Federal considers that occurred anticipation of the deduction period provided for in Law 9,430/96. The value of the requirement amounts to R$ 5,020.

IRPJ / CSLL - Deductibility PLR of the Board on the period from 2010 to 2012

It is collection of income tax and social contribution of PLR on deductibility paid to the board of directors for the period of 2010 to 2012. Awaiting judgment of challenging the tax assessment notice. The amount of requirement is R$ 68,447.

CND - Positive certificate with negative effects

This is a judicial deposit made to allow the issuance of CND. In September 2016, the Bank began the discussion at the administrative level in order to cancel the debts in an improper manner and therefore recover the amount deposited in court. The value of the discussion is R$ 3,914.

b) Labor

On March 31, 2017, labor lawsuits in progress classified by our legal counsel as probable loss totaled R$ 9,620 (Note 25.d). The labor lawsuits classified as possible loss totaled R$ 11,785 and were not provisioned.

c) Civil

On March 31, 2017, civil claims in progress classified by our legal counsel as probable loss totaled R$ 997 (Note 25.d). The civil lawsuits classified as possible loss totaled R$ 5,947 and were not provisioned.

d) Changes in provisions

	Bank and Consolidated				
	Tax and legal obligations	**Labor**		**Civil**	
At the beginning of the quarter	28,076	8,993		960	
Set up / (Reversal)	(5,538)	900		37	
Write-off	-	(273)		-	
At end of the quarter	**22,538**	**9,620**	**(b)**	**997**	**(a)**

(a) Note 25.c; (b) Note 25.b

Notes to quarterly information

26. Equity

a) Capital

On March 31, 2017 capital comprises 189,988,101 registered and uncertified shares (182,224,529 in December, 31 2016), without par value, of which 95,780,135 common shares (91,773,827 in December 31, 2016) and 94,207,966 preferred shares (90,450,702 in December 31, 2016).

b) Dividends and interest on equity capital

As established in the Bank's articles of incorporation, shareholders are entitled to an annual dividend of not less than 25% of net income adjusted as provided for in applicable law. Such dividend can alternatively, be distributed in the form of interest on equity.

For the quarters ended March 31, 2017 and 2016, were made provisions regarding the distribution of interest on shareholders equity, calculated according with established by Law 9,249/95, as follows:

Period	Interest on equity	Reduction in expenses with income and social contributions taxes
31/03/2017 - Provision	**52,593**	**23,667**
31/03/2016 - Provision	45,642	20,539

Interest on equity is calculated on net equity accounts and limited to the long-term interest rate, conditioned to the existence of profit calculated before deduction or retained subscription earnings and income reserves in amount equal or two times higher its amount.

c) Capital increase

On December 26, 2016, the Board of Directors approved the proposal for distribution of interest over the own capital on the gross value of R$ 95,857, that represents a gross value of R$ 0,539 per ordinary and preferential shares. It was also deliberated the proposal to increase the equity of the company, on the amount of R$ 81,479 at most, through the emission of new shares, for the private subscription with the utilization of interest credit over own capital hereby approved.

On March 14, 2017 was deliberate by the Board of Directors a capital increase of R$ 81,479, corresponding to the issuance of 7,763,572 new shares, being 4,006,308 new shares common and 3,757,264 new preferred shares through the use of interest on shareholders' equity or cash payment, approved by the Central Bank of Brazil on March 30, 2017.

d) Destination of earnings

i) Income reserve - Dividend equalization

At the Annual and Special Shareholders' Meetings held on April 30, 2008, the shareholders approved the creation of the account Income Reserve for Dividend Equalization, to which the retained earnings account balance is allocated, limited to 80% of capital, the latter of which is set up to maintain the shareholder payment flow.

ii) Income reserve - Repurchase of shares

The reserve for repurchase of shares is set up to support the possible opening, after approval by the Board of Directors, of the program for repurchase of the Institution's shares, should market conditions indicate such possibility.

Notes to quarterly information

e) Treasury shares

During the quarter endend on March 31, 2017, there were no repurchases of shares of the Company to be held in treasury.

On March 31, 2017 the total value of treasury shares repurchased is R$ 35,079 equivalent to 3,337,968 preferred shares (R$ 46,050 equivalent to 4,381,824 preferred shares in December 31, 2016). The average cost per share repurchased treasury is R$ 10.51.

Changes in treasury shares:

	March 2017	December 2016
At the beginning of the quarter / year	4,381,824	5,127,842
Shares acquired	-	878,600
Shares delivered	(1,043,856)	(1,624,618)
At the end of the quarter / year	**3,337,968**	**4,381,824**

27. Operational limits - The Basel Accord

The Central Bank of Brazil, through Resolution No, 4,192/13 and 4,278/13, instituted the determination of the reference equity on a consolidated basis for the financial conglomerate and by Resolution No, 4,193/13 instituted calculating the minimum equity required for reference the Risk Weighted Assets (RWA), both with effect from October 2013. The capital adequacy ratio for March 31, 2017 calculated based on the prudential conglomerate is 15.62% (17.82% at December 31, 2016). The table below shows the calculation of the minimum equity required for the reference risk weighted assets (RWA) which was 9.88% on January 01, 2016 (9.88% at January 1, 2016).

	March 2017	December 2016
Credit risk	1,763,199	1,840,652
Interest Rate	49,864	41,443
Commodities	13,758	16,135
Actions	-	27
Operating risk	101,208	101,208
Exchange risk	21,515	2,054
Required capital base (PRE)	**1,949,544**	**2,001,519**
Reference equity (PR)	**3,292,140**	**3,612,575**
Excess of equity in relation to limit	**1,342,596**	**1,611,056**

28. Other information

Offset and settlement of liabilities agreement - the Bank has an agreement on the offset and settlement of liabilities under the Brazilian National Financial System, in accordance with CMN Resolution No, 3,263/05, resulting in added guarantees of settlement of their assets with financial institutions that are party of the agreement. The total assets included in this agreement as of March 31, 2017 amount to R$ 67,230 (R$ 31,170 on December 31, 2016).

Notes to quarterly information

29. Reconciliation of Equity and Net Income under BRGAAP and IFRS

We present below the major adjustments identified between the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil ("BRGAAP") and the International Financial Reporting Standards IFRS for the quarters ended March 31, 2017 and 2016.

		March 2017	March 2016
Equity under BRGAAP		**3,031,927**	**2,629,864**
IFRS adjustments net of taxes:			
Allowance for losses on loans and advances to clients	(a)	88,639	88,189
Legal Liabilities (ISS)		-	25,605
Guarantees and responsibilities		13,871	11,481
Others		(1,149)	951
Equity under IFRS		**3,133,288**	**2,756,090**
Net income under BRGAAP		**96,855**	**91,149**
IFRS adjustments net of taxes:			
Allowance for losses on loans and advances to clients	(a)	(581)	(1,275)
Exchange variation on foreign investments	(b)	(50)	1,751
Legal Liabilities (ISS)		-	1,425
Guarantees and responsibilities		732	3,047
Others		-	(1,278)
Net income under IFRS		**96,956**	**94,819**

a) Allowance for losses on loans and advances to clients

According to IFRS, based on guidance provided by IAS 39 "Financial Instruments: Recognition and Measurement", the Bank sets up allowance for loan losses based on individual assessment of operations, considering circumstances that are known at the time of assessment. Such criteria differ in certain aspects from BR GAAP, which adopts specific rules defined by the Brazilian Central Bank for calculation of the allowance.

b) Exchange variation on foreign investments

According to guidelines established in International Financial Reporting Standards (IFRS), based on IAS 21 "Foreign exchange rate effects", assets and liabilities of subsidiaries abroad are translated to reais at the rate in force on the balance sheet date, with foreign exchange variations stemming from that translation recognized directly in equity under Other comprehensive income.

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A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information (ITR) prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

REVIEW REPORT OF INDEPENDENT AUDITORS'

The Shareholders, Board of Directors and Officers
Banco ABC Brasil S.A.

Introduction

We have reviewed the individual and consolidated interim financial statements of Banco ABC Brasil S.A. (Company) contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2017, which comprise the balance sheet as at March 31, 2017, and the related income statement, statement of comprehensive income, as well as statements of changes in equity and cash flows for the three month period then ended including notes to interim financial statements.

Management is responsible for the preparation of the interim financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, as well as for the fair presentation of this information in accordance with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Information. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim financial statements Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Statements Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

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Conclusion

Based on our review, we are not aware of any fact that would lead us to believe that the individual and consolidated interim financial statements included in the quarterly information form (ITR) referred to above were not prepared, in all material respects, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil and stated in accordance with the standards established by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information (ITR).

Other matters

Interim statements of value added

We also reviewed the individual and consolidated interim statements of value added (SVA) for the three month period ended March 31, 2017, prepared under the responsibility of the Company's management, whose presentation of interim information is required in accordance with standards established by the Brazilian Securities and Exchange Commission (CVM) and applicable to Quarterly Information (ITR). These statements have been subject to the same review procedures described above and, based on our review we are not aware of any fact that would lead us to believe that these statements were not prepared, in all material respects, in accordance with overall interim financial statements.

Sao Paulo, May 3, 2017.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Flávio Serpejante Peppe
Partner

Reports and Representations / Executive Board Representation on the Independent Auditor's Report

Abiding by CVM Rule No, 480, dated December 7, 2009, the undersigned parties, Executive Board members of Banco ABC Brasil S,A,, listed at Corporate Governance Level 2 (Code ABCB4), REPRESENT hereby that they:

Reviewed, discussed and agreed with the financial statements for the period ended March 31, 2017; and

Reviewed, discussed and agreed with the opinion expressed in the independent auditor's report of Ernst & Young Auditores Independentes S.S., on the Bank's financial statements for the period ended March 31, 2017.

Sao Paulo, May 3, 2017.

Anis Chacur Neto
Director President

Gustavo Arantes Lanhoso
Director Vice President - Commercial

José Eduardo Cintra Laloni
Director Vice President - Investment Bank

Renato Pasqualin Sobrinho
Director Vice President - Risk

Sérgio Lulia Jacob
Director Vice President - International and Finance

Sérgio Ricardo Borejo
Director Vice President - Administrative and Investor Relations Officer

Directors

Alexandre Yoshiaki Sinzato
Antonio José Nicolini
Antonio Sanchez Junior
Bibiana Veronez
César Valdez Mindof
Christian Max Finardi Squassoni
Claudio Rodrigues Tibau
Daniel Credidio Brandão Barbosa de Oliveira
David Tadeu Panico
Dieter Klemz
Fernando Vazquez Fernandez
Gustavo Henrique Tavares Silva Bellon
João Carlos Benites Freneda
José Álvaro Corbet Guimarães
Leila Maria de Carvalho Rocha
Luiz Antonio de Assumpção Neto
Luiz Augusto Galvão Monteiro
Paulo Corrêa de Moraes Junior
Paulo Romagnoli
Ricardo Gentile Rocha
Valeria Fernandes da Silva
Waldecir dos Santos Junior
Wandir Pereira Reis

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Reviewed, discussed and agreed with the opinion expressed in the independent auditor's report of Ernst & Young Auditores Independentes S.S., on the Bank's financial statements for the period ended March 31, 2017.

Sao Paulo, May 3, 2017.

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