ABC BRASIL
ARAB BANKING CORPORATION

Conference Call – 3rd Quarter 2012

October | 31st | 2012

ABCB4 NÍVEL 2 BOVESPA BRASIL

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3Q12 Highlights

Net Income in the quarter totaled BRL 55.1 million.

The **expanded credit portfolio** reached BRL 14,884.1 million by the end of the quarter, remaining stable in the period.

Annualized Return on Equity (ROAE) in 3Q12 reached 13.8% pa in the period.

The credit portfolio quality remains high, with **97.4% of the loan transactions rated between AA-C** by the end of the quarter.

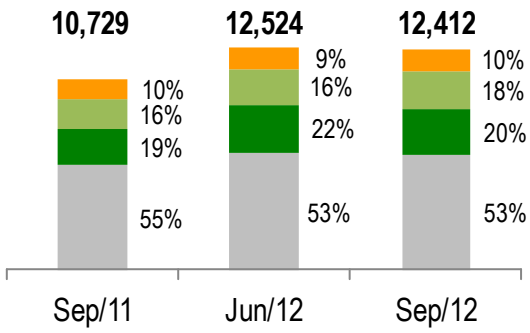
Expanded Credit Portfolio

(BRL million)	Sep/12	Jun/12	Chg 3M (%)	Sep/11	Chg 12M (%)
Loans	**8,470.4**	**8,519.8**	**-0.6%**	**7,753.9**	**9.2%**
Corporate	6,580.0	6,680.2	-1.5%	5,997.3	9.7%
Middle	1,890.4	1,839.6	2.8%	1,756.6	7.6%
Guarantees Issued	**5,888.1**	**5,882.3**	**0.1%**	**4,775.1**	**23.3%**
Corporate	5,832.4	5,843.8	-0.2%	4,732.0	23.3%
Middle	55.7	38.6	44.5%	43.1	29.4%
Loans + Guarantees Issued	**14,358.5**	**14,402.1**	**-0.3%**	**12,529.0**	**14.6%**
Corporate	12,412.4	12,524.0	-0.9%	10,729.3	15.7%
Middle	1,946.1	1,878.2	3.6%	1,799.7	8.1%
Corporate Securities (Corporate Segment)	**525.6**	**536.0**	**-1.9%**	**252.3**	**108.3%**
Expanded Credit Portfolio	**14,884.1**	**14,938.1**	**-0.4%**	**12,781.3**	**16.5%**

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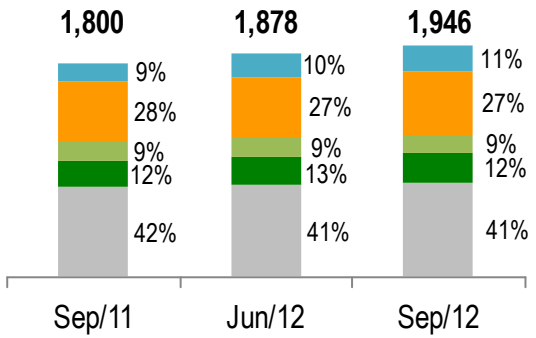
Segments Highlights

	Corporate			Middle Market		
Total Number of Clients	738	734	752	1,104	1,154	1,168
Clients with Credit Exposure	520	535	523	839	949	917
Average Ticket (BRL Million)	20.6	23.4	23.7	2.1	2.0	2.1
Average Tenor (days)	362	329	332	225	212	214
	Sep/11	Jun/12	Sep/12	Sep/11	Jun/12	Sep/12



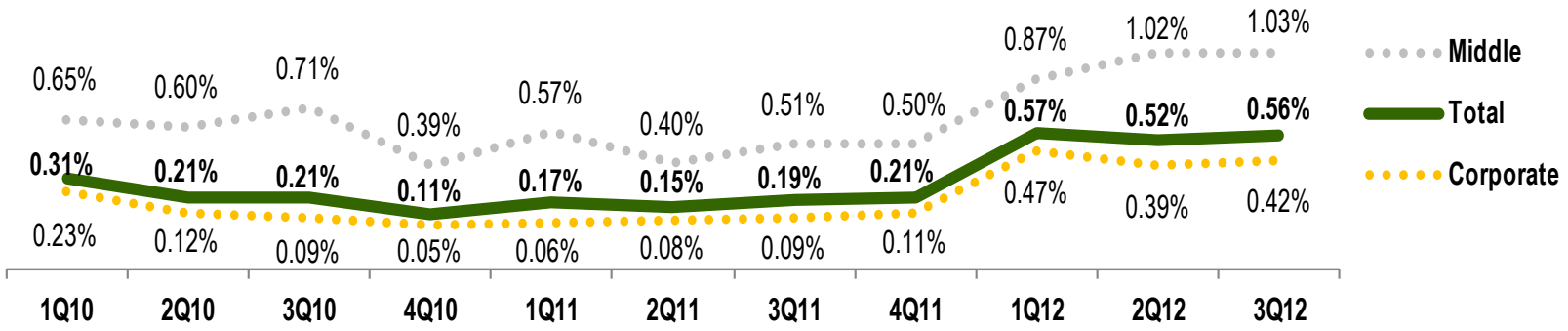
Credit Portfolio
(BRL Million)

- Minas Gerais / Goiás
- Sul
- Rio de Janeiro
- São Paulo Interior
- São Paulo Capital

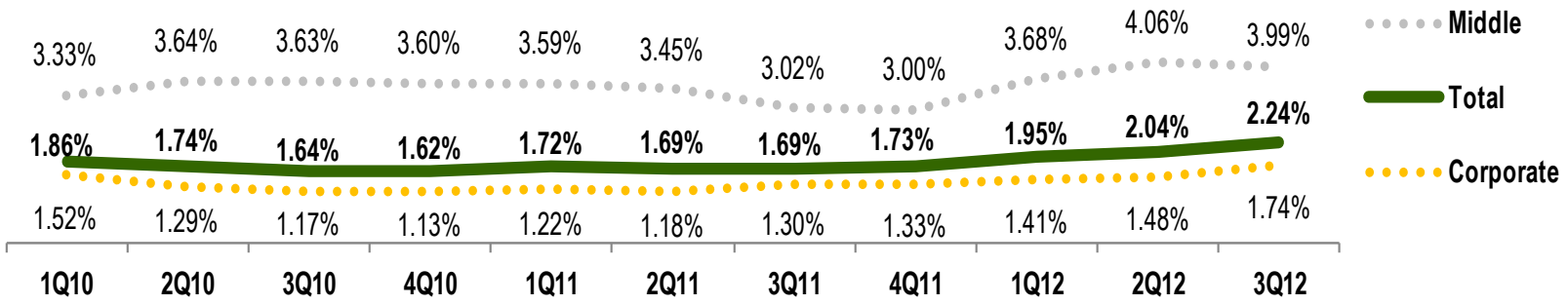


Credit Portfolio Quality

Past Due above 90 days (% of loan portfolio)

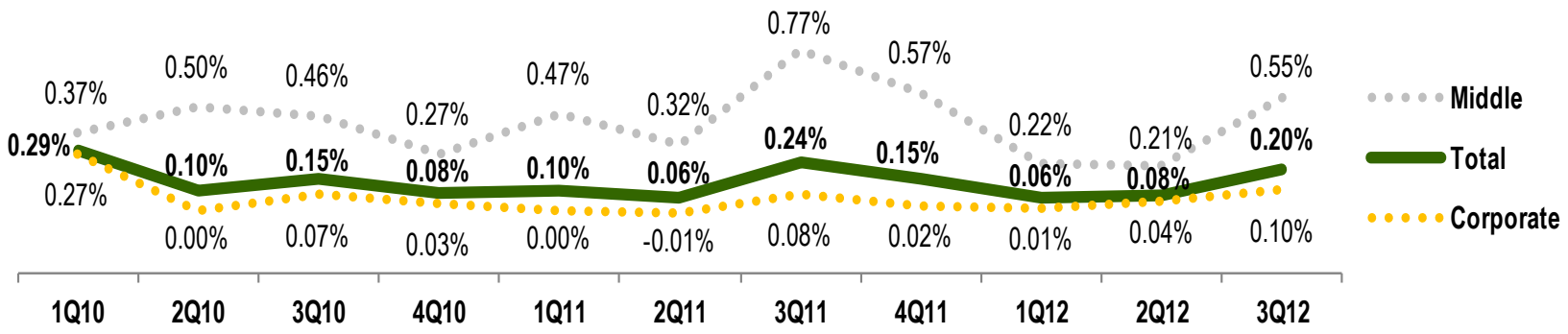


Loan Loss Reserve (% of loan portfolio)



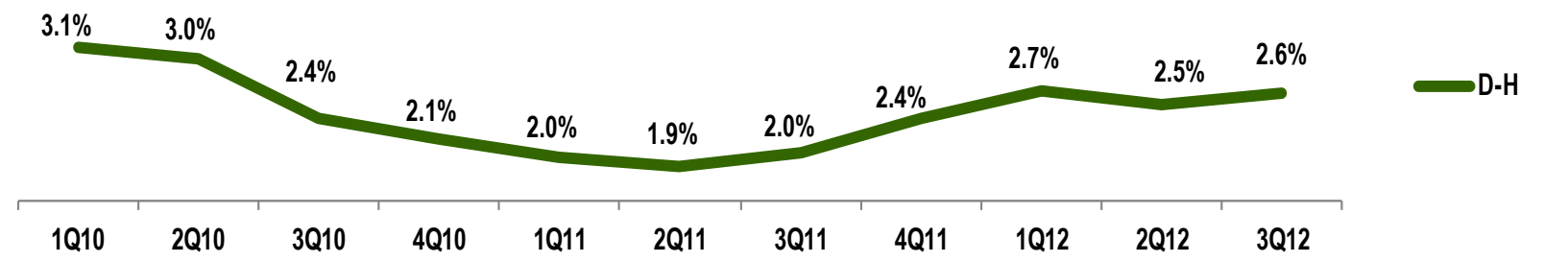
Credit Portfolio Quality

Write Off in the quarter (% of loan portfolio)



Transactions between D-H rating

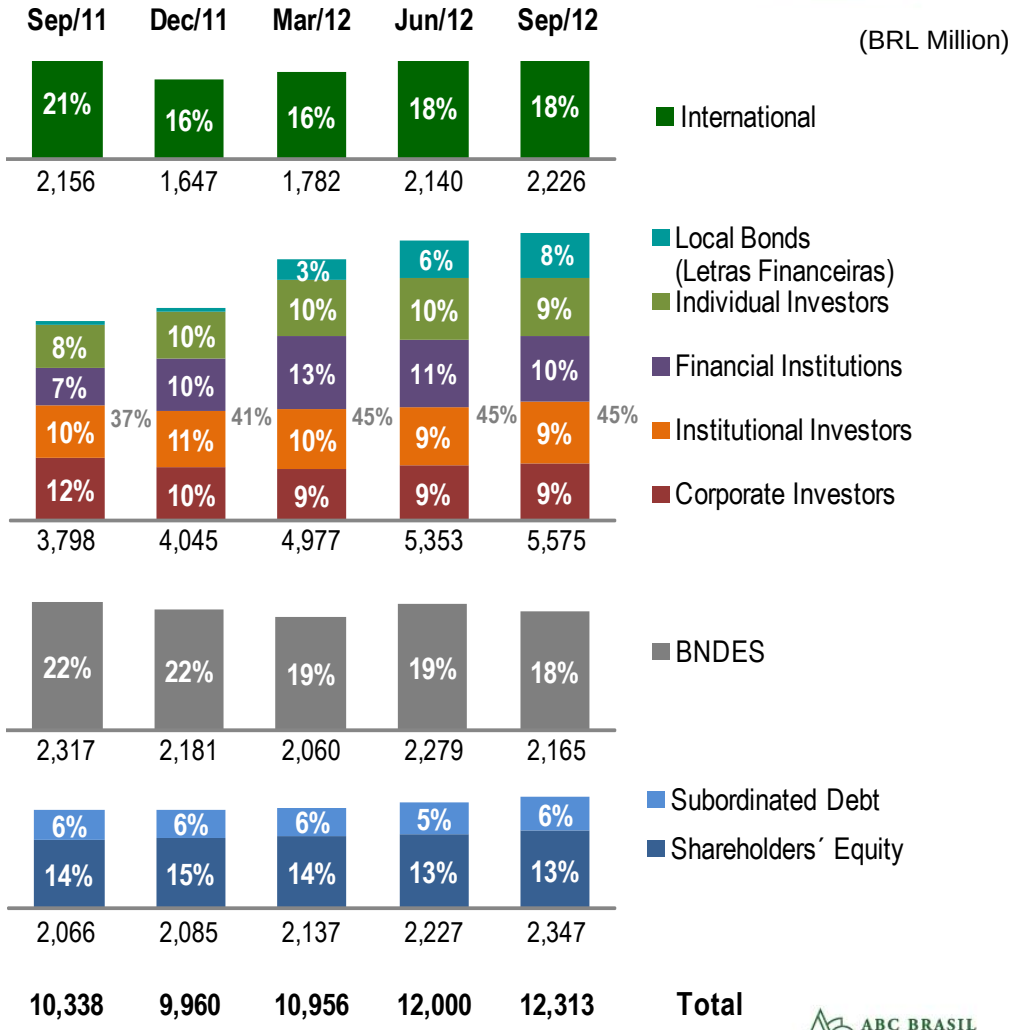
(Resolution 2682 of Brazilian Central Bank)



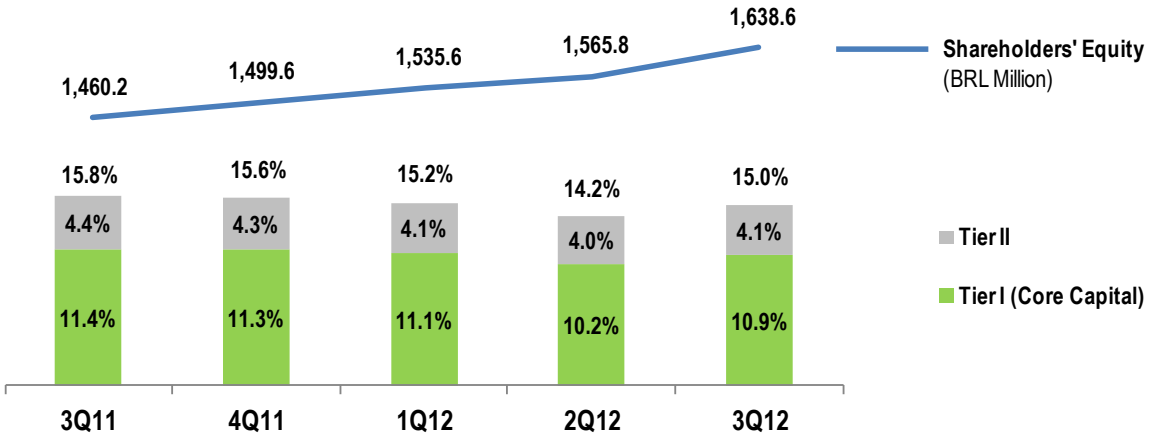
Funding & Ratings

Diversified funding with access to local and international sources

	Local	Global	
STANDARD & POOR'S	brAA+	BBB-	**Investment Grade**
MOODY'S	Aa1.br	Baa3	**Investment Grade**
FitchRatings	AA-	BB+	



Basel Index & Shareholders´ Equity



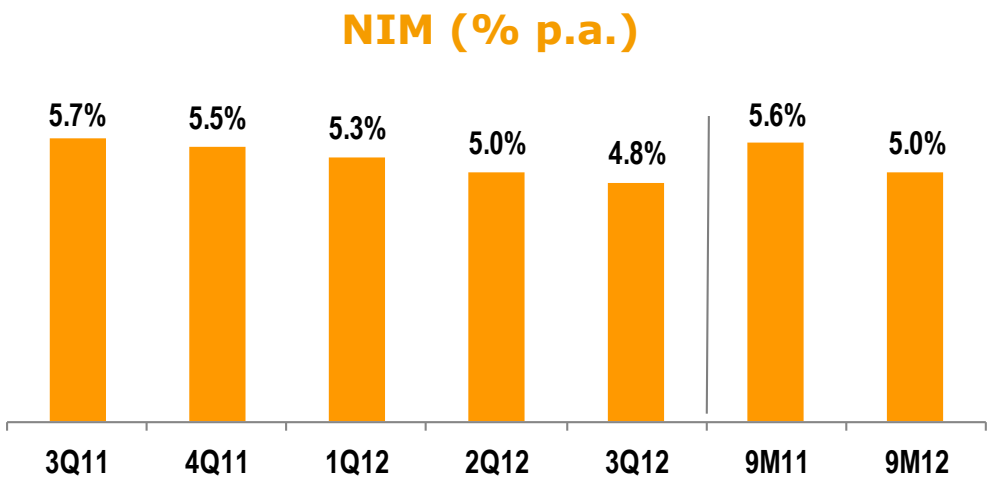
Capital Adequacy (BRL million)	**Sep/12**	**Jun/12**	**Chg 3M (%) / p.p.**	**Sep/11**	**Chg 12M (%) / p.p.**
Capital	2,257.2	2,180.8	3.5%	2,025.7	11.4%
Mininum Capital Required	1,654.1	1,687.7	-2.0%	1,410.9	17.2%
Capital Surplus	603.2	493.0	22.3%	614.9	-1.9%
Basel Ratio	**15.0%**	**14.2%**	0.8	**15.8%**	-0.8
Tier I (Core Capital)	10.9%	10.2%	0.7	11.4%	-0.5
Tier II	4.1%	4.0%	0.1	4.4%	-0.3

Considering the US$ 100 million subordinated notes issuance concluded on October, 2012, the Basel Index would be 16.3%.
The transaction is under approval of the Brazilian Central Bank, and will compose the Tier II Capital of the bank after its ratification.

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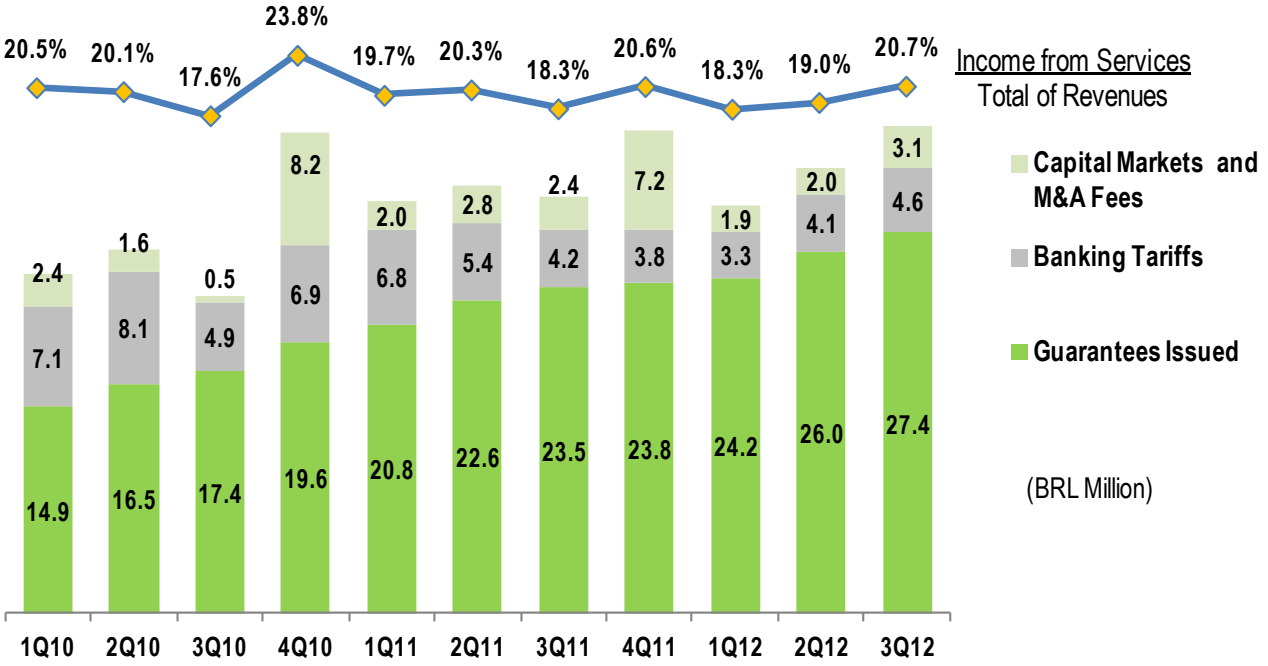
Financial Margin

(BRL million)	3Q12	2Q12	Chg (%)	3Q11	Chg (%)	9M12	9M11	Chg (%)
Net Interest Income before Loan Loss Provision (LLP)	**147.6**	**144.4**	**2.2%**	**146.8**	**0.5%**	**432.9**	**415.7**	**4.1%**
Shareholders´ Equity remunerated at CDI rate	28.4	32.0	-11.3%	42.8	-33.6%	97.2	117.2	-17.0%
Financial Margin with Clients	98.0	89.6	9.3%	94.3	3.9%	272.5	260.5	4.6%
Financial Margin with Market	21.1	22.7	-7.0%	9.6	119.9%	63.2	38.0	66.3%
Loan Loss Provision (LLP)	**(32.8)**	**(28.7)**	**14.6%**	**(24.6)**	**33.6%**	**(85.2)**	**(38.6)**	**120.8%**
Managerial Financial Margin	**114.7**	**115.7**	**-0.9%**	**122.2**	**-6.1%**	**347.6**	**377.1**	**-7.8%**



Income from Services

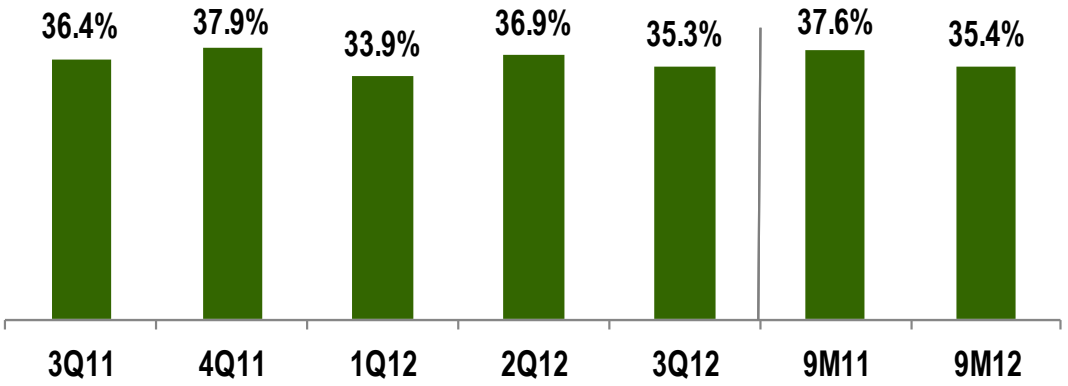
Banking Service Fees (BRL million)	3Q12	2Q12	Chg (%)	3Q11	Chg (%)	9M12	9M11	Chg (%)
Guarantees Issued	27.4	26.0	5.4%	23.5	16.9%	77.6	66.9	16.0%
Capital Markets and M&A Fees	3.1	2.0	57.8%	2.4	33.3%	7.0	7.2	-2.3%
Banking Tariffs	4.6	4.1	12.3%	4.2	8.8%	12.0	16.5	-27.3%
Total	**35.2**	**32.1**	**9.5%**	**30.0**	**17.0%**	**96.6**	**90.5**	**6.7%**



Expenses

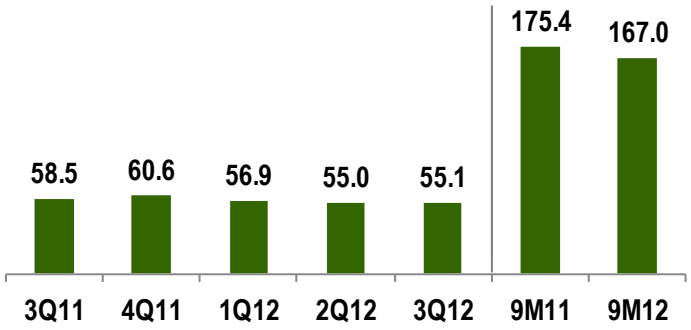
Expenses (BRL million)	3Q12	2Q12	Chg (%)	3Q11	Chg (%)	9M12	9M11	Chg (%)
Personnel	(31.0)	(32.2)	-3.8%	(28.2)	10.0%	(94.3)	(81.7)	15.5%
Other Administrative Expenses	(17.7)	(19.6)	-9.7%	(16.6)	6.6%	(53.0)	(48.9)	8.4%
Profit Sharing	(14.0)	(13.1)	7.0%	(17.0)	-17.3%	(37.2)	(51.4)	-27.6%
Total	**(62.8)**	**(65.0)**	**-3.4%**	**(61.8)**	**1.6%**	**(184.5)**	**(182.0)**	**1.4%**

Efficiency Ratio (Cost/Income)

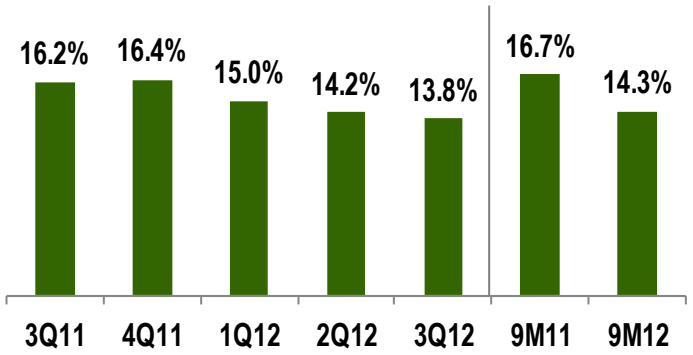


Profitability

Net Income (BRL Million)



ROAE (% p.a.)



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Investor Relations

Sergio Lulia Jacob
Financial Vice-President

Alexandre Sinzato, CFA
Head of Investor Relations

Web Site: www.abcbrasil.com.br/ir
Email: ri@abcbrasil.com.br
Phone: +55 (11) 3170-2186



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