ABC BRASIL
ARAB BANKING CORPORATION

4Q09 Earnings Release

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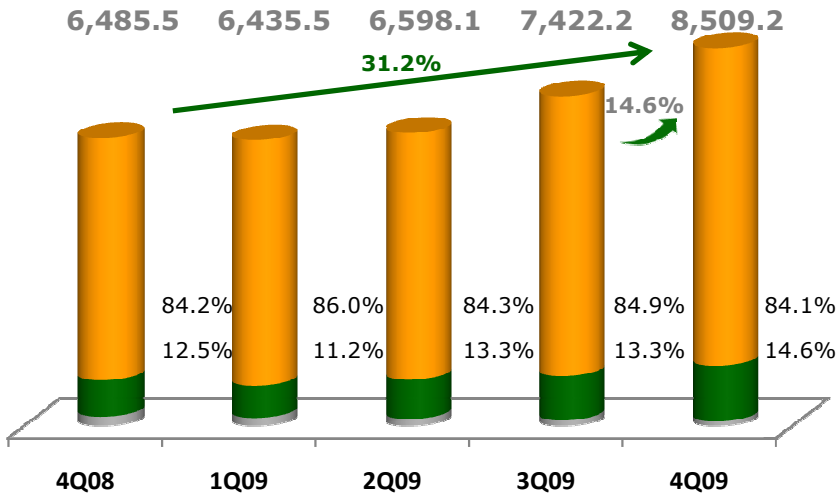
Highlights

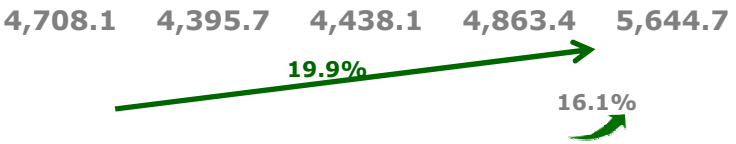
- **Net Income of BRL 53 million in 4Q09 and BRL 151 million in 2009.**
- **Adjusted Return on Equity of 14.8% p.a. in 4Q09, 12.1% in 2009.**
- **Credit Portfolio of BRL 8.5 billion, an increase of 31% in the year.**
- **1,214 clients, growth of 33% in 2009.**
- **BRL 1.2 billion of Middle Market credit portfolio, a growth of 52.9% in the year.**

Credit Portfolio

CREDIT PORTFOLIO (BRL million)
Including guarantees issued

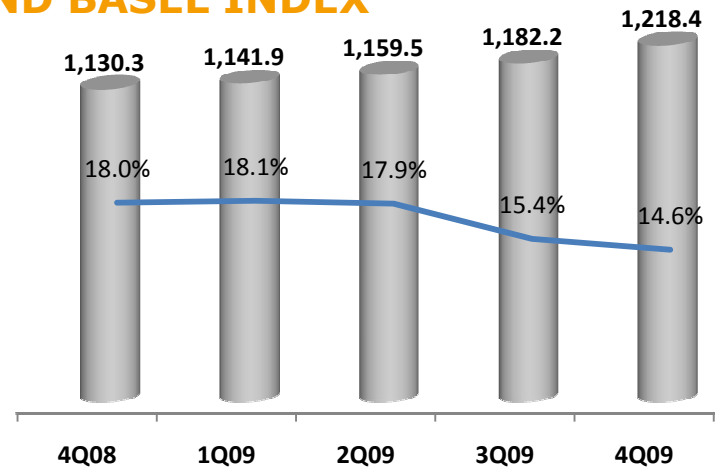


LOANS (BRL million)



81.1%	82.0%	79.0%	79.3%	78.1%
16.6%	15.8%	19.1%	19.2%	20.8%

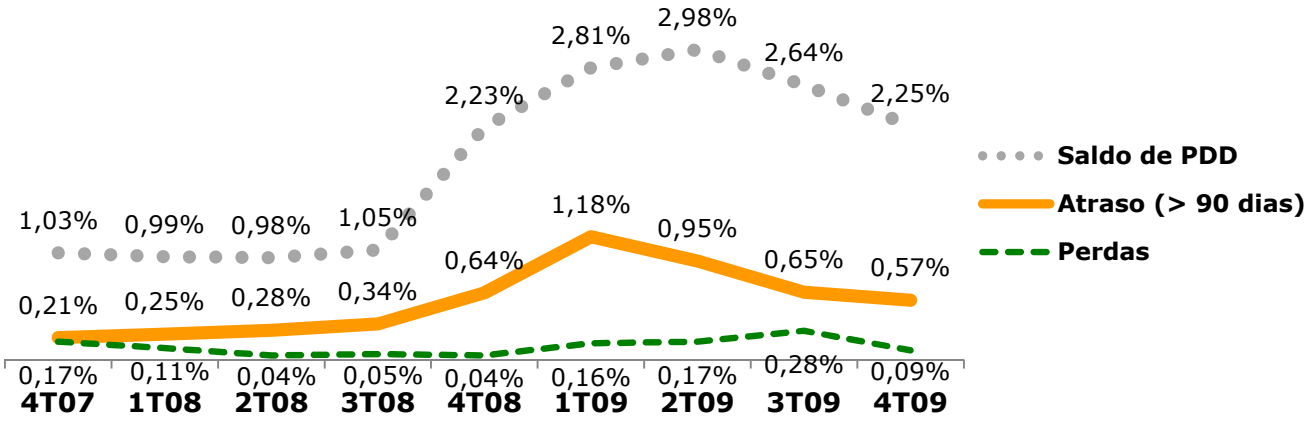
SHAREHOLDERS' EQUITY (BRL million) AND BASEL INDEX

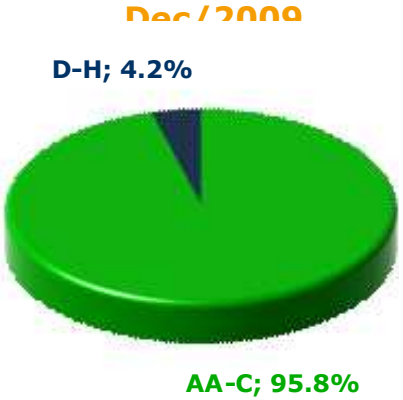


Credit Portfolio Quality

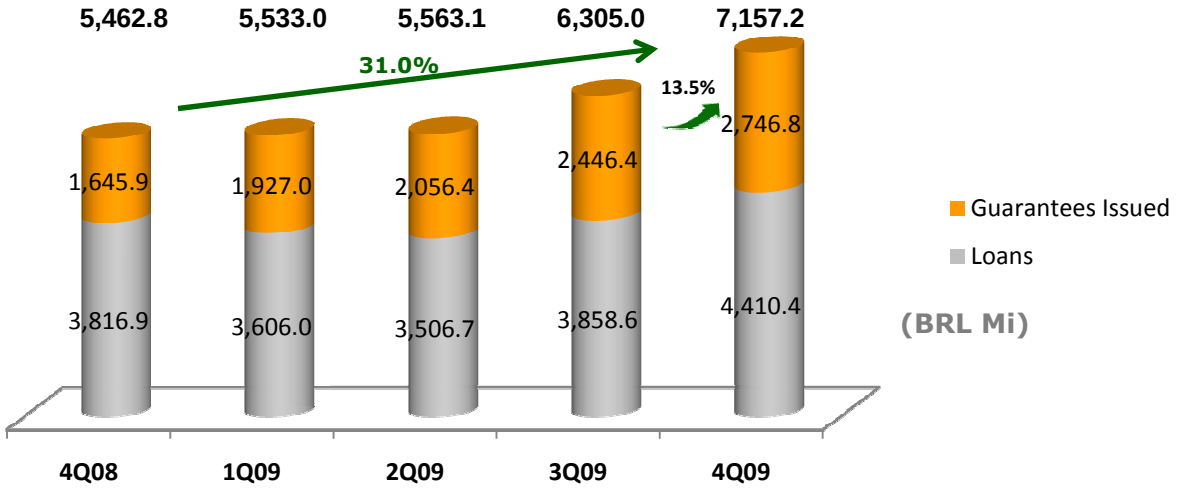
	1	2	3	4	5	6	7
Segments	**Loan Portfolio * (BRL million)**	**Write Off (BRL million)**	**Write Off / Loan Portfolio**	**LLR ** (BRL million)**	**LLR / Loan Portfolio**	**Past Due > 90 days (BRL million)**	**Past Due > 90 days / Loan Portfolio**
Corporate	4,410.4	1.6	0.04%	80.9	1.83%	22.7	0.51%
Middle Market	1,173.7	2.4	0.21%	42.8	3.65%	8.1	0.69%
Other	60.7	1.1	1.75%	3.4	5.66%	1.5	2.49%
Total - 4Q09	**5,644.7**	**5.1**	**0.09%**	**127.2**	**2.25%**	**32.4**	**0.57%**
3Q09	4,863.4	13.4	0.28%	128.4	2.64%	31.5	0.65%
2Q09	4,438.1	7.7	0.17%	132.4	2.98%	42.1	0.95%
1Q09	4,395.7	6.9	0.16%	123.4	2.81%	51.9	1.18%
4Q08	4,708.1	2.0	0.04%	105.2	2.23%	30.3	0.64%

** Excluding guarantees issued.*

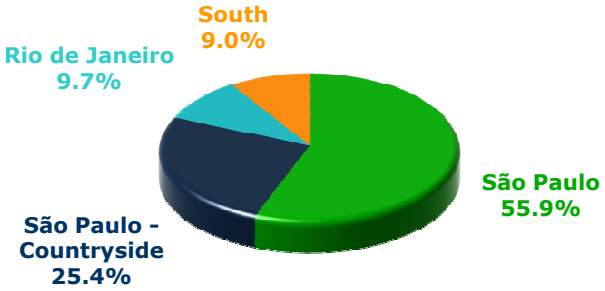




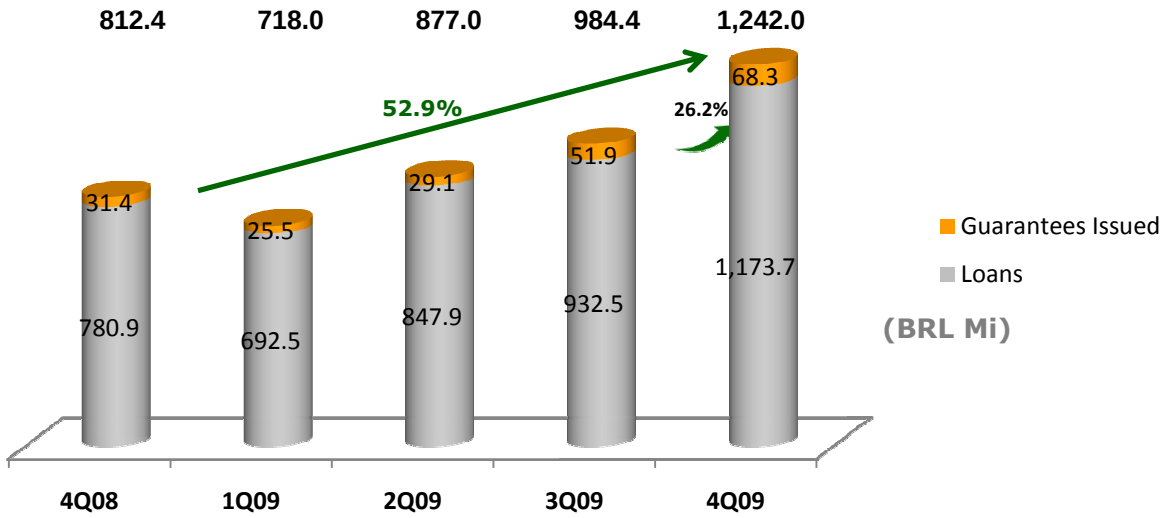
Corporate



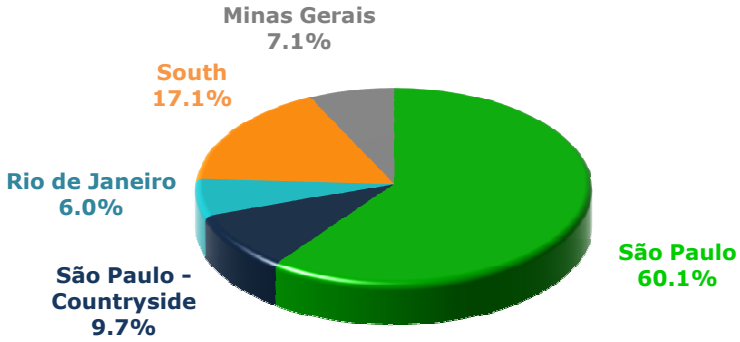
	4Q08	3Q09	4Q09
Ticket	10.6	11.5	12.0
Duration	331	322	342
Groups	514	549	596



Middle Market



	4Q08	3Q09	4Q09
Ticket	2.0	1.8	2.0
Duration	202	241	258
Groups	398	547	618



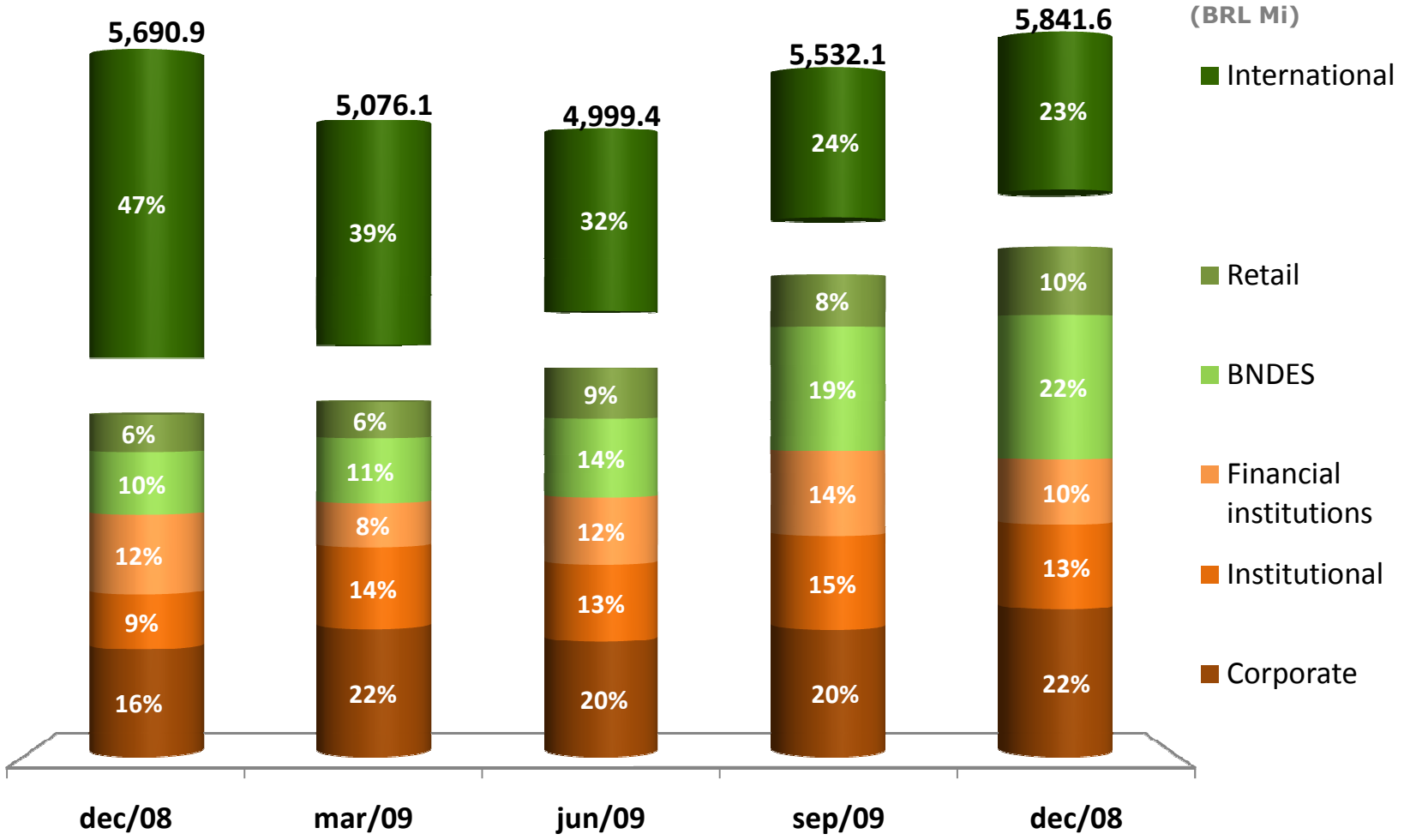
Other Activities

TREASURY AND CAPITAL MARKETS

Treasury (BRL Mi)	**4Q08**	**3Q09**	**4Q08**	**2009**	**2008**
Revenues	10.8	7.8	2.8	27.7	29.0
Consolidated Average VaR	2.3	4.9	6.3	3.3	4.2

Capital Markets (BRL Mi)	**4Q08**	**3Q09**	**4Q08**	**2009**	**2008**
Underwriting Fees and Structured Operations	0.6	0.03	0.8	1.2	4.4
Numbers of deals	3	1	3	7	15

Funding


(BRL Mi)
International
Retail
BNDES
Financial institutions
Institutional
Corporate
5,690.9
47%
6%
10%
12%
9%
16%
5,076.1
39%
6%
11%
8%
14%
22%
4,999.4
32%
9%
14%
12%
13%
20%
5,532.1
24%
8%
19%
14%
15%
20%
5,841.6
23%
10%
22%
10%
13%
22%
dec/08
mar/09
jun/09
sep/09
dec/08

Managerial Income Statement

Managerial Income Statement (R$ MM)	4Q09	3Q09	Chg.(%)	4Q08	Chg.(%)	2009	2008	Chg.(%)
Net Interest Incomen before Loan-Loss Provisions (LLP)	98,5	104,6		79,3		410,3	351,8	
Exchange Gain/Losses effect - Cayman	(1,6)	(7,3)		21,7		(26,0)	30,3	
Fiscal benefit from exchange effect - Cayman + Gov. Sec. - Abroad	1,9	(3,4)		13,9		(8,4)	20,5	
(-) Payroll Credit Assignment				(11,9)			(11,9)	
Managerial Net Interest Income before LLP	**98,7**	**93,8**	**5,2**	**103,0**	**(4,2)**	**376,0**	**390,6**	**(3,8)**
Credit Operations	87,9	86,0	2,3	95,5	(7,9)	348,3	356,9	(2,4)
Payroll Credit Assignment				4,7			4,7	
Treasury	10,8	7,8		2,8		27,7	29,0	
LLP	**(4,1)**	**(8,6)**	**(52,4)**	**(54,1)**	**(92,4)**	**(53,1)**	**(79,8)**	**(33,4)**
LLP (Brazilian Central Bank resolution nº 2,682)	(10,8)	(17,0)		(36,5)		(63,2)	(62,2)	
Additional LLP	6,8	8,4		(17,6)		10,1	(17,6)	
Managerial Net Interest Income after LLP	**94,6**	**85,2**	**11,0**	**49,0**	**93,2**	**322,8**	**310,8**	**3,9**
Banking services fees	19,8	16,1	22,9	11,2	77,1	59,7	43,1	38,3
Personnel Expenses/Other Administrative/Tax	(39,5)	(34,2)	15,5	(35,9)	9,9	(138,4)	(118,8)	16,4
Other operating income/expenses	(20,4)	(4,7)		(5,9)		(34,8)	(19,6)	
Non Operating Income	(0,3)	(0,2)		0,0		(3,3)	1,2	
Earnings before Income tax	**54,3**	**62,2**	**(12,7)**	**18,3**	**196,0**	**206,0**	**216,8**	**(5,0)**
Taxes	**13,0**	**(15,7)**		**16,2**		**(12,8)**	**(13,4)**	
Profit Sharing	(13,5)	(11,8)	14,3	(4,8)	184,0	(42,1)	(45,1)	(6,7)
Net Income	**53,7**	**38,1**	**40,9**	**15,9**	**237,5**	**151,2**	**137,8**	**9,7**
(-)Net Effects (of Income Tax)								
Divestment of CETIP	(5,1)					(5,1)		
Program for settlement of tax debits (REFIS)	(4,1)					(4,1)		
Adjusted Net Income	**44,5**	**38,1**	**16,8**	**15,9**	**179,7**	**142,0**	**137,8**	**3,0**

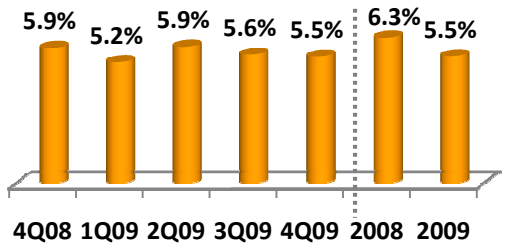
Revenues

MANAGERIAL NET INTEREST INCOME

NII (BRL million)	4Q09	3Q09	Chg.(%)	4Q08	Chg.(%)	2009	2008	Chg.(%)
Credit Operations	87.9	86.0	2.3	95.5	(7.9)	348.3	356.9	(2.4)
Payroll Credit Assignment	-	-	-	4.7	(100.0)	-	4.7	(100.0)
Treasury*	10.8	7.8	37.7	2.8	281.7	27.7	29.0	(4.6)
Net Interest Income before Loan-Loss Provisions (LLP)	**98.7**	**93.8**	**5.2**	**103.0**	**(4.2)**	**376.0**	**390.6**	**(3.8)**
LLP	(4.1)	(8.6)	(52.4)	(54.1)	(92.4)	(53.1)	(79.8)	(33.4)
LLP (Brazilian Central Bank resolution nº 2,682)	(10.8)	(17.0)		(36.5)		(63.3)	(62.2)	
Additional LLP	6.8	8.4		(17.6)		10.1	(17.6)	
Total	**94.6**	**85.2**	**11.0**	**49.0**	**93.3**	**322.8**	**310.8**	**3.9**

** Treasury result with managerial adjustments*

NIM (p.a.)



INCOME FROM SERVICES RENDERED

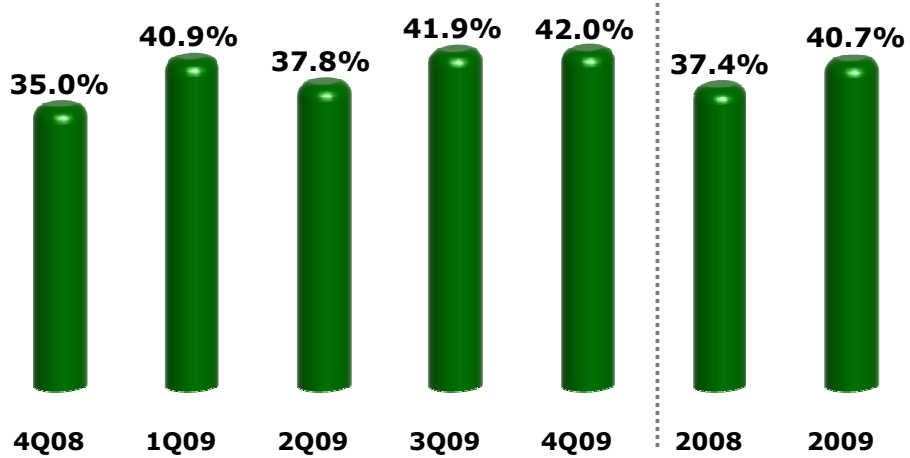
Income from services rendered (BRL million)	4Q09	3Q09	Chg.(%)	4Q08	Chg.(%)	2009	2008	Chg.(%)
Guarantees issued	14.1	12.4	13.7	6.6	112.9	43.7	22.0	98.6
Underwriting Fees and Structured Operations	0.6	0.03		0.8		1.2	4.4	
Banking Fees	5.1	3.7	37.1	3.8	35.3	14.8	16.7	(11.7)
Total	**19.8**	**16.1**	**22.9**	**11.2**	**77.1**	**59.7**	**43.1**	**38.3**

Expenses

PERSONNEL, ADMINISTRATIVE AND PROFIT-SHARING EXPENSES

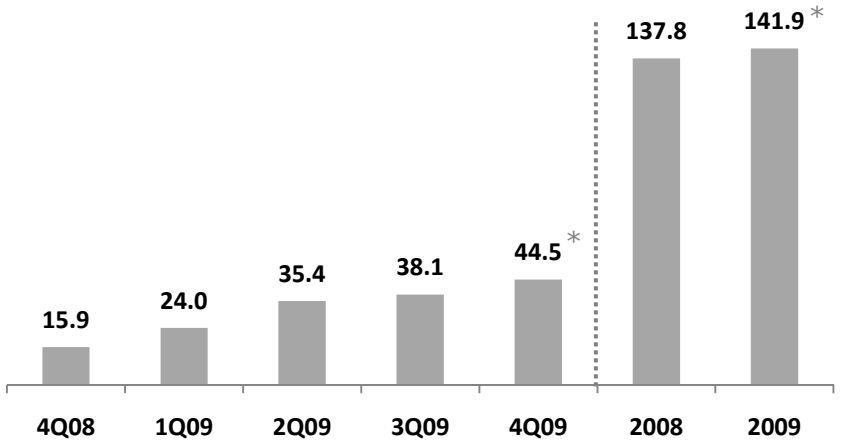
Expenses (BRL million)	4Q09	3Q09	Chg.(%)	4Q08	Chg.(%)	2009	2008	Chg.(%)
Personnel	(20.3)	(19.5)	3.7	(20.7)	(2.3)	(77.9)	(68.5)	13.7
Other administrative expenses	(15.7)	(14.1)	11.3	(14.5)	7.8	(55.2)	(47.4)	16.5
Profit Sharing	(13.5)	(11.8)	14.3	(4.8)	184.0	(42.1)	(45.1)	(6.7)
Taxes	(3.5)	(0.6)		(0.6)		(5.2)	(2.9)	
Total	**(53.0)**	**(46.0)**	**15.2**	**(40.7)**	**29.6**	**(180.4)**	**(163.9)**	**9.9**

EFFICIENCY RATIO
(including profit sharing)

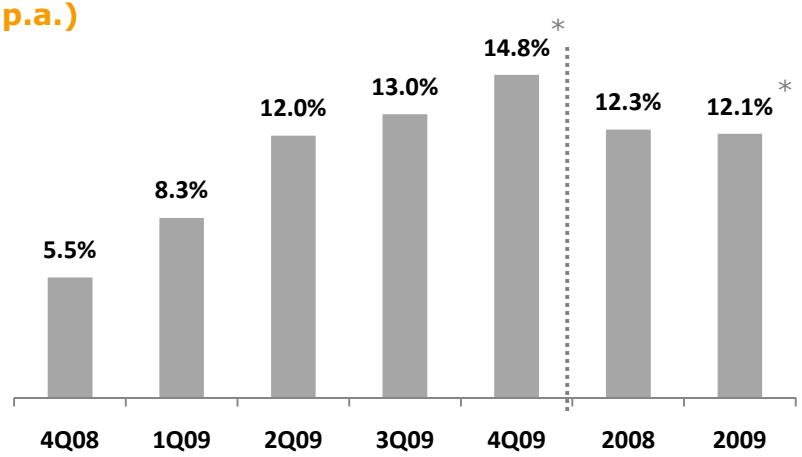


Profitability

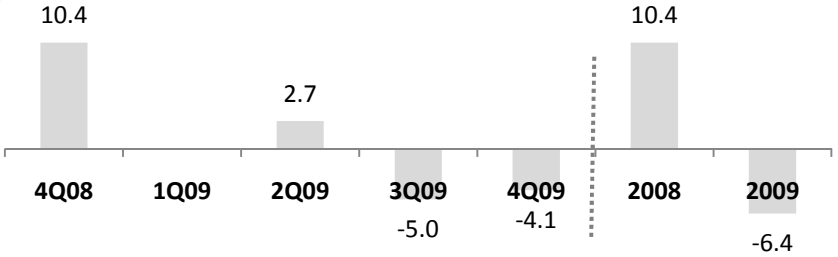
ADJUSTED NET INCOME
BRL million

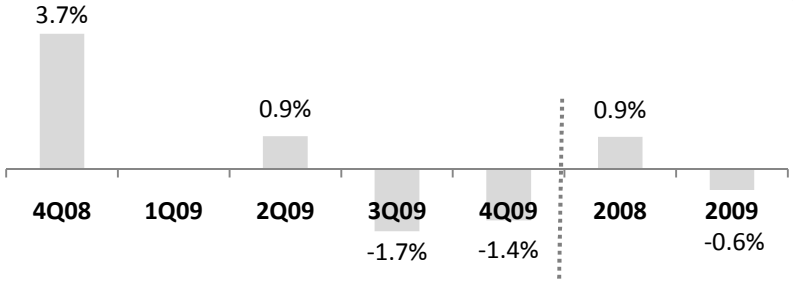


ADJUSTED ROAE
(p.a.)



•Excluding extraordinary effects of divestment of CETIP and joint to program for settlement of tax debits published by the Federal Government (REFIS)





Additional Provision expense net of taxes (above the minimum required by Brazilian Central Bank resolution nº 2,682)

Guidance 2009

Estimated x realized

	Estimated	Realized
Credit Portfolio	2% - 12%	31.2%
Corporate	0% - 10%	31.0%
Middle Market	30% - 40%	52.9%
Personnel and Administrative expenses	8% - 12%	14.8%

Guidance 2010

	% Growth
Credit Portfolio	2% - 12%
Corporate	0% - 10%
Middle Market	30% - 40%
Personnel and Administrative expenses	8% - 12%

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