Quarterly Information - ITR

Banco ABC Brasil S.A.

June 30, 2012

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Company Information / Capital Composition

Number of shares (Units)	Current quarter 06/30/2012
Paid-up capital	
Common	**67,822,120**
Preferred	**67,822,120**
Total	**135,644,240**
Treasury stock	
Common	**0**
Preferred	**1,782,601**
Total	**1,782,601**

Company Information / Cash Dividends

Event	Approval	Cash Dividends	Beginning of Payment	Type of Share	Class of Share	Amount per Share (Reais / Share)
Board of Directors' Meeting	06/29/2012	Interest on Equity	08/09/2012	Common		0.33000
Board of Directors' Meeting	06/29/2012	Interest on Equity	08/09/2012	Preferred	Preferred Class A	0.33000

A free translation from Portuguese into English of the Quarterly Financial Informatio (ITR) prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil 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 06/30/2012	Prior year 12/31/2011
1	Total assets	**12,901,714**	10,499,984
1.01	Current assets	**9,279,729**	7,226,247
1.01.01	Cash and banks	**13,153**	21,201
1.01.02	Interbank short-term investments	**1,582,778**	1,042,344
1.01.02.01	Money market investments	**890,388**	403,157
1.01.02.02	Interbank deposits	**432,641**	517,130
1.01.02.03	Foreign investments	**259,749**	122,057
1.01.03	Marketable securities	**1,233,410**	1,009,909
1.01.03.01	Own portfolio	**650,351**	775,165
1.01.03.03	Linked to guarantees given	**460,672**	140,568
1.01.03.04	Derivative financial instruments	**122,387**	94,176
1.01.04	Interbank accounts	**206,991**	106,550
1.01.04.01	Reserve requirements - Central Bank Deposits	**42,405**	52,965
1.01.04.02	Unsettled payments and receipts	**363**	0
1.01.04.03	Interbank onlendings	**164,223**	53,585
1.01.06	Loans	**4,791,008**	4,359,958
1.01.06.02	Private sector	**4,890,699**	4,436,128
1.01.06.03	Allowance for loan losses	**-99,691**	-76,170
1.01.08	Other credits	**1,413,825**	667,789
1.01.08.01	Foreign exchange portfolio	**1,070,647**	500,266
1.01.08.02	Income receivable	**6,264**	7,731
1.01.08.03	Trading and intermediation of securities	**99,508**	23,092
1.01.08.04	Credits for guarantees and sureties honored	**9,622**	881
1.01.08.05	Sundry	**254,795**	149,136
1.01.08.06	Allowance for losses on other credits	**-27,011**	-13,317
1.01.09	Other assets	**38,564**	18,496
1.01.09.01	Prepaid expenses	**1,396**	1,136
1.01.09.02	Other assets	**37,168**	17,360
1.02	Non-current assets	**3,467,300**	3,123,876
1.02.02	Marketable securities	**558,824**	298,682
1.02.02.01	Own portfolio	**345,040**	181,330
1.02.02.02	Linked to guarantees given	**40,953**	18,517
1.02.02.03	Derivative financial instruments	**172,831**	98,835
1.02.05	Loans	**2,814,394**	2,765,890
1.02.05.01	Public sector	**0**	940
1.02.05.02	Private sector	**2,857,370**	2,802,902
1.02.05.03	Allowance for losses on lending operations	**-42,976**	-37,952
1.02.07	Other credits	**89,924**	54,627
1.02.07.02	Income receivable	**1,154**	1,068
1.02.07.03	Securities trading and intermediation	**2,508**	93
1.02.07.04	Sundry	**90,417**	59,149
1.02.07.05	Allowance for losses on other credits	**-4,155**	-5,683
1.02.08	Other assets	**4,158**	4,677
1.02.08.01	Prepaid expenses	**2,722**	3,241
1.02.08.03	Temporary investments	**1,436**	1,436
1.03	Permanent assets	**154,685**	149,861
1.03.01	Investments	**134,328**	129,696
1.03.01.02	Investments in subsidiaries	**133,933**	129,302
1.03.01.04	Other investments	**395**	394
1.03.02	Fixed assets	**15,289**	15,044
1.03.02.01	Other fixed assets	**25,277**	23,327
1.03.02.02	Accumulated depreciation	**-9,988**	-8,283
1.03.04	Intangible assets	**4,770**	4,626
1.03.04.01	Intangible assets	**12,135**	11,057
1.03.04.02	Accumulated amortization	**-7,365**	-6,431
1.03.05	Deferred charges	**298**	495
1.03.05.01	Organization and expansion costs	**4,389**	4,390
1.03.05.02	Accumulated amortization	**-4,091**	-3,895

Individual financial statements / Balance sheet – Liabilities

(In thousands of reais)

Code	Description	Current quarter 06/30/2012	Prior year 12/31/2011
2	Total liabilities and equity	**12,901,714**	10,499,984
2.01	Current liabilities	**8,354,923**	6,546,252
2.01.01	Deposits	**3,242,655**	2,859,640
2.01.01.01	Demand deposits	**121,192**	189,496
2.01.01.02	Interbank deposits	**974,798**	675,247
2.01.01.03	Time deposits	**2,146,665**	1,994,897
2.01.03	Acceptance and issue of securities	**1,216,964**	861,220
2.01.03.02	Real estate, mortgage, credit and similar notes	**1,216,964**	861,220
2.01.04	Interbank accounts	**631**	0
2.01.05	Interbranch accounts	**28,492**	25,066
2.01.05.01	Third party funds in transit	**28,492**	25,066
2.01.06	Borrowings	**1,909,003**	1,415,125
2.01.06.02	Foreign borrowings	**1,909,003**	1,415,125
2.01.07	Onlendings in Brazil	**1,135,290**	912,364
2.01.07.01	BNDES	**821,123**	600,772
2.01.07.02	FINAME	**298,038**	267,027
2.01.07.03	Other agencies	**16,129**	44,565
2.01.09	Other liabilities	**821,888**	472,837
2.01.09.01	Foreign exchange portfolio	**411,312**	64,368
2.01.09.02	Derivative financial instruments	**91,372**	89,319
2.01.09.03	Social and statutory	**66,140**	28,820
2.01.09.04	Taxes and social security	**149,819**	219,327
2.01.09.05	Trading and intermediation of securities	**36,228**	715
2.01.09.06	Tax collection	**910**	3,140
2.01.09.07	Subordinated debts	**18,901**	10,094
2.01.09.08	Sundry	**47,206**	57,054
2.02	Non-current liabilities	**2,961,161**	2,432,280
2.02.01	Deposits	**435,494**	456,386
2.02.01.01	Time deposits	**246,988**	212,623
2.02.01.02	Interbank deposits	**188,506**	243,763
2.02.03	Acceptance and issue of securities	**657,190**	70,410
2.02.03.01	Real estate, mortgage, credit and similar notes	**657,190**	70,410
2.02.06	Borrowings	**6,133**	5,688
2.02.06.01	Foreign borrowings	**6,133**	5,688
2.02.07	Onlending in Brazil	**1,143,808**	1,269,129
2.02.07.01	BNDES	**378,076**	566,255
2.02.07.02	FINAME	**765,732**	701,224
2.02.07.03	Other agencies	**0**	1,650
2.02.09	Other liabilities	**718,536**	630,667
2.02.09.01	Derivative financial instruments	**7,904**	3,887
2.02.09.02	Social and statutory	**315**	0
2.02.09.03	Taxes and social security	**40,123**	25,192
2.02.09.04	Trading and intermediation of securities	**64**	0
2.02.09.05	Subordinated debts	**668,552**	600,170
2.02.09.06	Sundry	**1,578**	1,418
2.03	Deferred income	**19,859**	21,846
2.05	Equity	**1,565,771**	1,499,606
2.05.01	Capital	**1,004,400**	1,004,400
2.05.01.01	Brazilian residents	**441,936**	441,936
2.05.01.02	Foreign residents	**562,464**	562,464
2.05.02	Capital reserve	**671**	671
2.05.04	Income reserve	**498,209**	494,213
2.05.04.01	Legal	**68,978**	63,382
2.05.04.02	Statutory	**441,828**	441,828
2.05.04.02.01	Equalization of dividends	**386,828**	386,828
2.05.04.02.02	Repurchase of own company shares	**55,000**	55,000
2.05.04.07	Other income reserves	**-12,597**	-10,997
2.05.04.07.01	Treasury stock	**-12,597**	-10,997
2.05.05	Equity valuation adjustments	**645**	322
2.05.05.01	Securities adjustments	**645**	322
2.05.06	Retained earnings	**61,846**	0

Individual financial statements / Income statement

(In thousands of reais)

Code	Description	Current quarter 04/01/2012 to 06/30 /2012	YTD- Current year 01/01/2012 to 06/30/2012	Same prior year quarter 04/01/2011 to 06/30/2011	YTD – Prior year 01/01/2011 to 06/30/2011
3.01	Income from financial intermediation	**335,748**	**651,757**	269,744	520,405
3.01.01	Lending operations	**276,496**	**484,791**	199,703	402,990
3.01.02	Marketable securities	**69,870**	**138,520**	57,060	102,598
3.01.03	Gain (losses) on derivative financial instruments	**22,547**	**47,557**	-5,935	-8,339
3.01.04	Foreign exchange operations	**-35,430**	**-22,494**	18,916	23,156
3.01.05	Income from receivables acquired	**2,265**	**3,383**	0	0
3.02	Financial intermediation expenses	**-285,891**	**-481,719**	-135,801	-263,235
3.02.01	Funding expenses	**-201,001**	**-335,051**	-99,405	-178,485
3.02.02	Borrowings and onlendings	**-56,238**	**-94,288**	-34,693	-70,724
3.02.03	Allowance for loan losses	**-28,061**	**-52,291**	-1,703	-14,026
3.02.04	Allowance for loan losses- exchange rate variation on foreign exchange contracts	**-591**	**-89**	0	0
3.03	Gross profit from financial intermediation	**49,857**	**170,038**	133,943	257,170
3.04	Other operating expenses/income	**16,913**	**-10,494**	-25,576	-49,716
3.04.01	Income from services rendered	**32,108**	**61,441**	30,857	60,500
3.04.02	Personnel expenses	**-32,179**	**-63,196**	-27,301	-53,355
3.04.03	Other administrative expenses	**-19,665**	**-35,317**	-16,910	-32,226
3.04.04	Taxes	**-8,226**	**-18,208**	-10,373	-20,262
3.04.05	Other operating income	**44,122**	**43,286**	2,347	4,262
3.04.06	Other operating expenses	**-1,488**	**-3,138**	-6,815	-13,611
3.04.07	Equity pickup from subsidiaries	**2,241**	**4,638**	2,619	4,976
3.05	Operating income	**66,770**	**159,544**	108,367	207,454
3.06	Non-operating loss	**-3,818**	**-4,740**	-3,996	-4,380
3.06.02	Expenses	**-3,818**	**-4,740**	-3,996	-4,380
3.07	Income before taxes and profit sharing	**62,952**	**154,804**	104,371	203,074
3.08	Provision for income and social contribution taxes	**5,211**	**-19,740**	-27,391	-51,798
3.08.01	Provision for income tax	**-11,850**	**-34,702**	-19,305	-36,454
3.08.02	Provision for social contribution tax	**-7,164**	**-20,731**	-11,853	-22,140
3.08.03	Deferred tax credits	**24,225**	**35,693**	3,767	6,796
3.10	Profit sharing/statutory contributions	**-13,115**	**-23,140**	-16,755	-34,371
3.10.01	Profit sharing	**-13,115**	**-23,140**	-16,755	-34,371
3.13	Net income for the period	**55,048**	**111,924**	60,225	116,905
3.99	Earnings per share - (Reais)				

Individual financial statements / Statement of comprehensive income

(In thousands of reais)

Code	Description	Current quarter 04/01/2012 to 06/30/2012	YTD- current year 01/01/2012 to 06/30/2012	Same prior year quarter 04/01/2012 to 06/30/2012	YTD- Prior year 01/01/2011 to 06/30/2011
4.01	Net income for the period	**55,048**	**111,924**	60,224	116,905
4.02	Other comprehensive income (loss)	**-1,260**	**323**	-154	-244
4.03	Comprehensive income for the period	**53,788**	**112,247**	60,070	116,661

Individual financial statements / Cash flow statement - Indirect method

(In thousands of reais)

Code	Description	YTD – current year 01/01/2012 to 06/30/2012	YTD – prior year 01/01/2011 to 06/30/2011
6.01	Net cash generated (used) in operating activities	**-1,276,153**	207,541
6.01.01	Cash generated in operating activities	**164,765**	134,906
6.01.01.01	Net income for the period	**111,924**	116,905
6.01.01.02	Depreciation and amortization	**2,896**	2,408
6.01.01.03	Equity pickup from subsidiaries	**-4,638**	-4,976
6.01.01.04	Adjustment to market value - securities	**323**	-244
6.01.01.05	Provision for impairment of assets not for own use	**3,754**	4,289
6.01.01.08	Gain disposal of assets not for own use	**900**	92
6.01.01.09	Gain disposal of fixed assets in use and intangible assets	**86**	0
6.01.01.10	Allowance for loan losses	**52,380**	14,026
6.01.01.11	Provision for contingent liabilities	**-2,860**	2,406
6.01.02	Changes in assets and liabilities	**-1,440,918**	72,635
6.01.02.01	Interbank investments	**19,070**	91,723
6.01.02.02	Marketable securities and derivative financial instruments	**-477,573**	-103,272
6.01.02.03	Lending operations	**-531,933**	214,655
6.01.02.04	Other credits and assets	**-785,823**	-209,614
6.01.02.05	Interbank accounts –assets /liabilities	**-99,810**	6,836
6.01.02.06	Interbranch accounts	**3,426**	13,539
6.01.02.07	Other liabilities	**433,712**	59,714
6.01.02.08	Deferred income	**-1,987**	-946
6.02	Net cash from investing activities	**-22,884**	-2,787
6.02.01	Disposal of assets not for own use	**1,893**	385
6.02.04	Acquisition of assets not for own use	**-21,688**	-196
6.02.06	Acquisition of fixed assets and intangible assets	**-3,175**	-3,028
6.02.08	Disposal of fixed assets and intangible assets	**86**	52
6.03	Net cash from financing activities	**1,850,493**	240,377
6.03.01	Deposits	**362,123**	-44,896
6.03.02	Open market funding	**0**	185,003
6.03.03	Borrowings and onlendings	**591,928**	144,584
6.03.04	Securities acceptance and issuance	**942,524**	-3,979
6.03.06	Treasury shares	**-1,600**	0
6.03.07	Interest on equity	**-44,482**	-40,335
6.05	Increase (decrease) in cash and cash equivalents	**551,456**	445,131
6.05.01	Cash and cash equivalents at the beginning of the period	**652,002**	479,010
6.05.02	Cash and cash equivalents at the end of the period	**1,203,458**	924,141

Individual financial statements / Statement of changes in equity - 01/01/2012 to 06/30/2012

(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	**1,004,400**	**671**	**0**	**494,213**	**0**	**322**	**1,499,606**
5.03	Adjusted balance	**1,004,400**	**671**	**0**	**494,213**	**0**	**322**	**1,499,606**
5.04	Net income for the period	**0**	**0**	**0**	**0**	**111,924**	**0**	**111,924**
5.05	Allocations	**0**	**0**	**0**	**0**	**-44,482**	**0**	**-44,482**
5.05.02	Interest on equity	**0**	**0**	**0**	**0**	**-44,482**	**0**	**-44,482**
5.06	Realization of income reserve	**0**	**0**	**0**	**5,596**	**-5,596**	**0**	**0**
5.07	Equity valuation adjustments	**0**	**0**	**0**	**0**	**0**	**323**	**323**
5.07.01	Marketable securities adjustment	**0**	**0**	**0**	**0**	**0**	**323**	**323**
5.10	Treasury stock	**0**	**0**	**0**	**-1,600**	**0**	**0**	**-1,600**
5.13	Closing balance	**1,004,400**	**671**	**0**	**498,209**	**61,846**	**645**	**1,565,771**

Individual financial statements / Statement of changes in equity - 01/01/2011 to 06/30/2011

(In thousands of reais)

Code	Description	Capital	Capital reserve	Revaluation reserve	Income reserve	Retained earnings/ accumulated losses	Equity valuation adjustments	Total equity
5.01	Opening balance	1,004,400	671	0	342,870	0	-23	1,347,918
5.03	Adjusted balance	1,004,400	671	0	342,870	0	-23	1,347,918
5.04	Net income for the year	0	0	0	0	116,905	0	116,905
5.05	Allocations	0	0	0	0	-40,335	0	-40,335
5.05.02	Interest on equity	0	0	0	0	-40,335	0	-40,335
5.06	Realization of income reserve	0	0	0	5,845	-5,845	0	0
5.07	Equity valuation adjustments	0	0	0	0	0	-244	-244
5.07.01	Marketable securities adjustment	0	0	0	0	0	-244	-244
5.13	Closing balance	1,004,400	671	0	348,715	70,725	-267	1,424,244

Individual financial statements / Statement of value added

(In thousands of reais)

Code	Description	YTD- current year 01/01/2012 to 06/30/2012	YTD- prior year 01/01/2011 to 06/30/2011
7.01	Revenues	**704,104**	571,141
7.01.01	Financial intermediation	**651,757**	520,405
7.01.02	Income from services rendered	**61,441**	60,500
7.01.03	Set up/ reversal of allowance for loan losses	**-52,380**	-14,026
7.01.04	Other	**43,286**	4,262
7.02	Financial intermediation expenses	**-429,339**	-249,209
7.03	Assets acquired from third parties	**-35,955**	-43,954
7.03.04	Other	**-35,955**	-43,954
7.03.04.01	Data processing and telecommunications	**-5,145**	-4,225
7.03.04.02	Financial system services	**-6,449**	-5,336
7.03.04.10	Third party services	**-2,446**	-2,539
7.03.04.11	Specialized technical services	**-3,402**	-4,937
7.03.04.12	Travel expenses	**-1,875**	-1,577
7.03.04.13	Promotions and public relations	**-1,411**	-2,059
7.03.04.14	Other operating expenses	**-3,138**	-13,611
7.03.04.15	Non-operating loss	**-4,740**	-4,380
7.03.04.16	Other administrative expenses	**-7,349**	-5,290
7.04	Gross value added	**238,810**	277,978
7.05	Retentions	**-2,896**	-2,408
7.05.01	Depreciation, amortization and depletion	**-2,896**	-2,408
7.06	Net produced value added	**235,914**	275,570
7.07	Value added received in transfer	**4,638**	4,976
7.07.01	Equity pick-up from subsidiaries	**4,638**	4,976
7.08	Total distributable value added	**240,552**	280,546
7.09	Value added distribution	**240,552**	280,546
7.09.01	Personnel	**75,953**	79,638
7.09.01.01	Direct compensation	**39,057**	35,265
7.09.01.02	Benefits	**9,316**	6,753
7.09.01.03	Unemployment compensation fund (F.G.T.S.)	**3,188**	2,730
7.09.01.04	Other	**24,392**	34,890
7.09.01.04.01	Profit sharing	**23,140**	34,371
7.09.01.04.03	Training	**1,252**	519
7.09.02	Taxes, charges and contributions	**48,331**	80,148
7.09.02.01	Federal	**46,512**	78,319
7.09.02.02	State	**425**	71
7.09.02.03	Municipal	**1,394**	1,758
7.09.03	Third party capital remuneration	**4,344**	3,855
7.09.03.01	Rents	**4,344**	3,855
7.09.04	Own capital remuneration	**111,924**	116,905
7.09.04.01	Interest on equity	**44,482**	40,335
7.09.04.03	Retained earnings	**67,442**	76,570

Performance on the second quarter of 2012

We submit to your consideration the individual and consolidated accounting information of Banco ABC BRASIL S.A. for the six-month period ended June 30, 2012.

Banco ABC BRASIL S.A.

Banco ABC Brasil S.A. is a multiple bank with expertise in granting credit and performing services for medium and large-sized enterprises. It has the most diversified client portfolio among mid to large sized Banks. The bank also has a varied product portfolio, fast decision making, and deep expertise in credit analysis, which allow us to obtain results consistent with the loss ratios notably low. We are one of the few Brazilian medium banks with an international control and local autonomy.

Since the beginning of its activities, in 1989, Banco ABC Brasil S.A. constructed a solid client base, providing to our customers with financial products of higher value added and oriented to their specific needs. Therefore the Bank is able to compete, with expressive advantages, in the market where operates.

The operating and financial support of our controlling shareholder, Arab Banking Corporation, jointly with our knowledge of the Brazilian market, guarantee us the highest risk classification among public medium banks granted by Standard & Poor´s Ratings Services, equal to “Aa1.br” on a national level and “Baa.3” on a global scale, and by Fitch Ratings Inc. equal to “AA-” on a national level and “BB+” on a global scale.

Banco ABC BRASIL S.A. is listed in the Level 2 of Corporate Governance of São Paulo Stock Exchange (Bovespa).

Shareholding Structure

The shareholding structure as of June 30, 2012 was as follows: ABC (BSC): 57.3%; Market: 33.5%; Management and Board of Directors and Associates: 7.9% and Treasury in stock: 1.30%.

Business Profitability

Banco ABC BRASIL S.A. presented net profit of R$ 55.1 million in the 2Q12 (R$ 56.9 million in the 1Q12 and R$ 60.2 million in the 2Q11), representing annualized profitability on average equity for the period of 14.2% (15.0% in the 1Q12 and 17.2% in the 2Q11). The decrease in the Bank's net income in relation to prior quarter is mainly due expenses with the allowance for loan losses.

The shareholders received, as Interest on Own Capital, the total gross amount of R$ 44,2 million, which represents a gross amount of R$ 0.33 for each common share and each preferred share, in compliance with legal provisions inherent to tax withholding, with interest inherent first six-month period of 2012.

Credit Portfolio

The Credit portfolio including collaterals amounted to R$ 14,402.1 million at the end of the second quarter of 2012 (R$ 13,357.2 million at the end of 1Q12 and R$ 12,234.8 million for 2Q11). At the end of the quarter, the credit portfolio rate ranged from AA to C in relation to the total credit portfolio of 97.5% (97.3% for in the 1Q12 and 98.1% for in the 2Q12). The balance of the allowance for doubtful accounts accounted for 2.00% of total portfolio at the end of the 2Q12 (2.0% at the end of 1Q12 and 1.7% at the end of 2Q11).

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 Terco 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

Banco ABC BRASIL S.A. does not have, in its financial statements (individual and consolidated), securities classified as “held to maturity”, in accordance with Circular No. 3068 of November 8, 2001 of the Central Bank of Brazil.

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

Banco 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 impact the institution will be identified and continuously managed in accordance with the risk management procedures. Accordingly, Banco ABC Brasil S.A. maintains specific structures to meet Resolutions Nos. 3380. 3464, and 3721 of the Central Bank of Brazil, which govern operating, market, and credit risk management activities, respectively.

All areas and associates are liable for Corporate Risk Management, which must perform their activities as good as they can and timely identify control risks, failures, and deficiencies to areas to be able to solve them. It is performed therefore, in a centralized manner by the Vice-President for Credit and Risk Management and in the Audit department.

The governance structure of the Bank is based on the regulation of the São Paulo Stock Exchange. Brazilian SEC (CVM), and Central Bank of Brazil, having authorities such as the Board of Directors. Audit Committee, and Supervisory Board, in addition to internal colleges, such as the Board Risk Committee. College of Directors, and other operating committees.

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 structure, providing independence and resources for the good operation thereof. Accordingly, it is supported by authorities and committees created for such purpose.
The Executive Board is liable for defining the Board of Directors and managing the activities of the institution.

Risk management ---(Continued)

2) Operating risk

The Bank acknowledges that Operating Risk is a specific category and should be managed as such. It should cover the institution as a whole and involve all of its people, including third-party services and considering its processes, activities, Systems, products and physical structure. Operating risk management also includes legal risks with the support of the Legal Department.

Operating risk management is organized in three defense lines: 1) managers of several functions; 2) Risk Management Function and Operating Risk Committee and 3) auditing whether internal or external. These final examples monitor operational, business or support areas as well as control and risk management.

Management is based on ongoing identification, assessment, monitoring, control and mitigation of risks through specific tools. Effectiveness of actions is reinforced by timely communication to management, involvement of people, and the efforts to spread a risk management culture.

3) Market and liquidity risks

Market and liquidity risks are managed by management, through internal information and tools operated by the Risk Management Function, which centralizes control activities, and monitors portfolio exposures, as well as current and future acceptable liquidity levels.

Treasury executes decisions made by the Financial Committee and manages proprietary positions within limits determined for its performance, and also manages fund raising and investments, as well as inflow and outflow mismatches. The Financial Committee formally discusses such exposures in its weekly meetings and designs a strategy for the subsequent period.

The Risk Management Function provides management, treasury, financial committee members and controlling shareholder with daily information, and prepares specific reports for the Board of Directors and the Audit Committee. In addition, it has to disclose the Bank's risk appetite to the functions involved in liquidity and market risk management and in new product or activity design.

4) Credit risk

Because the Bank operates with large and medium-sized legal entities, it decided to create two independent structures to analyze and grant loans, so as to become more efficient and accurate in analyzing, setting limits and defining guarantees required.

The Credit Committee is in charge of approving credit lines for customers in general and the financial industry, respectively, up to the limits under their jurisdictions. Amounts over such jurisdiction are the sole responsibility of the Board of Director's Risk Committee.

Management is the responsibility of the Credit Functions – Corporate and Middle-Market – as far as individual lines to customers and economic groups are concerned. They rely on the support provided by the operational areas to ensure that risks are within established limits and that guarantees are within the required coverage and quality levels.

Risk management ---(Continued)

4) Credit Risk--- (Continued)

The Risk Management Function monitors credit from a portfolio perspective, monitors concentrations, and assesses adverse scenario impacts. Reports generated are regularly submitted to the Board of Director's Risk Committee, the Audit Committee and Executive Officers.

5) Capital management

The capital management structure based on the annual business plan covers the Bank from its involved in preparing the plan and the budget process (commercial areas, financial, administrative and controls) to the senior management involved in the analysis and final approval of the plan and regular monitoring of its evolution.

Capital management is coordinated by the Financial Control and Planning Department, responsible for the annual business plan, the institution's budget and for monitoring of the business's growth in relation to income recorded, together with the Controllership Department. It is the responsibility of the Risk Management and Control Department to assess and monitor the risks identified through the projections and data of the institution.

6) Compliance risk

The Compliance Function is in charge of examining compliance with internal Standards and the requirements of legislators and regulators in addition to ensuring the sound operation of the internal controls system. In addition, it assesses and monitors the Bank's exposure to money laundry practices, and supports Business Functions, which should document and evidence the knowledge they have of customers.

Sao Paulo, July 30, 2012.

The management

Notes to the financial statements

Based on National Monetary Council Resolution No. 3853/10 and BACEN Circular Letter No. 3447/10, 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 Brazilian FASB (CPC) pronouncements 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 Review Report of Independent Auditors on financial statements prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized by Brazilian Central Bank and presented according with the standards issued by the Brazilian Securities Exchange Commission – CVM and Brazilian Central Bank

Banco ABC Brasil S.A.

Consolidated balance sheets
June 30, 2012 and December 31, 2011
(In thousands of reais)

	Notes	06/30/2012	12/31/2011
Assets			
Current assets		**9,360,830**	7,291,202
Cash and banks		**13,153**	21,201
Interbank investments	4	**1,582,778**	1,042,344
Money market investments		**890,388**	403,157
Interbank deposits		**432,641**	517,130
Foreign investments		**259,749**	122,057
Marketable securities and derivative instruments	5	**1,305,676**	1,065,193
Own portfolio		**722,617**	830,449
Linked to guarantees given		**460,672**	140,568
Derivative financial instruments		**122,387**	94,176
Interbank accounts	6	**206,991**	106,550
Unsettled payments and receipts		**363**	-
Interbank onlendings		**164,223**	53,585
Reserve requirements - Central Bank Deposits		**42,405**	52,965
Lending operations		**4,791,008**	4,359,958
Loans - private sector	7	**4,890,699**	4,436,128
Allowance for loan losses	8	**(99,691)**	(76,170)
Other credits		**1,422,660**	677,460
Credits for sureties and guarantees honored		**9,622**	881
Foreign exchange portfolio	9.a	**1,070,647**	500,266
Income receivable		**6,264**	7,731
Trading and intermediation of securities	9.b	**99,508**	23,092
Sundry	9.c	**263,630**	158,807
Allowance for losses on other credits	8	**(27,011)**	(13,317)
Other assets		**38,564**	18,496
Other assets		**37,168**	17,360
Prepaid expenses		**1,396**	1,136
Non-current assets		**3,528,175**	3,199,036
Marketable securities and derivative instruments	5	**619,667**	373,842
Own portfolio		**405,883**	256,490
Linked to guarantees given		**40,953**	18,517
Derivative financial instruments		**172,831**	98,835
Lending operations		**2,814,394**	2,765,890
Loans - public sector	7	**-**	940
Loans - private sector	7	**2,857,370**	2,802,902
Allowance for loan losses	8	**(42,976)**	(37,952)
Other credits		**89,956**	54,627
Income receivable		**1,154**	1,068
Trading and intermediation of securities	9.b	**2,508**	93
Sundry	9.c	**90,449**	59,149
Allowance for losses on other credits	8	**(4,155)**	(5,683)
Other assets		**4,158**	4,677
Temporary investments		**1,436**	1,436
Prepaid expenses		**2,722**	3,241
Permanent assets		**20,769**	20,577
Investments		**412**	412
Other investments		**412**	412
Fixed assets	11	**15,289**	15,044
Other fixed assets		**25,277**	23,327
Accumulated depreciation		**(9,988)**	(8,283)
Deferred charges	11	**298**	495
Organization and expansion costs		**4,389**	4,390
Accumulated amortization		**(4,091)**	(3,895)
Intangible assets	11	**4,770**	4,626
Intangible assets		**12,135**	11,057
Accumulated amortization		**(7,365)**	(6,431)
Total assets		**12,909,774**	10,510,815

	Notes	06/30/2012	12/31/2011
Liabilities and equity			
Current liabilities		**8,362,983**	6,557,083
Deposits	12	**3,242,461**	2,859,373
Demand deposits		**120,998**	189,229
Interbank deposits		**974,798**	675,247
Time deposits		**2,146,665**	1,994,897
Funds from acceptance and issue of securities	13	**1,216,964**	861,220
Real estate, mortgage, credit and similar notes		**1,216,964**	861,220
Interbank accounts		**631**	-
Unsettled receipts and payments		**631**	-
Interbranch accounts		**28,492**	25,066
Third-party funds in transit		**28,492**	25,066
Borrowings	14	**1,909,003**	1,415,125
Foreign borrowings		**1,909,003**	1,415,125
Onlendings in Brazil – government agencies	14	**1,135,290**	912,364
BNDES		**821,123**	600,772
FINAME		**298,038**	267,027
Other institutions		**16,129**	44,565
Derivative financial instruments	5	**91,372**	89,319
Derivative financial instruments		**91,372**	89,319
Other liabilities		**738,770**	394,616
Collection of taxes		**910**	3,140
Foreign exchange portfolio	15.a	**411,312**	64,368
Social and statutory		**66,140**	28,820
Taxes and social security	15.b	**158,047**	230,393
Trading and intermediation of securities		**36,228**	715
Subordinated debts	15.c	**18,901**	10,094
Sundry	15.d	**47,232**	57,086
Non-current liabilities		**2,961,161**	2,432,280
Deposits	12	**435,494**	456,386
Interbank deposits		**188,506**	243,763
Time deposits		**246,988**	212,623
Funds from acceptance and issue of securities	13	**657,190**	70,410
Real estate, mortgage, credit and similar notes		**657,190**	70,410
Borrowings	14	**6,133**	5,688
Foreign borrowings		**6,133**	5,688
Onlendings in Brazil – government agencies	14	**1,143,808**	1,269,129
BNDES		**378,076**	566,255
FINAME		**765,732**	701,224
Other institutions		**-**	1,650
Derivative financial instruments	5	**7,904**	3,887
Derivative financial instruments		**7,904**	3,887
Other liabilities		**710,632**	626,780
Social and statutory		**315**	-
Taxes and social security	15.b	**40,123**	25,192
Trading and intermediation of securities		**64**	-
Subordinated debts	15.c	**668,552**	600,170
Sundry	15.d	**1,578**	1,418
Deferred income		**19,859**	21,846
Deferred income		**19,859**	21,846
Equity	25	**1,565,771**	1,499,606
Capital:		**1,004,400**	1,004,400
Brazilian residents		**441,936**	441,936
Foreign residents		**562,464**	562,464
Capital reserve		**671**	671
Income reserve		**510,806**	505,210
Equity valuation adjustments		**645**	322
Treasury stock		**(12,597)**	(10,997)
Retained earnings		**61,846**	-
Total liabilities and equity		**12,909,774**	10,510,815

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated income statements
Quarters ended June 30, 2012 and 2011
(In thousands of reais, except earnings per share)

	Notes	Current quarter 04/01/2012 to 06/30/2012	YTD- current year 01/01/2012 to 06/30/2012	Same prior year quarter 04/01/2011 to 06/30/2011	YTD- prior year 01/01/2011 to 06/30/2011
Income from financial intermediation		**339,313**	**659,259**	274,062	528,704
Lending operations		**276,496**	**484,791**	199,703	402,990
Marketable securities		**73,435**	**146,022**	61,378	110,897
Gain (losses) on derivative financial instruments	**5.b**	**22,547**	**47,557**	(5,935)	(8,339)
Foreign exchange operations		**(35,430)**	**(22,494)**	18,916	23,156
Gain on financial assets sale or transfer		**2,265**	**3,383**	-	-
Expenses from financial intermediation		**(285,891)**	**(481,719)**	(135,869)	(263,359)
Funding expenses		**(201,001)**	**(335,051)**	(99,045)	(178,485)
Borrowings and onlendings		**(56,238)**	**(94,288)**	(37,761)	(70,848)
Allowance for loan losses	**8**	**(28,061)**	**(52,291)**	(1,703)	(14,026)
Allowance for loan losses – Exchange rate variation on credit assignment operations		**(591)**	**(89)**	-	-
Gross income from financial intermediation		**53,422**	**177,540**	138,193	265,345
Other operating income (expenses)		**14,626**	**(15,338)**	(28,307)	(55,022)
Income from services rendered	**16**	**32,108**	**61,441**	30,857	60,500
Personnel expenses		**(32,223)**	**(63,313)**	(27,360)	(53,515)
Other administrative expenses	**17**	**(19,624)**	**(35,300)**	(16,936)	(32,293)
Taxes		**(8,332)**	**(18,433)**	(10,500)	(20,519)
Other operating income	**18**	**44,185**	**43,405**	2,446	4,435
Other operating expenses	**19**	**(1,488)**	**(3,138)**	(6,814)	(13,610)
Operating income		**68,048**	**162,202**	109,886	210,343
Non-operating loss		**(3,818)**	**(4,740)**	(3,996)	(4,380)
Income before taxes and profit sharing		**64,230**	**157,462**	105,890	205,963
Income and social contribution taxes	**20**	**3,933**	**(22,398)**	(28,911)	(54,687)
Provision for income tax		**(12,715)**	**(36,499)**	(20,327)	(38,370)
Provision for social contribution tax		**(7,577)**	**(21,592)**	(12,351)	(23,079)
Deferred tax credits		**24,225**	**35,693**	3,767	6,762
Variable compensation		**(13,115)**	**(23,140)**	(16,755)	(34,371)
Net income for the quarter		**55,048**	**111,924**	60,224	116,905
Net earnings per outstanding share – in R$ - 133,861,639 shares (134,451,439 in 2011)		**0,41076**	**0,83517**	0,44793	0,86950

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated statements of comprehensive income
Quarters ended June 30, 2012 and 2011
(In thousands of reais)

	Current quarter 04/01/2012 to 06/30/2012	YTD-current year 01/01/2012 to 06/30/2012	Same prior year quarter 04/01/2011 to 06/30/2011	YTD – prior year 01/01/2011 to 06/30/2011
Net income for the period	**55,048**	111,924	**60,224**	116,905
Other comprehensive income (losses)	**(1,260)**	323	**(154)**	(244)
Comprehensive income for the period	**53,788**	112,247	**60,070**	116,661

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated statements of changes in equity
Quarters ended June 30, 2012 and 2011.
(In thousands of reais)

			Income reserves						
	Capital	Capital reserve	Legal reserve	Dividend equalization	Share buyback	Equity valuation adjustments	Retained earnings	Treasury stock	Total
Balances at December 31, 2010	1,004,400	671	51,580	228,148	70,000	(23)	-	(6,858)	1,347,918
Adjustment to market value – securities and derivatives	-	-	-	-	-	(244)	-	-	(244)
Net income for the six-month period	-	-	-	-	-	-	116,905	-	116,905
Interest on equity	-	-	-	-	-	-	(40,335)	-	(40,335)
Allocation – Legal reserve	-	-	5,845	-	-	-	(5,845)	-	(5,845)
Establishment of reserves	-	-	-	15,000	(15,000)	-	-	-	-
Balances at June 30, 2011	1,004,400	671	57,425	243,148	55,000	(267)	70,725	(6,858)	1,424,244
Balances at December 31, 2011	**1,004,400**	**671**	**63,382**	**386,828**	**55,000**	**322**	**-**	**(10,997)**	**1,499,606**
Adjustment to market value – securities and derivatives	**-**	**-**	**-**	**-**	**-**	**323**	**-**	**-**	**323**
Acquisition of treasury shares								**(1,600)**	**(1,600)**
Net income for the six-month period	**-**	**-**	**-**	**-**	**-**	**-**	**111,924**	**-**	**111,924**
Interest on equity	**-**	**-**	**-**	**-**	**-**	**-**	**(44,482)**	**-**	**(44,482)**
Allocation – legal reserve	**-**	**-**	**5,596**	**-**	**-**	**-**	**(5,596)**	**-**	**-**
Balances at June 30, 2012	**1,004,400**	**671**	**68,978**	**386,828**	**55,000**	**645**	**61,846**	**(12,597)**	**1,565,771**

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated cash flow statements – indirect method
Quarters ended June 30, 2012 and 2011
(In thousands of reais)

	YTD- current year 01/01/2012 to 06/30/2012	YTD- prior year 01/01/2011 to 06/30/2011
Operating activities		
Adjusted net income of the quarter	**169,403**	139,835
Net income for the quarter	**111,924**	116,905
Adjustment to net income:	**57,479**	22,930
Depreciation and amortization	**2,896**	2,453
Gain on disposal of assets not of own use	**900**	-
Gain on disposal of fixed assets in use and intangible assets	**86**	-
Provision for impairment of assets not in use	**3,754**	4,289
Allowance for loan losses	**52,380**	14,026
Provision for contingent liabilities	**(2,860)**	2,406
Adjustment to market value – securities and derivatives	**323**	(244)
Changes in assets and liabilities	**(1,445,629)**	67,722
(Increase) in interbank investments	**19,070**	91,723
(Increase) decrease in marketable securities and derivative financial instruments (assets /liabilities)	**(480,238)**	(107,618)
(Increase) decrease in lending operations	**(531,934)**	214,655
(Increase) in other credits and assets	**(785,023)**	(210,405)
(Increase) decrease in interbank accounts (assets/liabilities)	**(99,810)**	6,836
Decrease in interbranch accounts	**3,426**	13,539
Decrease (increase) in other liabilities	**430,866**	59,938
Increase in deferred income	**(1,987)**	(946)
Cash flow used in operating activities	**(1,276,226)**	207,557
Investing activities		
Acquisition of fixed assets in use and intangible assets	**(3,175)**	(3,028)
Acquisition of assets not for own use	**(21,688)**	(196)
Disposal of fixed assets in use and intangible assets	**86**	52
Disposal of assets not for own use	**1,893**	385
Cash flow used in investing activities	**(22,884)**	(2,787)
Financing activities		
Increase in deposits	**362,196**	(44,912)
Increase in open market funding	**-**	185,003
(Decrease) increase in borrowings and onlending	**591,938**	144,584
(Decrease) increase in acceptance and issue of securities	**942,524**	(3,979)
Treasury shares	**(1,600)**	-
Interest on equity	**(44,482)**	(40,335)
Cash flow from financing activities	**1,850,566**	240,361
Increase in cash and cash equivalents	**551,456**	445,131
Cash and cash equivalents		
At the beginning of the quarter	**652,002**	479,010
At the end of the quarter	**1,203,458**	924,141
	551,456	445,131

See accompanying notes.

Banco ABC Brasil S.A.

Consolidated statements of value added
Quarters ended June 30, 2012 and 2011.
(In thousands of reais)

	Notas	YTD- current year 01/01/2012 to 06/30/2012	YTD- prior year 01/01/2011 to 06/30/2011
Determination of value added			
Income		**711,726**	579,613
Income from financial intermediation		**659,260**	528,704
Income from services rendered	**16**	**61,441**	60,500
Set-up of allowance for loan losses		**(52,380)**	(14,026)
Other operating income	**18**	**43,405**	4,435
Expenses from financial intermediation		**(429,339)**	(249,333)
Assets acquired from third parties		**(35,940)**	(43,975)
Data processing and telecommunications	**17**	**(5,176)**	(4,252)
Services provided by third parties	**17**	**(2,296)**	(2,419)
Financial services	**17**	**(6,455)**	(5,342)
Specialized technical services	**17**	**(3,425)**	(4,962)
Travel expenses	**17**	**(1,875)**	(1,577)
Promotions and public relations	**17**	**(1,411)**	(2,059)
Other operating expenses	**17**	**(3,138)**	(13,610)
Non-operating expenses		**(4,740)**	(4,380)
Other administrative expenses	**17**	**(7,424)**	(5,374)
Retentions		**(2,896)**	(2,453)
Depreciation and amortization	**17**	**(2,896)**	(2,453)
Net value added		**243,551**	283,852
Total value added to be distributed		**243,551**	283,852
Distribution of value added		**243,551**	283,852
Salaries and social charges		**76,052**	79,770
Direct remuneration		**39,133**	35,378
Benefits		**9,334**	6,767
Social charges – FGTS		**3,193**	2,735
Training		**1,252**	519
Profit sharing		**23,140**	34,371
Taxes, charges and compulsory contributions		**51,231**	83,322
Federal		**49,409**	81,490
State		**425**	72
Municipal		**1,397**	1,760
Compensation of third party capital		**4,344**	3,855
Rent	**17**	**4,344**	3,855
Compensation of shareholders		**111,924**	116,905
Interest on equity		**44,482**	40,335
Retained earnings		**67,442**	76,570

See accompanying notes.

Notes to quarterly information

1. Operations

The Bank is a publically traded corporation and a subsidiary of The Arab Bank 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 finance portfolios.

The Bank's operations are conducted through branches in Brazil and abroad through an overseas branch located in Georgetown, Grand Cayman Islands (Note 22).

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

I Presentation of financial statements 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. 6404/76 with amendments introduced by Law No. 11638/07 and 11941/09, 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 June 30, 20112, 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. 3566/08 – Impairment of Assets;
Resolution No. 3604/08 – Cash Flow Statement;
Resolution No. 3750/09 – Related Party Disclosure;
Resolution No. 3823/09 – Provisions, Contingent Liabilities and Contingent Assets;
Resolution No. 3973/11 – Subsequent Events;
Resolution No. 3989/11 – Share-based Payments; and
Resolution No. 4007/11 – Accounting Policies, Change in Estimates and Correction of Errors.

The preparation of the financial statements (individual and consolidated) in accordance with accounting practices adopted in Brazil, applicable to entities 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

2. Financial statements presentation, consolidation criteria and summary of significant accounting practices (Continued)

II Significant accounting practices

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, 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.

Notes to quarterly information

2. Financial statements presentation, consolidation criteria and summary of significant accounting practices (Continued)

II Significant accounting practices (Continued)

a) *Asset valuation criteria* (Continued)

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. 2682.

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.

Deferred charges are stated at cost less accumulated amortization computed under the straight line method.

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. 3604/08 include cash, bank deposits, short-term highly liquid investments, with insignificant risks of changes of value, with maturity equal to or less than 90 days.

c) *Liability valuation criteria*

Obligations, charges and risks known or measurable, 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.

Notes to quarterly information

2. Financial statements presentation, consolidation criteria and summary of significant accounting practices --- (Continued)

II Significant accounting practices --- (Continued)

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 period. 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 and 15.c 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).

e) *Classification of current and non-current 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 at inflation indices or official exchange rates applicable to current and noncurrent assets and liabilities, are recognized on the 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.

Notes to quarterly information

2. Financial statements presentation, consolidation criteria and summary of significant accounting practices --- (Continued)

II Significant accounting practices --- (Continued)

f) *Recognition of revenues and expenses--- (Continued)*

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 and 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 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 recoverable amount of an asset, or its cash-generating unit, is less than its carrying 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. Social contribution tax is calculated on net income adjusted as allowed by ruling legislation at 15%. Deferred tax on income and social contribution tax losses and temporarily nondeductible expenses were computed using the aforementioned tax rates for income tax and social contribution tax.

In accordance with Law No. 11941/09, the changes in the criteria of revenue recognition, costs and expenses used in the determination of net income for the year, introduced by Law No. 11638/07 and by articles 36 and 37 of the aforementioned Law No. 11941/09, will not have effects on the determination of the taxable income of the legal entities who choose the Transition Tax Regime (RTT) and should be considered, for tax purposes, the accounting policies and criteria effective for the year ended December 31, 2007 (Note 20).

Notes to quarterly information

3. Cash and cash equivalents

Cash and cash equivalents are stated as follows:

	Bank and Consolidated	
	June 2012	**June 2011**
Cash and cash equivalents	**13,153**	15,306
Short-term investments	**1,190,305**	908,835
Foreign investments	**259,749**	198,414
Other investments maturing within ninety days	**930,556**	740,421
Total cash and cash equivalents	**1,203,458**	924,141

4. Interbank investments

Money market investments (backed by government securities) and foreign investments have one-day maturities. Interbank deposits mature up to May 2013.

5. Marketable securities and derivative financial instruments

a) Marketable securities

The classification of marketable securities at June 30, 2012 and December 31, 2011 is as follows:

	June 2012				December 2011	
	Bank		Consolidated		Bank	Consolidated
	Cost	**Market**	**Cost**	**Market**	**Market**	**Market**
Trading securities						
Financial treasury bills	**-**	**-**	**-**	**-**	24,159	24,159
Eurobonus	**32,336**	**32,793**	**32,336**	**32,793**	21,001	21,001
National Treasury Notes - "NTN - B"	**21,276**	**21,383**	**21,276**	**21,383**	-	-
National Treasury Notes - "NTN - A"	**50,674**	**54,918**	**50,674**	**54,918**	47,489	47,489
Publicly-held company shares	**1,746**	**1,737**	**1,746**	**1,737**	66	66
Debentures	**20,545**	**20,542**	**20,545**	**20,542**	-	-
Subtotal – Trading securities	**126,577**	**131,373**	**126,577**	**131,373**	92,715	92,715
Securities available for sale						
Financial treasury bills	**722,717**	**723,108**	**738,403**	**738,804**	666,653	710,172
Eurobonus	**9,692**	**9,732**	**9,692**	**9,732**	8,595	8,595
National Treasury Notes - "NTN - B"	**40,587**	**40,613**	**40,587**	**40,613**	38,402	38,402
Bank deposit certificates	**25,733**	**25,841**	**143,146**	**143,254**	24,577	111,502
Debentures	**387,111**	**386,708**	**387,111**	**386,708**	209,696	209,696
Promissory notes	**10,602**	**10,631**	**10,602**	**10,631**	74,942	74,942
Rural Product bills	**75,221**	**75,561**	**75,221**	**75,561**	-	-
Foreign government bonds	**92,916**	**93,449**	**92,916**	**93,449**	-	-
Subtotal – Securities available for sale	**1,364,579**	**1,365,643**	**1,497,678**	**1,498,752**	1,022,865	1,153,309
Total	**1,491,156**	**1,497,016**	**1,624,255**	**1,630,125**	1,115,580	1,246,024

At June 30, 2012, unrealized results on securities classified as available for sale totaled a net gain of R$ 1,074 (R$ 537 net gain at December 31, 2011), which is recorded in equity under the heading "Equity valuation adjustments" net of tax effects, amounting to R$ 645 (R$ 322 at December 31, 2011).

Notes to quarterly information

5. Marketable securities and derivative financial instruments --- (Continued)

a) Marketable securities ---(Continued)

The Bank's portfolios at June 30, 2012, classified by maturity or effective possibility of settlement, are as follows:

	Bank						
	June 2012						
	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							
Eurobonus	-	-	6,205	-	-	26,588	32,793
National Treasury Notes - "NTN - B"	-	-	-	10,929	10,454	-	21,383
National Treasury Notes - "NTN - A"	-	-	-	-	-	54,918	54,918
Publicly-held company shares	1,737	-	-	-	-	-	1,737
Debentures	-	-	-	-	20,542	-	20,542
Subtotal – Trading securities	1,737	-	6,205	10,929	30,996	81,506	131,373
Securities available for sale							
Financial treasury bills	-	118,235	-	51,746	553,127	-	723,108
Eurobonus	-	-	-	7,214	-	2,518	9,732
National Treasury Notes - "NTN - B"	-	-	-	22,304	-	18,309	40,613
Bank deposit certificates	6,397	-	-	19,444	-	-	25,841
Debentures	16,628	-	21,526	6,032	216,608	125,914	386,708
Promissory notes	-	-	10,631	-	-	-	10,631
Rural product bills	4,688	9,535	20,384	-	30,655	10,299	75,561
Foreign government bonds	-	-	93,449	-	-	-	93,449
Subtotal – Securities available for sale	27,713	127,770	145,990	106,740	800,390	157,040	1,365,643
Total – June 2012	29,450	127,770	152,195	117,670	831,385	238,546	1,497,016
Total – December 2011	66	29,285	65,766	152,165	777,156	91,142	1,115,580

	Consolidated						
	June 2012						
	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							
Eurobonus	-	-	6,205	-	-	26,588	32,793
National Treasury Notes - "NTN - B"	-	-	-	10,929	10,454	-	21,383
National Treasury Notes - "NTN - A"	-	-	-	-	-	54,918	54,918
Shares	1,737	-	-	-	-	-	1,737
Debentures	-	-	-	-	20,542	-	20,542
Subtotal – Trading securities	1,737	-	6,205	10,929	30,996	81,506	131,373
Securities available for sale							
Financial treasury bills	-	118,235	-	52,566	568,003	-	738,804
Eurobonus	-	-	-	7,214	-	2,518	9,732
National Treasury Notes - "NTN - B"	-	-	-	22,304	-	18,309	40,613
Bank deposit certificates	7,946	1,574	3,122	69,769	58,085	2,758	143,254
Debentures	16,628	-	21,526	6,032	216,608	125,914	386,708
Promissory notes	-	-	10,631	-	-	-	10,631
Rural product bills	4,688	9,535	20,384	-	30,655	10,299	75,561
Government securities issued in other countries	-	-	93,449	-	-	-	93,449
Subtotal – Securities available for sale	29,262	129,344	149,112	157,885	873,351	159,798	1,498,752
Total – June 2012	30,999	129,344	155,317	168,815	904,347	241,304	1,630,125
Total – December 2011	1,525	31,606	68,707	176,800	856,484	110,902	1,246,024

Notes to quarterly information

5. Marketable securities and derivative financial instruments --- (Continued)

a) Marketable securities --- (Continuied)

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

Operation type	Linked securities	2012 MTM	2011 MTM
Loans funding	LFT	**110,154**	-
Derivative - BMF e CBLC	LFT / NTN	**288,423**	132,832
Exchange – BMF	LFT	**27,488**	26,253
Agribusiness credit bills funding	CPR	**75,560**	-
	Total	**501,625**	159,085

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 top management on a daily basis.

Risk exposure is based on the Value at Risk (VaR) calculation over a time horizon of one year through historical simulation of one-day periods and a level of probability of 99%.

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 Board of Trade.

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.

Notes to quarterly information

5. Marketable securities and derivative financial instruments --- (Continued)

b) Derivative financial instruments ---(Continued)

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;

- 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;

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

Notes to quarterly information

5. Marketable securities and derivative financial instruments --- (Continued)

b) Derivative financial instruments ---(Continued)

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:

	Bank and consolidated					
	June 2012				December 2011	
	Notional value	Cost – Receivable /received (Payable /paid)	Marked to market adjustment	Market value	Notional value	Market value
Future contracts	**3,519,760**	**-**	**-**	**-**	2,070,352	-
Purchase commitments	**1,053,530**	**-**	**-**	**-**	659,141	-
Interbank market	**145,613**	**-**	**-**	**-**	296,098	-
Foreign currency	**907,917**	**-**	**-**	**-**	362,498	-
Others	**-**	**-**	**-**	**-**	545	-
Sales commitments	**2,466,230**	**-**	**-**	**-**	1,411,211	-
Interbank market	**694,002**	**-**	**-**	**-**	553,925	-
Foreign currency	**1,706,162**	**-**	**-**	**-**	857,286	-
Others	**66,066**	**-**	**-**	**-**	-	-
Asset position	**2,989,234**	**143,270**	**5,486**	**137,784**	1,686,751	108,978
Swap contracts	**630,938**	**28,471**	**7,074**	**35,545**	521,635	19,551
Interbank market	**261,568**	**2,613**	**4,360**	**6,973**	324,656	8,825
Foreign currency	**259,000**	**20,087**	**1,469**	**21,556**	73,587	4,347
Fixed rates	**50,713**	**1,080**	**1,673**	**2,753**	78,031	3,674
Others	**59,657**	**4,691**	**(428)**	**4,263**	45,361	2,705
Options contracts	**1,782,447**	**1,223**	**(322)**	**901**	581,128	455
Purchase commitments	**1,779,120**	**1,158**	**(263)**	**895**	10,000	440
Shares	**11,718**	**366**	**(79)**	**287**	-	-
Financial assets	**1,767,402**	**792**	**(184)**	**608**	10,000	440
Sale commitments	**3,327**	**65**	**(59)**	**6**	571,128	15
Financial assets	**3,327**	**65**	**(59)**	**6**	571,128	15
Other financial instruments	**575,849**	**113,576**	**(12,238)**	**101,338**	583,988	88,972
Non-deliverable forwards (NDF)	**509,252**	**44,101**	**(12,752)**	**31,349**	531,921	21,082
Forward operations	**-**	**-**	**-**	**-**	52,067	67,890
Other	**66,597**	**69,475**	**514**	**69,989**	-	-

Notes to quarterly information

5. Marketable securities and derivative financial instruments --- (Continued)

b) Derivative financial instruments ---(Continued)

	Bank and consolidated					
	June 2012				December 2011	
	Notional value	Cost – Receivable /received (Payable /paid)	Marked to market adjustment	Market value	Notional value	Market value
Liability position	**2,476,697**	**(100,647)**	**1,371**	**(99,276)**	561,126	(93,206)
Swap contracts	**185,882**	**(6,169)**	**(147)**	**(6,316)**	127,574	(4,603)
Interbank market	**126,282**	**(5,471)**	**(720)**	**(6,191)**	108,894	(4,252)
Foreign currency	**40,117**	**(149)**	**114**	**(35)**	108	-
Fixed rates	**15,735**	**(492)**	**402**	**(90)**	12,952	(22)
Others	**3,748**	**(57)**	**57**	**-**	5,620	(329)
Options contracts	**1,772,864**	**(626)**	**31**	**(595)**	21,580	(973)
Purchase commitments	**1,769,537**	**(550)**	**(39)**	**(589)**	10,000	(440)
Financial assets	**1,769,537**	**(550)**	**(39)**	**(589)**	10,000	(440)
Sales commitments	**3,327**	**(76)**	**70**	**(6)**	11,580	(533)
Financial assets	**3,327**	**(76)**	**70**	**(6)**	11,580	(533)
Other financial instruments	**517,951**	**(93,852)**	**1,487**	**(92,365)**	411,972	(87,630)
Non-deliverable forwards (NDF)	**397,069**	**(21,529)**	**2,973**	**(18,556)**	310,316	(14,683)
Forward operations	**-**	**-**	**-**	**-**	101,656	(72,947)
Others	**120,882**	**(72,323)**	**(1,486)**	**(73,809)**	-	-

Notes to quarterly information

5. Marketable securities and derivative financial instruments --- (Continued)

b) Derivative financial instruments ---(Continued)

		Bank and consolidated		
		June 2012		
Derivatives used as fair value hedge	Notional value	Curve yield	Market value	MTM
Hedge instruments				
Swap contracts	**647,456**	**98,778**	**157,434**	**58,656**
Foreign currency – US dollar	**647,456**	**98,778**	**157,434**	**58,656**
Subject to hedge				
Subordinated loan (Note 15.c)	**614,614**	**(614,614)**	**(673,270)**	**(58,656)**
Foreign currency – US dollar	**614,614**	**(614,614)**	**(673,270)**	**(58,656)**

		Bank and consolidated		
		December 2011		
Derivatives used as fair value hedge	Notional value	Curve yield	Market value	MTM
Hedge instrument				
Swap contracts	647,456	56,215	84,033	27,818
Foreign currency – US dollar	647,456	56,215	84,033	27,818
Subject to hedge				
Subordinated debt (Note 15.c)	570,213	(570,213)	(598,031)	(27,818)
Foreign currency – US dollar	570,213	(570,213)	(598,031)	(27,818)

Management decided to assign the financial instruments above to hedge the principal amount, as well as contractual interests, to mitigate risks of the subordinated loan transaction.

Considering that cash flows (Principal and Interests) of the hedged item (Subordinated Debt) and cash flows of designated swaps are identical, effectiveness expected from the time when the hedge instruments were designated and during the transaction is in conformity with the provisions set forth by the Central Bank of Brazil.

Derivative financial instruments by maturity as of June 30, 2012 and December 31, 2011 are as follows:

Notes to quarterly information

5. Marketable securities and derivative financial instruments --- (Continued)

b) Derivative financial instruments ---(Continued)

	Bank and consolidated							
	June 2012							December 2011
	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	**1,820,167**	**916,088**	**211,210**	**223,828**	**261,319**	**87,147**	**3,519,760**	2,070,352
Swap contracts	**97,373**	**64,748**	**128,645**	**188,333**	**270,643**	**714,534**	**1,464,276**	1,296,665
Option contracts	**604,928**	**10,871**	**4,512**	**2,935,000**	**-**	**-**	**3,555,311**	602,708
Other financial instruments	**221,124**	**405,617**	**266,088**	**143,428**	**57,543**	**-**	**1,093,800**	995,960
Total – June 2012	**2,743,592**	**1,397,324**	**610,455**	**3,490,589**	**589,505**	**801,682**	**9,633,147**	
Total – December 2011	828,236	968,664	633,585	524,438	788,392	1,222,370	-	4,965,685
- Asset position								
Swap contracts	**4,139**	**745**	**4,334**	**13,174**	**11,131**	**159,456**	**192,979**	**103,584**
Option contracts	**511**	**279**	**106**	**5**	**-**	**-**	**901**	**455**
Other financial instruments	**26,380**	**58,727**	**9,438**	**4,549**	**2,244**	**-**	**101,338**	**88,972**
Total – June 2012	**31,030**	**59,751**	**13,878**	**17,728**	**13,375**	**159,456**	**295,218**	**-**
Total – December 2011	39,066	39,340	5,324	10,446	11,206	87,629	-	193,011
- Liability position								
Swap contracts	**(1,293)**	**(276)**	**(1,361)**	**(338)**	**(1,748)**	**(1,300)**	**(6,316)**	**(4,603)**
Option contracts	**(245)**	**(242)**	**(106)**	**(2)**	**-**	**-**	**(595)**	**(973)**
Other financial instruments	**(18,852)**	**(53,472)**	**(9,610)**	**(5,575)**	**(4,147)**	**(709)**	**(92,365)**	**(87,630)**
Total – June 2012	**(20,390)**	**(53,990)**	**(11,077)**	**(5,915)**	**(5,895)**	**(2,009)**	**(99,276)**	**-**
Total – December 2011	(43,199)	(37,239)	(5,838)	(3,252)	(2,968)	(710)	-	(93,206)

Gains (losses) on derivative financial instruments for the six-month period ended June 30, 2012 and 2011:

	2012			2011
	Bank and consolidated			Bank and consolidated
	Gains	Losses	Net	Net
Swaps	**160,877**	**(65,976)**	**94,901**	(29,932)
Futures	**275,446**	**(346,150)**	**(70,704)**	18,444
Options	**1,158**	**(1,153)**	**5**	11,000
Non-deliverable forwards (NDF)	**54,272**	**(55,927)**	**(1,655)**	(5,447)
Total	**491,753**	**(469,206)**	**22,547**	(5,935)

Notes to quarterly information

5. Marketable securities and derivative financial instruments --- (Continued)

b) Derivative financial instruments ---(Continued)

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 (Pjur1)	**1,869**	**2,974**	**3,782**
Net exposure to interest rates – currency coupons (Pjur2)	**12,413**	**13,049**	**13,657**
Total interest rate exposure (Note 26)	**14,282**	**16,023**	**17,439**
ii) Foreign exchange rate			
Total foreign exchange exposure purchased	**888**	**2,221**	**4,442**

i) *Interest rates:*

According to criteria established by the Central Bank of Brazil through Resolution No. 3464/07 and Circular No. 3354/07 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 June 30, 2012.

Notes to quarterly information

5. Marketable securities and derivative financial instruments --- (Continued)

ii) *Foreign exchange rate:*

Net exposure to exchange rates is regulated by the Central Bank of Brazil through Resolution No. 3490/07 and Circular No. 3568/11. 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 June 30, 2012.

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. 3365/07 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 having no relevance on accounting practices regarding the recording and valuation of banking book operations are reported to the Central Bank of Brazil and at June 30, 2012 an exposure of R$ 41,625 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

Interbank accounts at June 30, 2012 and December 31, 2011, are as follows:

	Bank and Consolidated	
	2012	**2011**
Compulsory – demand deposits	**40,713**	50,925
Interbank onlendings	**164,223**	53,585
Compulsory - microfinance	**1,692**	2,040
Other	**363**	-
	206,991	106,550

Notes to quarterly information

7. Lending operations, guarantees and responsibilities.

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

	Bank and consolidated							
	June 2012							December 2011
	Private sector							
	Financial intermediaries	Industry	Commercial	Services	Individuals	Public sector	Total	Total
Loans								
Loans	**19,516**	**802,400**	**984,463**	**906,804**	**74,409**	**-**	**2,787,592**	2,514,350
Financing – BNDES/Finame	**-**	**1,137,045**	**673,983**	**387,448**	**21,771**	**-**	**2,220,247**	2,080,527
Export finance	**-**	**703,994**	**177,944**	**15,791**	**144,627**	**-**	**1,042,356**	727,887
Onlending of foreign funding	**-**	**26,966**	**29,999**	**41,962**	**494**	**-**	**99,421**	102,948
Foreign currency loans	**15,497**	**710,326**	**66,409**	**1,935**	**147**	**-**	**794,314**	782,180
Financing with intervenience	**198,304**	**-**	**-**	**-**	**-**	**-**	**198,304**	256,350
Secured accounts	**435**	**136,657**	**109,804**	**108,606**	**8,366**	**-**	**363,868**	351,079
Acquisition of receivables (a)	**154,845**	**-**	**-**	**-**	**-**	**-**	**154,845**	298,147
Financing – rural and agribusiness	**-**	**28,296**	**32,599**	**505**	**7,753**	**-**	**69,153**	109,445
Other financing	**-**	**-**	**-**	**-**	**17,969**	**-**	**17,969**	17,057
Subtotal – loans	**388,597**	**3,545,684**	**2,075,201**	**1,463,051**	**275,537**	**-**	**7,748,069**	7,239,970
Other receivables								
Advances on export contracts and interest (b)	**-**	**416,298**	**204,281**	**8,321**	**-**	**-**	**628,900**	409,080
Notes and loans receivable	**-**	**50,475**	**54,192**	**24,653**	**3,918**	**-**	**133,238**	23,942
Other	**-**	**-**	**9,622**	**-**	**-**	**-**	**9,622**	881
Subtotal – Other receivables	**-**	**466,773**	**268,095**	**32,974**	**3,918**	**-**	**771,760**	433,903
Subtotal – Loans and other credits	**388,597**	**4,012,457**	**2,343,296**	**1,496,025**	**279,454**	**-**	**8,519,829**	7,673,873
Guarantees and responsibilities								
Guarantees provided on behalf of clients (c)	**1,542,036**	**1,628,853**	**2,039,951**	**533,517**	**36,133**	**78,867**	**5,859,357**	5,161,786
Import credit facilities	**-**	**2,722**	**19,994**	**-**	**-**	**-**	**22,716**	17,600
Confirmed export credits	**230**	**-**	**-**	**-**	**-**	**-**	**230**	1,509
Subtotal – Guarantees and responsibilities	**1,542,266**	**1,631,575**	**2,059,945**	**533,517**	**36,133**	**78,867**	**5,882,303**	5,180,895
Total – June 2012	**1,930,863**	**5,644,032**	**4,403,241**	**2,029,542**	**315,587**	**78,867**	**14,402,132**	-
Total – December 2011	1,900,701	5,151,264	4,188,897	1,263,260	274,348	76,298	-	12,854,768

(a) It includes the balance of R$ 87,751 referring to credits linked to ceded transactions acquired in transfer stated under Other receivables (Note 9.c).

(b) The balance comprises advance of R$ 610,484 (R$ 400,026 in 2011), demonstrated reducing Other liabilities (Note 15.a) plus R$ 18,417 (R$ 9,054 in 2011) of income receivable in connection with such advances presented in Other credits (Note 9.a).

(c) The guarantees provided on behalf of clients are subject to charges and counter-guarantees by its beneficiaries. No losses are expected on these operations.

Notes to quarterly information

7. Lending operations, guarantees and responsibilities --- Continued

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

	Bank and consolidated							
	June 2012							
	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	**919,666**	**1,207,960**	**1,280,527**	**1,447,338**	**2,260,341**	**597,029**	**35,208**	**7,748,069**
Other credits	**148,893**	**186,775**	**315,218**	**78,550**	**11,623**	**9,994**	**20,707**	**771,760**
Subtotal – Loans and other credits	**1,068,559**	**1,394,735**	**1,595,745**	**1,525,888**	**2,271,964**	**607,023**	**55,915**	**8,519,829**
Guarantees and responsibilities	**542,317**	**866,314**	**1,341,216**	**2,169,206**	**948,722**	**14,528**	-	**5,882,303**
Total – June 2012	**1,610,876**	**2,261,049**	**2,936,961**	**3,695,094**	**3,220,686**	**621,551**	**55,915**	**14,402,132**
Total – December 2011	1,103,626	1,779,369	2,421,977	3,765,373	3,171,104	590,503	22,816	12,854,768

In the quarter ended June 30, 2012, credit assignment operations without co-obligation were carried out under Resolution NO. 2836/01 of the Central Bank of Brazil, in the amount of R$ 4,211 (R$ 36,563 at December 31, 2011).

The effect of such operations on P&L for the quarter ended June 30, 2012 was R$ 153 (R$ 66 in the quarter ended June 30, 2011).

Credit risk concentration is as follows:

	Bank and consolidated					
	June 30, 2012			December 31, 2011		
	Balance	% of portfolio (1)	% of equity	Balance	% of portfolio (1)	% of equity
Main debtor	**451,192**	**3.13**	**28.82**	432,017	3.36	28.81
10 main debtors	**2,628,627**	**18.25**	**167.88**	2,262,135	17.64	151.18
20 main debtors	**3,902,233**	**27.09**	**249.22**	3,436,227	26.73	229.14

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

Notes to quarterly information

8. Allowance for loan and other credit losses

At June 30, 2012 and December 31, 2011, loans portfolio and other assets and the allowance for loan and other credit losses are as follows:

		Bank and consolidated			
		June 30, 2012			
		Total operations			Allowance
Risk rating	Level of allowance	Normal course	Past due	Total	Res. 2682
AA	-	**657,443**	**-**	**657,443**	**-**
A	0.5%	**3,254,055**	**-**	**3,254,055**	**16,270**
B	1.0%	**3,461,226**	**225**	**3,461,451**	**34,615**
C	3.0%	**926,818**	**5,879**	**932,697**	**27,981**
D	10.0%	**85,674**	**5,155**	**90,829**	**9,083**
E	30.0%	**13,020**	**254**	**13,274**	**3,982**
F	50.0%	**33,281**	**6,519**	**39,800**	**19,900**
G	70.0%	**5,705**	**21,886**	**27,591**	**19,313**
H	100.0%	**26,692**	**15,997**	**42,689**	**42,689**
Total		**8,463,914**	**55,915**	**8,519,829**	**173,833**

		Bank and consolidated			
		December 31, 2011			
		Total operations			Allowance
Risk rating	Level of allowance	Normal course	Past due	Total	Res. 2682
AA	-	815,277	-	815,277	-
A	0.5%	2,886,922	-	2,886,922	14,435
B	1.0%	3,000,945	157	3,001,102	30,011
C	3.0%	785,309	3,123	788,432	23,653
D	10.0%	57,294	3,574	60,868	6,087
E	30.0%	65,886	2,340	68,226	20,468
F	50.0%	19,459	3,368	22,827	11,413
G	70.0%	8,661	1,886	10,547	7,383
H	100.0%	11,304	8,368	19,672	19,672
Total		7,651,057	22,816	7,673,873	133,122

Notes to quarterly information

8. Allowance for loan and other credit losses --- Continued

Changes in the allowance for loan and other credit losses for the quarters ended June 30, 2012 and 2011 are as follows:

	Bank and consolidated			
	June 2012			June 2011
	Loans	Other credits	Total	Total
Balances at the beginning of the quarter	**127,756**	**24,360**	**152,116**	128,721
Set up	**20,492**	**7,569**	**28,061**	1,703
Classified as future year P&L	**-**	**118**	**118**	519
Loans written off as losses	**(5,581)**	**(881)**	**(6,462)**	(4,674)
Balances at the end of the quarter	**142,667**	**31,166**	**173,833**	126,269

At June 30, 2012, balance of renegotiated loans amounted to R$ 183,880 (R$ 123,221 at December 31, 2011) – Bank and Consolidated, total loan transactions renegotiated over the quarter ended June 30, 2012 amounted to R$ 43,897 (R$ 21,289 in the quarter ended March 31, 2011).

The amount of loans recovered for the quarter ended June 30, 2012, previously offset against the provision, was R$ 594 (R$ 1,031 in the quarter ended June 30, 2011).

9. Other credits

a) The balance of the foreign exchange portfolio is as under:

	Bank and consolidated	
	June 2012	December 2011
Foreign exchange purchased to be settled (CCL)	**746,361**	465,308
Allowance for exchange variation of CCL	**(790)**	(702)
Rights on foreign exchange sale	**313,568**	33,092
Advances received	**(6,909)**	(6,486)
Income receivable from advances on exchange contracts	**18,417**	9,054
Total	**1,070,647**	500,266

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

c) The breakdown of other sundry credits is as follows:

	Bank		Consolidated	
	June 2012	December 2011	June 2012	December 2011
Deferred tax (Note 20)	**116,261**	80,427	**116,280**	80,448
Guarantee deposit debtors	**64,498**	49,658	**72,507**	57,564
Taxes and contributions to be offset	**19,614**	40,991	**20,418**	42,698
Taxes and contributions recoverable	**319**	99	**319**	99
Securities and loans receivable	**46,318**	24,698	**46,318**	24,698
Sales of shares	**3,537**	3,382	**3,537**	3,382
Credits linked to credit assignment operations	**87,751**	-	**87,751**	-
Other	**6,914**	9,030	**6,949**	9,067
Total	**345,212**	208,285	**354,079**	217,956

Notes to quarterly information

10. Investments

	ABC BRASIL Distribuidora de Títulos e Valores Mobiliários S.A.	ABC BRASIL Administração e Participações Ltda.	June 2012	June 2011
			Total	Total
Capital	**49,600**	**55,632**	**-**	-
Equity	**68,559**	**65,374**	**-**	-
Net income for the quarter	**2,083**	**2,554**	**-**	-
Number of common shares owned	**24,980,054**	**-**	**-**	-
Number of preferred shares owned	**24,980,055**	**-**	**-**	-
Number of fund shares owned	**-**	**55,631,814**	**-**	-
Ownership interest (%)	**100.00**	**99.99**	**-**	-
Book value	**68,559**	**65,374**	**133,933**	123,886
Equity pickup	**2,083**	**2,555**	**4,623**	2,619

11. 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. 3617 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

12. Deposits

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

	Bank							Consolidated	
	June 2012						2011	2012	2011
	Without maturity	Up to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total	Total	Total	Total
Demand deposits	**121,192**	**-**	**-**	**-**	**-**	**121,192**	189,496	**120,998**	189,229
Interbank deposits	**-**	**84,463**	**890,335**	**178,851**	**9,655**	**1,163,304**	919,010	**1,163,304**	919,010
Time deposits	**-**	**652,576**	**,494,089**	**246,988**	**-**	**2,393,653**	2,207,520	**2,393,653**	2,207,520
Total – June 2012	**121,192**	**737,039**	**,384,424**	**425,839**	**9,655**	**3,678,149**	-	**3,677,955**	-
Total – December 2011	189,496	1,079,246	,590,898	436,356	20,030	-	3,316,026	-	3,315,759

13. 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				
	June 2012				December 2011
	Up to 3 months	3 to 12 months	1 to 3 years	Total	Total
Real estate credit bills	**124,591**	**44,582**	**572**	**169,745**	78,340
Agribusiness credit bills	**529,672**	**474,369**	**4,584**	**1,008,625**	809,305
Financial bills	**-**	**43,750**	**652,034**	**695,784**	43,985
Total – June 2012	**654,263**	**562,701**	**657,190**	**1,874,154**	-
Total – December 2011	474,340	386,880	70,410	-	931,630

Notes to quarterly information

14. Borrowings and onlendings

Borrowings and onlendings by maturity are as follows:

	Bank and consolidated					
	June 2012					
	Up to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total	December 2011 Total
Borrowings:						
Foreign	**669,299**	**1,239,704**	**6,133**	**-**	**1,915,136**	1,420,813
Onlendings – Domestic:						
BNDES	**471,493**	**349,630**	**263,255**	**114,821**	**1,199,199**	1,167,027
FINAME	**76,616**	**221,422**	**507,754**	**257,978**	**1,063,770**	968,251
Other institutions	**1,563**	**14,566**	**-**	**-**	**16,129**	46,215
Total – June 2012	**1,218,971**	**1,825,322**	**777,142**	**372,799**	**4,194,234**	-
Total – December 2011	1,004,868	1,322,621	901,422	373,395	-	3,602,306

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.

15. Other liabilities

a) Foreign exchange liability portfolio is as follows:

	Bank and consolidated	
	June 2012	December 2011
Foreign exchange sold	**334,272**	33,304
Foreign exchange purchase liabilities	**687,524**	431,090
Advances on foreign exchange contracts	**(610,484)**	(400,026)
Total	**411,312**	64,368

b) Tax and social security balances are as follows

	Bank		Consolidated	
	June 2012	December 2011	June 2012	December 2011
Provision for income and social contribution taxes	**36,913**	104,979	**39,570**	110,483
Taxes and contributions on profit payable	**297**	286	**592**	570
Taxes and contributions payable	**101,719**	105,581	**106,942**	110,810
Provision for deferred taxes and contributions (Note 20)	**46,047**	27,177	**46,051**	27,177
Provision for other deferred taxes	**-**	30	**-**	30
Provision for civil and tax risks (Note 24)	**4,966**	6,466	**5,015**	6,515
Total	**189,942**	244,519	**198,170**	255,585

Notes to quarterly information

15. Other liabilities --- (Continued)

c) Subordinated debts

The Bank raised funds in Brazil through the issue of Subordinated Bank Deposit Certificates, accrued by 106.5% of CDI, maturing in 2013. These deposits were approved by the Central Bank of Brazil as eligible for Reference Equity Tier II. At June 30, 2012, these operations amounted to R$ 8,024 (R$ 7,649 at December 31, 2011).

On April 8, 2010, Banco ABC BRASIL S.A., raised funds by issuing Subordinated Bonds abroad – "Tier II", in the amount of US$ 300 million, maturing in April 2020 and annual interest rate of 7.875%, to be paid on a semiannual basis. It was approved by BACEN on April 30, 2010 and, under the terms of Resolution No. 3444/07, the referred subordinated debt instruments will be included in the Entity's Reference Equity – Tier II for the accrued principal amount of the debt. At June 30, 2012 and December 31, 2011, the breakdown of the liabilities balance is as follows:

	Bank and Consolidated	
	June 2012	December 2011
Principal amount net of interest and capital raising expenses	**598,430**	554,878
Deferred fund-raising expenses (1)	**(8,433)**	(8,981)
Deferred hedge accounting P&L	**1,739**	1,850
Provision for interest	**10,877**	10,094
Subtotal	**602,613**	557,841
Adjustment to market value ("Hedge Accounting") – Notes 2.II.d and 5.b	**58,656**	27,818
Total	**661,269**	585,659

(1) Fund-raising expenses are allocated on a pro rata day basis, according to the transaction term.

In April 2011, Banco ABC BRASIL S.A. raised funds through issue of financial bills with subordination clause in the amount of R$ 15,406, of which R$ 10,000 mature in 2021 with interest of 8.6% p.a. and R$ 5,406 mature in 2017 with interest of 9.1% p.a.. On September 29, 2011, the Central Bank of Brazil approved, pursuant to Resolution Nº 3444/07, that such financial bills become an integral part of the Bank's Reference Assets – Level II. As of June 30, 2012 the amount is R$ 18,160 (R$ 15,890 - 2011).

d) The balance of other sundry liabilities is as follows:

	Bank		Consolidated	
	June 2012	December 2011	June 2012	December 2011
Provision for payments to be settled	**41,464**	49,408	**41,514**	49,460
Sundry domestic creditors	**3,695**	3,707	**3,695**	3,707
Sundry foreign creditors	**-**	1,876	**-**	1,876
Provision for contingent liabilities	**3,601**	3,461	**3,601**	3,461
Payables	**24**	20	**-**	-
Total	**48,784**	58,472	**48,810**	58,504

Notes to quarterly information

16. Income from services rendered

Income from services rendered for the quarters ended June 30, 2012 and 2011 is composed as follows:

	Bank and consolidated	
	2012	**2011**
Income from guarantees given	**26,020**	22,587
Fees related to credit operations	**482**	971
Collection fees	**2,141**	2,628
Bank fees	**1,464**	1,822
Income from commissioning and security placement	**1,990**	2,819
Income from other services	**11**	30
Total	**32,108**	30,857

17. Other administrative expenses

Other administrative expenses, in the quarters ended June 30, 2012 and 2011, are composed as follows:

	Banco		Consolidated	
	2012	**2011**	**2012**	**2011**
Third party services	**1,217**	1,290	**1,142**	1,230
Financial system services	**3,417**	2,587	**3,420**	2,589
Rentals	**2,171**	2,035	**2,171**	2,035
Specialist technical services	**2,263**	2,779	**2,274**	2,791
Data processing	**1,800**	1,409	**1,800**	1,409
Communication	**890**	764	**906**	776
Travel expenses	**1,123**	1,092	**1,123**	1,092
Depreciation and amortization	**1,472**	1,253	**1,472**	1,276
Promotions and public relations	**693**	753	**693**	753
Publications	**202**	57	**202**	57
Philanthropic contributions	**785**	744	**785**	744
Transportation	**517**	408	**517**	408
Asset maintenance and conservation	**304**	194	**304**	194
Other	**2,811**	1,545	**2,815**	1,582
Total	**19,665**	16,910	**19,624**	16,936

Notes to quarterly information

18. Other operating income

Breakdown of other operating income, in the quarters ended June 30, 2012 and 2011 is as follows:

	Bank		Consolidated	
	2012	**2011**	**2012**	**2011**
Interest and monetary correction of assets	**2,194**	1,257	**2,242**	1,321
Reversal of provision	**890**	-	**890**	-
Recovery of charges and expenses	**169**	19	**169**	19
Exchange variation	**38,695**	-	**38,695**	-
Other	**2,174**	1,071	**2,189**	1,106
Total	**44,122**	2,347	**44,185**	2,446

19. Other operating expenses

Breakdown of other operating expenses for the quarters ended June 30, 2012 and 2011 is as follows:

	Bank and Consolidated	
	2012	**2011**
Exchange variation	**-**	4,717
Set-up of provisions	**-**	430
Commissioning linked to operations	**501**	419
Discounts granted	**862**	331
Other expenses	**125**	918
Total	**1,488**	6,815

Notes to quarterly information

20. Income and social contribution taxes

The nature and origin of deferred tax assets deferred tax liabilities, as well as the changes occurred therein at June 30, 2012 and December 31, 2011 are stated as follows:

	12/31/2011	Additions	Write-offs	06/30/2012
Tax credits				
Temporary differences:				
Allowance for loan losses and others	**62,238**	46,725	(32,595)	**76,368**
Adjustment to market value – securities and derivatives	**17,606**	22,301	(3,118)	**36,789**
Unrealized gains (losses) on futures market	**307**	2,513	(132)	**2,688**
Adjustment to market value – available for sale securities	**276**	317	(177)	**416**
	80,427	71,856	(36,022)	**116,261**
Deferred tax liabilities				
Temporary differences:				
Adjustments market value – securities and derivatives	**(22,657)**	(20,245)	6,661	**(36,241)**
Unrealized gains (losses) on futures market	**(435)**	(5,208)	52	**(5,591)**
Adjustment to market value – available for sale securities	**(493)**	(793)	445	**(841)**
Adjustment resulting from the transition tax regime – RTT (1)	**(3,592)**	-	228	**(3,374)**
	(27,177)	(26,246)	7,376	**(46,047)**
Net balance	**53,250**	45,610	(28,646)	**70,214**

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

The consolidated financial statements include further to the amounts presented in the table above, (i) temporary differences with allowance for loan and other credit losses in the amount of R$ 19 (R$ 477 in 2011); (ii) deferred tax liabilities with adjustment to market value – available for sale in the amount of R$ 4, with recognition of R$ 4 in the six-month period.

The net balance of deferred tax assets and tax liabilities at June 30, 2012 and December 31, 2011 is stated as follows:

	Bank		Consolidated	
	2012	2011	2012	2011
Other credits - sundry – tax credits (Note 9.c)	**116,261**	66,966	**116,280**	67,443
Other liabilities – provision for deferred taxes and contributions (Note 17.b)	**(46,047)**	(21,295)	**(46,051)**	(21,295)
	70,214	45,671	**70,229**	46,148

Notes to quarterly information

20. Income and social contribution taxes--- Continuação

The realization of deferred tax credits and deferred tax liabilities at June 30, 2012 based on the history of profitability and estimated realization is stated as follows:

	Bank			Consolidated
Six-month period	Assets	Liabilities	Net	Net
2012	**36,128**	**(6,272)**	**29,856**	**29,852**
2013	**11,886**	**(3,960)**	**7,926**	**7,945**
2014	**32,004**	**(4,847)**	**27,157**	**27,157**
2015	**5,169**	**(1,645)**	**3,524**	**3,524**
2016	**4,172**	**(931)**	**3,241**	**3,241**
2017 to 2020	**26,902**	**(28,392)**	**(1,490)**	**(1,490)**
Total	**116,261**	**(46,047)**	**70,214**	**70,229**
Present value - Selic	**98,144**	**(34,733)**	**63,441**	**63,425**

Expenses with income and social contribution taxes for the quarters ended June 30, 2012 and 2011 are calculated as follows:

	Bank		Consolidated	
	2012	2011	2012	2011
Income before taxation less profit sharing	**131,664**	168,703	**134,322**	171,592
Total income and social contribution taxes	**52,666**	67,481	**55,347**	70,394
Income after write-offs and write-ups of deferred liabilities net of deferred tax	**17,172**	7,942	**17,172**	7,908
Nontaxable revenues/expenses net of nondeductible expenses	**(12,602)**	3,484	**(14,451)**	1,494
Equity pickup from subsidiaries	**(1,850)**	(1,989)	**-**	-
Interest on equity	**(17,793)**	(16,134)	**(17,793)**	(16,134)
Amnesty effects – Law No. 11941/09	**-**	(201)	**-**	(201)
Other amounts	**(681)**	(874)	**(705)**	(931)
Total income and social contribution taxes – current	**36,912**	59,709	**39,570**	62,530
Effect from deferred tax on income and social contribution tax losses	-	-	**-**	34
Deferred taxes and contributions				
Tax liabilities set up in the six-month period	**25,453**	12,177	**25,453**	12,177
Tax liabilities realized in the six-month period	**(6,932)**	(13,537)	**(6,932)**	(13,537)
Tax credits set up in the six-month period	**(71,539)**	(39,418)	**(71,539)**	(39,418)
Tax credits realized in the six-month period	**35,846**	32,836	**35,846**	32,870
Total deferred taxes and contributions	**(17,172)**	(7,942)	**(17,172)**	(7,908)
Prior year adjustment	**-**	31	**-**	31
Total income and social contribution taxes	**19,740**	51,798	**22,398**	54,687

Notes to quarterly information

21. 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 June 30, 2012, transactions between related parties are as follows:

			June 2012	
Transactions / Related parties	**Relationship**	**Maturity**	**Assets / (Liabilities)**	**Income / (Expenses) 2Q**
Demand deposits				
- ABC BRASIL Adm. e Participações Ltda.	Subsidiary	No maturity	**(95)**	**-**
- ABC BRASIL Distr. Tits. e Vals. Mobiliários S.A.	Subsidiary	No maturity	**(98)**	**-**
- Marsau Comercial Exp. e Importadora Ltda.	Related	No maturity	**(1,972)**	**-**
			(2,165)	**-**
Time deposits				
- Marsau Uruguay Holdings Sociedad Anonima	Shareholder	07/17/2012	**(911)**	**(2)**
Borrowings	Controlling			
- Arab Banking Corporation (ABC)	company	05/28/2013	**(314,092)**	**(1,554)**
Dividends and interest on equity				
- Marsau Uruguay Holdings Sociedad Anonima	Shareholder	08/09/2012	**(26,018)**	**-**
Other liabilities				
- ABC BRASIL Adm. e Participações Ltda. - Prestação de serviços	Subsidiary	07/08/2012	**(24)**	**(75)**

Notes to quarterly information

21. Related parties --- Continued

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. 3921, dated November 25, 2010.

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. 3921.

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.

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.

Notes to quarterly information

21. Related parties --- Continued

b) Fees of key management members --- Continued

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.

Compensation Committee

The Bank will also have a Compensation Committee to be 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. 3921 of Brazil's National Monetary Council.

The total compensation of key members of management for the quarter ended June 30, 2012 was R$ 9,950 (R$ 13,815 in the quarter ended June 30, 2011), which was considered a short-term benefit.

Notes to quarterly information

22. Overseas branch

The transactions with third parties carried out by the overseas branch at June 30, 2012 and December 31, 2011 are as follows:

	June 2012		December 2011	
	US$	**R$**	**US$**	**R$**
Assets				
Cash and banks	**2,528**	**5,110**	2,609	4,894
Interbank investments	**124,627**	**251,909**	54,453	102,143
Marketable securities and derivative financial instruments	**63,517**	**128,387**	60,153	112,835
Lending operations – net	**541,476**	**1,094,485**	496,388	931,125
Other receivables, amounts and assets	**10,736**	**21,701**	4,957	9,298
Total	**742,884**	**1,501,592**	618,560	1,160,295
Liabilities				
Demand deposits	**1,100**	**2,223**	1,021	1,915
Time deposits	**115,282**	**233,020**	85,844	161,026
Foreign borrowings	**619,740**	**1,252,680**	526,736	988,051
Derivative financial instruments	**35,825**	**72,413**	38,421	72,070
Other liabilities	**95**	**192**	96	180
Total	**772,042**	**1,560,528**	652,118	1,223,242

Capital increase in overseas branch

On September 8, 2011, the Board of Director's meeting gave authorization for a capital increase intended for the Company's agency in the Cayman Islands amounting to US$ 100 million (One hundred million US Dollars). The capital increase was approved by the Central Bank of Brazil on March 12, 2012 and drawn down on April 10, 2012.

23. 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

24. 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. Note 2.II.g) explains the criteria for recognizing and measuring these suits and proceedings.

Amnesty program – Brazilian IRS (RFB)

Considering terms and advantages provided by the tax amnesty program established by Brazil's Federal Government, through Law No. 11941/09, the Bank's management and its legal advisors reassessed how convenient it would be to enter the referred to program. As a result, it has been decided that several proceedings filed by the Bank would be ended. Major proceedings included in the amnesty program were: i) Offset of taxes acquired from third parties with other taxes, ii) Social Contribution Tax on Gross Revenue for Social Security Financing ("COFINS") – Law No. 9718/98, iii) Social Contribution Tax on Net Profit ("CSLL") – 8% rate, iv) Social Contribution Tax on Gross Revenue for Social Integration Program ("PIS"), v) Corporate Income Tax (IRPJ) – Non-existing tax loss, and vi) Social Contribution Tax on Net Profit ("CSLL") – Non-employer entity.

The amounts payable referring to the proceedings included in the tax amnesty program have been provisioned and a position from Brazilian IRS is being awaited to allow financial settlement thereof.

We have outlined 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$ 8,649, with chances of loss assessed as possible.

Tax on Financial Transactions ("IOF")

In 1994, the Bank filed a lawsuit to ensure its right not to pay IOF on the equivalent amount in Cruzeiros of the foreign currency that entered the Country, intended as loan, for payment within 48 hours after settlement of the foreign exchange contracts. Currently the decisions at first and second jurisdiction level are unfavorable to the Bank, and we are awaiting the Federal Supreme Court's pronouncement on this new appeal.

The total contingency amounts to approximately R$ 8,943, the likelihood of loss of which is rated as possible.

Notes to quarterly information

24. Contingent assets and liabilities and legal, tax and social security obligations --- (Continued)

Service Tax ("ISS")

These are judicial proceedings involving ISS payment, mainly in connection with guarantees given (collateral signature and surety) referring to the period from 1994 to 2011, corresponding to R$ 16,011 and the chances of loss on this case are assessed as possible.

Social Contribution Tax on Gross Revenue for Social Integration Program ("PIS")

Exemption from contribution to PIS calculated based on Constitutional Amendment No. 10/96, during the period in which it was collected based on Supplementary Law No. 7/70. Tax credit payment is suspended by virtue of a second level favorable decision, which confirmed the security granting decision. Currently, the theories discussed in the case refer to the application of the constitutional principle of precedence and irretroactivity. The total contingency amounts to approximately R$ 2,291, the likelihood of loss of which is rated as possible.

Social Security Charges ("INSS")

The Bank is party to social security delinquency notices for payment of charges mainly on amounts paid under profit sharing from 2006 to 2008 amounting R$ 30,278, the likelihood of loss for which is considered possible.

Unauthorized payment

Refers to payment of COFINS without fines, as established in article 63 of Law No 9430/96. Awaiting appeal decision. Amount demanded totals R$2,632, likelihood of loss is considered as possible.

Notes to quarterly information

24. Contingent assets and liabilities and legal, tax and social security obligations --- (Continued)

Labor

At June 30, 2012, the Bank was defendant in 30 labor claims in progress, whose contingency amounted to R$ 3,601. A provision was set up for total contingency value, considering the likelihood of unfavorable outcomes of the referred to claims.

Civil

At June 30, 2012, the Bank and its subsidiaries were plaintiffs and defendants in civil claims, amounting to R$ 23,749. Below, we summarize key claims in which the Bank and its subsidiaries are defendants, and whose likelihood of unfavorable outcomes had been rated as possible:

a) claim aiming the payment of sale price differences of securities offered to settle loans, whose discussed amount totals R$ 8,209. Through the date, the first level decision is favorable to the Bank;

b) claim involving the request for annulment of a debt in the current account of a company guaranteeing a loan transaction. The contingency amounts to R$ 12,870 and the likelihood of loss was rated as possible.

Changes in provisions

	Bank			Consolidated		
	Labor	**Tax**	**Civil**	**Labor**	**Tax**	**Civil**
At the beginning of the quarter	4,491	4,736	230	4,491	4,785	230
Set up	160	-	-	160	-	-
Reversal	(55)	-	-	(55)	-	-
Write-off	(995)	-	-	(995)	-	-
At the end of the quarter	**3,601**	**4,736**	**230**	**3,601**	**4,785**	**230**

Notes to quarterly information

25. Equity

a) Capital

Capital comprises 135,644,240 registered and uncertified shares, without par value, of which 67,822,120 common shares and 67,822,120 preferred shares.

b) Dividends and interest on equity

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 six-month period ended June 30, 2012 and 2011 shareholders resolved to distribute interest on equity, calculated according with established by Law 9249/95, as follows:

Resolution approval date	Interest on equity	Reduction in expenses with income and social contribution taxes
06/29/2012	**44,174**	**17,670**
Total – 2012	**44,174**	**17,670**
03/31/2011	**18,823**	**7,529**
06/30/2011	**20,168**	**8,067**
Total – 2011	**38,991**	**15,596**

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 earnings and income reserves in amount equal or two times higher its amount.

c) Capital increase

On June 29, 2012, the Board of Directors decided on a proposal to distribute interest on equity amounting to R$ 44,174 gross, which represents R$ 0.33 gross per common and preferred share. The Board of Directors also decided on a Company capital increase amounting up to R$ 37,500 corresponding to the issue of 4,768,160 new registered shares, of which 2,415,828 are common shares and 2,352,332 are preferred for private subscription with the use of credit from interest on equity either distributed or in local currency.

Notes to quarterly information

25. Equity --- Continued

c) Capital increase --- Continued

The share issue price (common and preferred) shall be R$ 7.864668, based on the weighted average of preferred share quotations in the market over the previous 10 sessions with the application of 20% negative goodwill. The use of preferred share market quotations as a criterion for determining the issue price of common and preferred shares is due to the fact that common shares are illiquid.

Each shareholder may subscribe to 3.562006% of the shareholding position he/ she currently holds in the respective class (common or preferred), on July 2, 2012, and may exercise their preferred rights in subscribing to common and/ or preferred as applicable, in a thirty (30) day period while any trading of shares as from July 3, 2012 shall be considered without the aforementioned preferred share rights, i.e. shall not be subscribed.

After the subscription term has elapsed if there are any shares remaining these shall then be apportioned to the shareholders who have expressed an interest in participating in the subscription. This shall be allocated proportionate to the respective subscription in the capital increase. The additional period for the unsubscribed portion is between August 7 2012 to August 13, 2012. Any remaining shares after this period has elapsed shall be traded on the stock exchange, with the benefits flowing to the Company.

Considering that shareholders may use interest on equity credit to subscribe to new shares, the payment of interest on equity shall be made after the share subscription period has elapsed on August 9, 2012.

In the event that the subscription reaches the minimum limit of 65% (sixty five percent) of the total capital increase amount, it may then be approved in the Board of Director's meeting. In this case the subscribed shares (after trading on the stock exchange) shall be cancelled.

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, the latter of which is set up to maintain the shareholder payment flow.

Notes to quarterly information

25. Equity --- Continued

d) Destination of earnings --- Continued

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.

iii) *Allocation of the results determined at December 31, 2011*

At the Shareholders' Meetings held on April 20, 2012, it was approved the proposal submitted by the Board of Directors referring to allocation of the income at December 31, 2011. The total amount shall be maintained in the income reserves account (legal reserve and dividends equalization). The amount of R$ 11,802 shall be allocated for Legal Reserve and R$ 143,680 for Income Reserves – Dividends Equalization.

e) Treasury shares

On September 9, 2011, a Board of Directors' meeting unanimously voted to allow the Bank to acquire up to ten per cent (10%) of its outstanding registered preferred shares, represented by up to 3,803,483 preferred own issue shares. The main objective is to maximize value for the Company's shareholders. The shares will be acquired to be maintained in treasury for later sale or cancellation with no reduction in own capital, in accordance with Article 19, subheading "m", of the Bank's Charter and CVM Rule No. 10, later amended by CVM Rule No. 268/97 and No, 390/03.

At June 30, 2012, total amount of treasury shares is R$ 12,597 (R$ 10,997 at December 31, 2011).

Notes to quarterly information

26. Operating limits – The Basel Accord

The Brazilian Central Bank, through Resolution No. 3490/07, instituted a new form of calculation for Required Capital Base (PRE) which came into effect on July 1, 2008, The Basel index for June 30, 2012 is 14.21% (15.62% in 2010). The table below sets out the calculation of PRE according to the new formula:

	June 2012	December 2011
Credit risk	**1,594,386**	1,378,787
Interest rate	**14,282**	8,272
Commodities	**6,202**	2,445
Operating risk	**72,540**	69,960
Shares	**339**	274
Required capital base (PRE)	**1,687,749**	1,459,738
Reference equity (PR)	**2,180,777**	2,072,475
Excess of equity in relation to limit	**493,028**	612,737

27. 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. 3263/05, resulting in added guarantees of settlement of their assets with financial institutions that are party to the agreement. The total assets included in this agreement as of June 30, 2012 amount to R$ 426,854 (R$ 377,985 in 2011).

Notes to quarterly information

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

We present below the major adjustments identified between the Brazilian accounting standards and the IFRS for the six-month periods ended June 30, 2012 and 2011.

		2012	2011
Equity under BRGAAP		**1,565,771**	1,424,244
IFRS adjustments net of taxes:			
Allowance for losses on loans and advances to clients	(a)	**50,933**	35,138
Equity under IFRS		**1,616,704**	1,459,382

		2012	2011
Net income under BRGAAP		**111,924**	116,905
IFRS adjustments net of taxes:			
Allowance for losses on loans and advances to clients	(a)	**10,923**	(2,746)
Exchange variation on foreign investments	(b)	**(1,463)**	-
Net income under IFRS		**121,384**	114,159

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.

Ernst & Young Terco

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Reports and Representations / Independent Auditor's Review Report - Unqualified

A free translation from Portuguese into English of the Independent Auditor's Review Report on the Quarterly Financial Information (ITR) prepared in accordance with accounting practices adopted in Brazil applicable to instituitions authotized to operate by the Central Bank of Brazil and presented according with the standards issued by Brazilian Securities Exchange Comission – CVM and Central Bank of Brazil.

Independent Auditor's Review Report

To the
Director and Shareholders of

Banco ABC BRASIL S.A.

We reviewed the individual and consolidated interim accounting information for Banco ABC Brasil S.A. ("Institution"), contained in the Quarterly Financial Information (ITR) for the quarter ended June 30, 2012, which comprise the balance sheet and the related income statements and statements of comprehensive income for the three and six month periods then ended, as well as the statements of changes in equity and cash flows for the six month period then ended, including notes thereto.

Management is responsible for the preparation of the interim accounting information in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil, as well as the presentation of the information in accordance with standards established by the Brazilian SEC (the CVM), applicable to the preparation of quarterly information. Our responsibility is to express a conclusion on this accounting information based on our review.

Extent of the review

We conducted our review in accordance with Brazilian and international accounting standards relating to interim financial information (NBC TR 2410 Review of Interim Financial Information Performed by Independent Auditor of an Entity and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of an Entity, respectively). A review of interim accounting information consists of making inquiries, mainly of the professionals responsible for financial and accounting issues and the application of analytical and other review procedures. The extent of a review is significantly less than that of an audit conducted in accordance with auditing standards and, accordingly, did not allow us to obtain assurance that we are aware of all significant matters that may have been identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, we are not aware of any fact that leads us to believe that the individual and consolidated interim accounting information included in the quarterly information 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 presented in accordance with standards established by the CVM, applicable to the preparation of Quarterly Financial Information (ITR).

Reports and Representations / Independent Auditor's Review Report - Unqualified

Other matters

Interim value added information

We have also reviewed the interim individual and consolidated statements of value added (SVA), for the six months period ended June 30, 2012, prepared under the responsibility of the Instituition's management, which presentation of such interim information is required in accordance with standards established by the CVM, applicable to the presentation of Quarterly Financial Information (ITR), and considered supplementary information for International Financial Reporting Purposes (IFRS), which do not require presentation of Statements of Value Added (SVA). These statements have been subject to the same review procedures described above and, based on our review we are not aware of any fact which make us to believe that these were not prepared, in all material respects, in relation to the interim information taken as a whole.

São Paulo, July 30, 2012.

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

Eduardo Wellichen
Accountant CRC-1SP184050/O-6

Reports and Representations / Executive Board Representation on the Financial Statements

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:

a) Reviewed, discussed and agreed with the financial statements for the six-month period ended June 30, 2012;
b) Reviewed, discussed and agreed with the opinion expressed in the independent auditor's report of Ernst & Young Terco Auditores Independentes S.S., on the Bank's financial statements for the six-month period ended June 30, 2012.

São Paulo, July 30, 2012.

Anis Chacur Neto
CEO

Gustavo Arantes Lanhoso
Vice CEO

José Eduardo Cintra Laloni
Vice CEO

Renato Pasqualin Sobrinho
Vice CEO

Sérgio Lulia Jacob
Vice CEO and Investor Relations Officer

Sérgio Ricardo Borejo
Vice CEO

Executive Board Members
Alexandre Yoshiaki Sinzato
Antonio José Nicolini
Bibiana Veronez
Carlos Alfredo de Melo
Carlos Eduardo Chamma Lutfalla
Claudio Roberto Frizão Rey
Dieter Klemz
Hugo Botelho Bittencourt
João Carlos Benites Freneda
João Carlos Gonçalves da Silva
João Francisco Martins Filho
José Álvaro Corbet Guimarães
Lilian Gordon
Luiz Antonio de Assumpção Neto

Reports and Representations / Executive Board Representation on the Financial Statements

Luiz Augusto Galvão Monteiro
Luiz Carlos Daniel Cadó
Marcelo Yazeji Cardoso
Marcio Calil de Assumpção
Maria Bernadete de Paula Leite Moraes
Paulo Corrêa de Moraes Junior
Paulo Romagnoli
Ricardo Penteado Camargo Ticoulat
Roberto Archanjo Carramaschi
Waldecir dos Santos Junior
Wandir Pereira Reis

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, as Executive Board members of Banco ABC Brasil S.A., listed at Corporate Governance Level 2 (Code ABCB4), DECLARE hereby that they:

a) Reviewed, discussed and agreed with the financial statements for the six-month period ended June 30, 2012;
b) Reviewed, discussed and agreed with the opinion expressed in the independent auditor's report of Ernst & Young Terco Auditores Independentes S.S. on the Bank's financial statements for the six-month period ended June 30, 2012.

São Paulo, July 30, 2012.

Anis Chacur Neto
CEO

Gustavo Arantes Lanhoso
Vice CEO

José Eduardo Cintra Laloni
Vice CEO

Renato Pasqualin Sobrinho
Vice CEO

Sérgio Lulia Jacob
Vice CEO and Investor Relations Officer

Sérgio Ricardo Borejo
Vice CEO

Executive Board Members
Alexandre Yoshiaki Sinzato
Antonio José Nicolini
Bibiana Veronez
Carlos Alfredo de Melo
Carlos Eduardo Chamma Lutfalla
Claudio Roberto Frizão Rey
Dieter Klemz
Hugo Botelho Bittencourt
João Carlos Benites Freneda
João Carlos Gonçalves da Silva
João Francisco Martins Filho
José Álvaro Corbet Guimarães
Lilian Gordon
Luiz Antonio de Assumpção Neto

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

Luiz Augusto Galvão Monteiro
Luiz Carlos Daniel Cadó
Marcelo Yazeji Cardoso
Marcio Calil de Assumpção
Maria Bernadete de Paula Leite Moraes
Paulo Corrêa de Moraes Junior
Paulo Romagnoli
Ricardo Penteado Camargo Ticoulat
Roberto Archanjo Carramaschi
Waldecir dos Santos Junior
Wandir Pereira Reis