Audited Financial Statements

Banco ABC Brasil S.A.

June 30, 2017 and 2016
with Independent Auditor's Report

Banco ABC Brasil S.A.

Financial Statements

June 30, 2017 and 2016

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A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency and in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

Independent auditor's report on individual and consolidated financial statements

The Shareholders and management of Banco ABC Brasil S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of Banco ABC Brasil S.A. ("Bank"), identified as Bank and Consolidated, respectively, which comprise the balance sheet as at June 30, 2017, and the related statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting practices and other explanatory information.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Banco ABC Brasil S.A. as at June 30, 2017, its individual and consolidated financial performance and respective cash flows for the six-month period then ended, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

Basis for opinion

We conducted our audit in accordance with Brazilian and International standards on auditing. Our responsibilities, in accordance with said standards, are mentioned in the "Auditor's responsibilities for the individual and consolidated financial statements" section. We are independent in relation to the Bank and its subsidiaries, in accordance with significant ethical principles set forth in the Accountant's Code of Professional Ethics and in the standards issued by Brazil's National Association of State Boards of Accountancy (CFC), and we comply with other ethical responsibilities in accordance with those standards. We believe that the audit evidence we have obtained is sufficient and appropriate to support our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current semester. Those matters were addressed in the context of our audit of the overall individual and consolidated financial statements, and to form our opinion on these individual and consolidated financial statements. Therefore, we do not express a separate opinion on those matters.

1. Technological environment

The Bank's operations rely on the appropriate operation of the technological structure and its systems, and, therefore, we considered the technological environment as a key component in our scope. As a result, we understand that this is a key audit matter. Given the Bank's business nature and volume of transactions, our audit strategy is based on the technological environment effectiveness.

The Bank considers that the success of its activities depends on the improvement and continuous enhancement and integration of its technological platforms necessary for good performance of its operations.

Audit approach:

In the course of our audit, we engaged our technology team specialists to conduct IT general controls tests for systems considered significant in the audit context, focusing upon change management processes and logical access granting to users. We also conducted procedures in connection with the effectiveness of automatic controls, considered material, which support significant business processes and accounting records of operations.

2. Loans and allowance for loan losses

Management exercises significant judgment to set up allowance for loan losses pursuant to Central Bank of Brazil Decision No. 2682/99. As presented in Notes 7 and 8, at June 30,2017, gross balance of loans operations amounted to R$ 11,858,696 thousand, for which an allowance for loan losses was set up amounting to R$ 473,990 thousand. In 2017, the Bank recognized expenses with loan losses amounting to R$ 114,347 thousand.

We consider this a significant area due to: (i) significance of the loan transaction balance, subject to loss assessment; (ii) guarantees received for loan transactions granted, which may impact the level of the allowance to be considered; (iii) the country's economic situation and the conditions of the market where borrowers operate, (iv) management's judgment in relation to ratings determining the minimum individual level of allowance per operation, credit borrower or economic group; and (v) process for recognition of revenue from interest on loan transactions; among others.

Audit approach:

In our audit, we considered the understanding of the process established by management, and control tests related to: (i) origin of transactions; (ii) analysis and approval of credit transactions considering the established levels; (iii) rating granted per transactions; borrower or economic group; (iv) analysis of guarantees received; (v) timely update of borrower's information; (iv) recognition of revenue from interest on operations under ordinary conditions; and (vii) suspension of revenue recognition on loan transactions past due for over 59 days; among others.

Our audit procedures also included, for a sample of loan transactions, tests related to analysis of documentation supporting the level of allowances determined for sample items, recalculation of allowance for loan losses based on ratings granted, balance confirmation directly with selected borrowers through external confirmations , recalculation of outstanding balance at procedure base date, in addition to sum tests to crosscheck total from database against accounting records, and recalculation of total allowance for loan losses.

3. Evaluation of unquoted marketable securities and derivative financial instruments

The evaluation of unquoted marketable securities and derivative financial instruments was considered a priority in our audit due to the complexity of the pricing process, which is substantially based on judgments and estimates made by management. Therefore, there is a certain level of measurement uncertainty in view of the assumptions defined by management for the determined evaluation.

At June 30, 2017, unquoted marketable securities amounted to R$ 2,900,739 thousand. As regards unquoted derivative financial instruments, the balance recorded amounted to R$ 159,846 thousand in assets and R$ 182,096 thousand in liabilities. Company disclosures are included in Note 5.

Audit approach:

Our audit procedures included, among others, (i) understanding the process, methodology and assumptions established by management for pricing of unquoted marketable securities and derivative financial instruments; (ii) tests of key controls, including controls related to definition and approval of assumptions to be used in pricing models and how these assumptions feed these models.

Additionally we conducted, based on sampling, the following procedures for selected operations: (i) confirmation of existence through checking of statements from custody agencies and/or agreements between the parties; (ii) with support of our specialists, we ran evaluation tests and evaluated the methodologies and assumptions used through comparison with models and independent market sources.

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4. Hedge Accounting

At June 30, 2017, the Bank has a hedge accounting structure to cover risks arising from foreign exchange variations of portions related to subordinated debts and obligations for transfers abroad, amounting to R$ 236,887 thousand and R$ 282,479 thousand, respectively, representing approximately 2% of the Bank's liabilities. This area was considered significant in our audit due to its materiality, complexity of required criteria for accounting and for involving management's assumptions and judgments for pricing of hedged items and related derivative financial instruments. The Company's disclosures on hedge accounting structure are included in Notes 2, 5, 15 and 16.

Audit approach:

Our approach included, in addition to checking the sufficiency of documentation prepared by Bank's management to meet the criteria of Central Bank of Brazil (BACEN) Circular Letter No. 3082/02, tests, based on sampling and, with our specialists' support, on hedge accounting structure, considering tests of evaluation of transactions and evaluation of assumptions and models used. We also evaluated the result of the hedge accounting structure effectiveness tests documented by management.

Other matters

Statement of value added

The individual and consolidated statements of value added for semester ended June 30, 2017, prepared under the responsibility of Company management, and presented as supplementary information for purposes of BACEN's accounting practices, were submitted to audit procedures conducted together with the audit of the Bank's financial statements. To issue our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by CPC 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in accordance with the criteria defined in abovementioned technical pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

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Other information accompanying the individual and consolidated financial statements and auditor's report

Bank's management is responsible for all this and other information included in the management's report. Our opinion on the financial statements does not included the management's report and we do not express any audit opinion on this report.

In connection with the audit of the financial statements, our responsibility is to read the management's report and consider whether it is significantly consistent with the financial statements or, based on our understanding of the audit, presents any material misstatement. If, based on the work performed, we conclude that there is any material misstatement in management's report, we are required to report this fact. We have nothing to report in this regard.

Management and governance's responsibility for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of these individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Central Bank of Brazil (BACEN), and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for evaluating the Bank's ability to continue as a going concern, disclosing, where applicable, any matters related to its operating continuity and use of this accounting base for preparation of financial statements, unless management intends to liquidate the Bank and its subsidiaries or ceases its operations, or there is no realistic alternative to avoid the shutdown of its operations.

Those in charge of governance are also those in charge of overseeing the preparation of the financial statements, and include the Board of Directors and the Audit Committee of the Bank and its subsidiaries.

Auditor's responsibilities for the individual and consolidated financial statements

Our objective is to obtain reasonable assurance that the overall individual and consolidated financial statements are free from material misstatements whether due to fraud or error, and issue an audit report with our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that the audit performed in accordance with the Brazilian and international standards on auditing will always detect existing material misstatements. Misstatements may arise from fraud or error and are considered material when, either individually or in aggregate, may impact, within a reasonable perspective, the economic decisions of users, made based the aforementioned financial statements.

As part of the audit conducted in accordance with the Brazilian and international standards on auditing, we make professional judgment and maintain professional skepticism over the audit work. Additionally:

- We identified and evaluated the risks of material misstatements in the individual and consolidated financial statements, whether due to fraud or error, planned and performed the audit procedures in response to such risks, as well as obtained appropriate and sufficient audit evidence to support our opinion. The risk of not finding material misstatements resulting from fraud is higher than from error, since fraud may involve breaches in internal controls, collusion, falsification, omission or intentional false representations.

- We obtained understanding on the relevant internal controls for the audit to plan the adequate audit procedures under the circumstances, but not to express an opinion on the effectiveness of such internal controls of the Bank and its subsidiaries.

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We reached a conclusion on the adequacy of use, by management, of the going-concern accounting base and, based on audit evidence obtained, if there is any significant uncertainty in relation to events or conditions that may lead to significant uncertainties in relation to the Bank and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained through our report date. However, future events or conditions may lead the Bank and its subsidiaries not to maintain their ability to continue as a going concern.

- We evaluated the general presentation, structure and content of the financial statements, including disclosures, and whether the individual and consolidated financial statements present the corresponding transactions and events in a manner compatible with the adequate presentation objective.

- We obtained adequate and sufficient audit evidence referring to financial information of entities or business activities of the group to express an opinion on the consolidated financial statements. We are responsible for directing, overseeing and performing the group's audit and, consequently, for the audit opinion.

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We communicated with those in charge of governance in relation to, among other issues, the planned scope, time of audit and significant audit findings, including any significant deficiencies in internal controls identified in our work.

We also provided the professionals in charge of governance with a statement that we complied with relevant ethical requirements, including applicable independence requirements, and we communicated all relationships or issues that could considerably affect our independence including, where applicable, the respective safeguards.

Of the matters communicated to those in charge of governance, we determined those that were considered most significant in the audit of the financial statements for the current semester and, therefore, constitute key audit matters. We describe these matters in our audit report unless the law or regulation has prohibited their public disclosure or when, in extremely rare circumstances, we determine that the issue should not be included in our report because the adverse consequences of such disclosure may, within a reasonable perspective, overcome the benefits of communication to the public interest.

São Paulo, August 2, 2017

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



Flávio Serpejante Peppe
Partner

A free translation from Portuguese into English of financial statements prepared in Brazilian currency and in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil

Banco ABC Brasil S.A.

Balance sheets
June 30, 2017 and 2016
(In thousands of reais)

		Bank		Consolidated	
Assets	**Notes**	**2017**	**2016**	**2017**	**2016**
Current assets		**19,877,551**	**16,635,741**	**20,361,915**	**16,816,734**
Cash and banks	3	20,440	28,279	20,440	28,279
Interbank investments	4	**6,041,519**	**5,356,244**	**6,041,519**	**5,356,244**
Money market investments		4,561,756	4,801,060	4,561,756	4,801,060
Interbank deposits		976,917	142,592	976,917	142,592
Foreign investments		502,846	412,592	502,846	412,592
Marketable securities and derivative instruments		**5,609,105**	**3,936,227**	**6,092,597**	**4,115,936**
Own portfolio	5.a	4,883,424	2,726,315	5,049,703	2,906,024
Linked to guarantees given	5.a	133	789,842	133	789,842
Linked to repurchase agreement	5.a	4,602	8,210	4,602	8,210
Derivative financial instruments	5.b	720,946	411,860	1,038,159	411,860
Interbank accounts	6	**21,946**	**12,656**	**21,946**	**12,656**
Unsettled payments and receipts		21,840	12,419	21,840	12,419
Reserve requirements - Central Bank Deposits		106	237	106	237
Lending operations		**6,218,534**	**5,624,216**	**6,218,534**	**5,624,216**
Loans - public sector	7	78,785	53,308	78,785	53,308
Loans - private sector	7	6,343,574	5,765,344	6,343,574	5,765,344
Allowance for loan losses	8	(203,825)	(194,436)	(203,825)	(194,436)
Other credits		**1,686,769**	**1,595,035**	**1,687,641**	**1,596,319**
Credits on guarantees honored		14,845	33,760	14,845	33,760
Foreign exchange portfolio	9	793,292	334,033	793,292	334,033
Receivables		16,680	15,283	16,680	15,283
Trading and intermediation of securities	10.a	63,581	561,377	63,581	561,377
Sundry	10.b	828,708	688,115	829,580	689,399
Allowance for losses on other credits	8	(30,337)	(37,533)	(30,337)	(37,533)
Other assets		**279,238**	**83,084**	**279,238**	**83,084**
Other assets		270,770	77,419	270,770	77,419
Prepaid expenses		8,468	5,665	8,468	5,665
Noncurrent assets		**6,141,287**	**5,858,778**	**6,141,295**	**5,858,785**
Marketable securities and derivative instruments		**1,718,992**	**1,876,569**	**1,718,992**	**1,876,569**
Own portfolio	5.a	1,008,373	792,454	1,008,373	792,454
Linked to guarantees given	5.a	519,329	356,203	519,329	356,203
Derivative financial instruments	5.b	191,290	727,912	191,290	727,912
Lending operations		**4,232,494**	**3,710,987**	**4,232,494**	**3,710,987**
Loans - public sector	7	-	12,000	-	12,000
Loans - private sector	7	4,415,190	3,818,968	4,415,190	3,818,968
Allowance for loan losses	8	(182,696)	(119,981)	(182,696)	(119,981)
Other credits		**189,003**	**269,545**	**189,011**	**269,552**
Receivables		3,207	2,253	3,207	2,253
Sundry	10.b	242,928	324,779	242,936	324,786
Allowance for losses on other credits	8	(57,132)	(57,487)	(57,132)	(57,487)
Other assets		**798**	**1,677**	**798**	**1,677**
Prepaid expenses		798	1,677	798	1,677
Permanent assets		**237,129**	**223,557**	**45,962**	**46,181**
Investments		**191,781**	**177,990**	**614**	**614**
Investments in subsidiaries and affiliates - Domestic	11	191,167	177,376	-	-
Other investments		614	614	614	614
Fixed assets	12	**28,805**	**30,195**	**28,805**	**30,195**
Other fixed assets		51,074	47,722	51,074	47,722
Accumulated depreciation		(22,269)	(17,527)	(22,269)	(17,527)
Intangible	12	**16,543**	**15,372**	**16,543**	**15,372**
Intangible assets		40,451	34,341	40,451	34,341
Accumulated amortization		(23,908)	(18,969)	(23,908)	(18,969)
Total assets		**26,255,967**	**22,718,076**	**26,549,172**	**22,721,700**

Banco ABC Brasil S.A.

Balance sheets
June 30, 2017 and 2016
(In thousands of reais)

Liabilities and equity	Notes	Bank		Consolidated	
		2017	2016	2017	2016
Current liabilities		**15,709,750**	**13,598,805**	**16,002,955**	**13,602,429**
Deposits	13	**5,718,740**	**3,349,421**	**5,718,637**	**3,348,759**
Demand deposits		20,235	63,281	20,132	62,619
Interbank deposits		413,529	115,692	413,529	115,692
Time deposits		5,284,976	3,170,448	5,284,976	3,170,448
Money market funding		**27,864**	**74,099**	**27,864**	**74,099**
Own portifolio		4,598	8,195	4,598	8,195
Free Movement		23,266	65,904	23,266	65,904
Funds from acceptance and issue of securities	14	**3,539,829**	**3,607,353**	**3,539,829**	**3,607,353**
Real estate, mortgage, credit an similar notes		3,533,363	3,587,851	3,533,363	3,587,851
Certificates of structured finance		6,466	19,502	6,466	19,502
Interbank accounts		**6,137**	**329,487**	**6,137**	**329,487**
Obligations to participants settlement systems		6,137	329,487	6,137	329,487
Interbranch accounts		**50,717**	**37,280**	**50,717**	**37,280**
Third party funds in transit		50,717	37,280	50,717	37,280
Borrowings	15	**3,485,549**	**3,275,703**	**3,485,549**	**3,275,703**
Foreign borrowings		3,485,549	3,275,703	3,485,549	3,275,703
Onlendings in Brazil - government agencies	15	**812,209**	**849,232**	**812,209**	**849,232**
BNDES		495,644	529,376	495,644	529,376
FINAME		186,908	236,306	186,908	236,306
Other institutions		129,657	83,550	129,657	83,550
Transfers abroad	15	**623,837**	**482,071**	**623,837**	**482,071**
Liabilities due to transfers abroad		623,837	482,071	623,837	482,071
Derivative financial instruments	5b	**608,815**	**341,499**	**897,903**	**341,499**
Derivative financial instruments		608,815	341,499	897,903	341,499
Other liabilities		**836,053**	**1,252,660**	**840,273**	**1,256,946**
Collection of taxes		3,052	1,423	3,052	1,423
Foreign exchange portfolio	9	340,059	115,751	340,059	115,751
Social and statutory		88,434	79,382	88,434	79,382
Taxes and social security	16.a	264,330	311,770	268,521	316,035
Trading and intermediation of securities		2,417	524,523	2,417	524,523
Subordinated debts	16.b	9,531	67,822	9,531	67,822
Sundry	16.c	128,230	151,989	128,259	152,010
Noncurrent liabilities		**7,428,130**	**6,400,748**	**7,428,130**	**6,400,748**
Deposits	13	**436,285**	**407,098**	**436,285**	**407,098**
Interbank deposits		-	5,174	-	5,174
Time deposits		436,285	401,924	436,285	401,924
Funds from acceptance and issue of securities	14	**3,711,855**	**1,645,801**	**3,711,855**	**1,645,801**
Real estate, mortgage, credit an similar notes		3,711,468	1,645,801	3,711,468	1,645,801
Certificates of structured finance		387	-	387	-
Borrowings	15	**1,910**	**646,843**	**1,910**	**646,843**
Foreign borrowings		1,910	646,843	1,910	646,843
Onlendings in Brazil - government agencies	15	**1,061,550**	**1,077,541**	**1,061,550**	**1,077,541**
BNDES		640,817	518,988	640,817	518,988
FINAME		415,126	531,894	415,126	531,894
Other institutions		5,607	26,659	5,607	26,659
Transfers abroad	15	**983,702**	**432,163**	**983,702**	**432,163**
Liabilities due to transfers abroad		983,702	432,163	983,702	432,163
Derivative financial instruments	5b	**180,951**	**714,176**	**180,951**	**714,176**
Derivative financial instruments		180,951	714,176	180,951	714,176
Other liabilities		**1,051,877**	**1,477,126**	**1,051,877**	**1,477,126**
Social and statutory		315	315	315	315
Taxes and social security	16.a	62,296	45,909	62,296	45,909
Subordinated debts	16.b	962,407	1,383,181	962,407	1,383,181
Debts instruments elegible for capital		11,777	15,807	11,777	15,807
Sundry	16.c	15,082	31,914	15,082	31,914
Deferred income		**28,163**	**29,703**	**28,163**	**29,703**
Deferred income		28,163	29,703	28,163	29,703
Shareholders' equity	26	**3,089,924**	**2,688,820**	**3,089,924**	**2,688,820**
Capital:		**2,203,244**	**2,043,014**	**2,203,244**	**2,043,014**
Brazilian residents		304,021	316,188	304,021	316,188
Foreign residents		1,899,223	1,726,826	1,899,223	1,726,826
Capital reserve		32,470	30,022	32,470	30,022
Income reserves		795,039	576,549	795,039	576,549
Equity valuation adjustment		6,293	(2,687)	6,293	(2,687)
Treasury shares		(37,597)	(50,913)	(37,597)	(50,913)
Retained earnings		90,475	92,835	90,475	92,835
Total Liabilities		**26,255,967**	**22,718,076**	**26,549,172**	**22,721,700**

See accompanying notes.

Banco ABC Brasil S.A.

Income statements
Six-month period ended June 30, 2017 and 2016
(In thousands of reais, except net income per share)

	Notes	Bank		Consolidated	
		2017	2016	2017	2016
Income from financial intermediation		**1,313,049**	**639,876**	**1,324,324**	**651,951**
Lending operations		702,244	659,459	702,244	659,459
Marketable securities		710,862	595,564	721,362	607,213
Losses on derivative financial instruments	5.b	(118,869)	(645,561)	(118,094)	(645,135)
Foreign exchange operations		18,789	23,983	18,789	23,983
Gain on financial assets sale or transfer		23	6,431	23	6,431
Expenses from financial intermediation		**(1,020,110)**	**46,886**	**(1,020,110)**	**46,886**
Funding expenses		(716,086)	(391,332)	(716,086)	(391,332)
Borrowings and onlendings		(189,121)	541,336	(189,121)	541,336
Allowance for loan losses	8	(114,347)	(104,085)	(114,347)	(104,085)
Allowance for loan losses - Exchange rate variation on credit assignment operations		(215)	1,035	(215)	1,035
Losses on financial assets sale or transfer		(341)	(68)	(341)	(68)
Gross income from financial intermediation		**292,939**	**686,762**	**304,214**	**698,837**
Other operating income (expenses)		**(6,405)**	**(244,656)**	**(13,534)**	**(252,371)**
Income from services rendered	17	152,028	121,021	152,028	121,021
Personnel expenses		(99,587)	(97,129)	(99,587)	(97,308)
Other administrative expenses	18	(52,414)	(49,457)	(52,604)	(49,601)
Taxes		(32,820)	(22,538)	(33,329)	(23,125)
Equity pick-up from subsidiaries	11	6,430	6,805	-	-
Other operating income	19	26,373	13,477	26,373	13,477
Other operating expenses	20	(6,415)	(216,835)	(6,415)	(216,835)
Operating income		**286,534**	**442,106**	**290,680**	**446,466**
Non-operating loss		**(18,187)**	**(8,186)**	**(18,187)**	**(8,186)**
Income before taxes and profit sharing		**268,347**	**433,920**	**272,493**	**438,280**
Income and social contribution taxes	21	**(4,769)**	**(186,476)**	**(8,915)**	**(190,836)**
Provision for income tax		(20,734)	(61,135)	(23,339)	(63,774)
Provision for social contribution tax		(21,089)	(56,666)	(22,606)	(58,156)
Deferred tax credits		37,054	(68,675)	37,030	(68,906)
Variable compensation		**(59,584)**	**(52,199)**	**(59,584)**	**(52,199)**
Net income for the six-month period		**203,994**	**195,245**	**203,994**	**195,245**
Net earnings per outstanding share - in 186,496,733 shares (169,066,168 in 2016)		**1.09**	**1.15**		

See accompanying notes.

Banco ABC Brasil S.A.

Statements of changes in shareholders' equity
Six-month period ended June 30, 2017 and 2016
(In thousands of reais)

			Income reserves						
	Capital	Capital reserve	Legal reserve	Dividends equalization	Share buyback	Equity valuation adjustment	Retained earnings	Treasury shares	Total
Balances at December 31, 2015	**1,980,139**	**27,013**	**122,204**	**389,583**	**55,000**	**(10,958)**	**-**	**(53,322)**	**2,509,659**
Adjustment to market value - securities	-	-	-	-	-	8,271	-	-	8,271
Acquisition of treasury shares	-	-	-	-	-	-	-	2,409	2,409
Capital Increase	62,875	-	-	-	-	-	-	-	62,875
Net income for the period	-	-	-	-	-	-	195,245	-	195,245
Interest on equity	-	-	-	-	-	-	(92,648)	-	(92,648)
Allocation - Legal reserve	-	-	9,762	-	-	-	(9,762)	-	-
Allocations of reserves - Management remuneration	-	3,009	-	-	-	-	-	-	3,009
Balances at June 30, 2016	**2,043,014**	**30,022**	**131,966**	**389,583**	**55,000**	**(2,687)**	**92,835**	**(50,913)**	**2,688,820**
Balances at December 31, 2016	**2,121,765**	**32,422**	**142,532**	**587,307**	**55,000**	**242**	**-**	**(46,050)**	**2,893,218**
Adjustment to market value - securities	-	-	-	-	-	6,051	-	-	6,051
Acquisition of treasury shares	-	-	-	-	-	-	-	8,453	8,453
Capital Increase	81,479	-	-	-	-	-	-	-	81,479
Net income for the period	-	-	-	-	-	-	203,994	-	203,994
Interest on equity	-	-	-	-	-	-	(103,319)	-	(103,319)
Allocation - Legal reserve	-	-	10,200	-	-	-	(10,200)	-	-
Allocations of reserves - Management remuneration	-	48	-	-	-	-	-	-	48
Balances at June 30, 2017	**2,203,244**	**32,470**	**152,732**	**587,307**	**55,000**	**6,293**	**90,475**	**(37,597)**	**3,089,924**

See accompanying notes.

Banco ABC Brasil S.A.

Statements of cash flows - Indirect method
Six-month period ended June 30, 2017 and 2016
(In thousands of reais)

	Bank		Consolidated	
	2017	2016	2017	2016
Operating activities				
Adjusted net income of the six-month period	**336,211**	**320,667**	**342,641**	**327,472**
Net income of the six-month period	203,994	195,245	203,994	195,245
Adjustment to net income:	**132,217**	**125,422**	**138,647**	**132,227**
Depreciation and amortization	5,268	4,569	5,268	4,569
Equity pick-up from subsidiaries	(6,430)	(6,805)	-	-
Income (loss) on disposal of assets not used in banking operations	14,763	550	14,763	550
Gain (loss) on disposal of fixed assets and intangible	(8)	-	(8)	-
Provision for impairment of assets not of own use	3,786	7,685	3,786	7,685
Allowance for loan losses	114,562	103,050	114,562	103,050
Provision for contingent liabilities and legal liabilities	(5,775)	8,102	(5,775)	8,102
Mark-to-market - marketable securities	6,051	8,271	6,051	8,271
Changes in assets and liabilities	**(1,568,327)**	**1,227,030**	**(1,574,910)**	**1,219,852**
Interbank investments	(634,718)	101,977	(634,718)	101,977
Marketable securities and derivative financial instruments	74,780	(184,470)	70,928	(199,702)
Lending operations	(413,121)	1,180,899	(413,121)	1,180,899
Other credits and other assets	(38,329)	(10,001)	(36,385)	118,874
Interbank accounts	(14,421)	317,041	(14,421)	317,041
Interbranch accounts	38,954	18,750	38,954	18,750
Other liabilities	(575,561)	(197,295)	(580,236)	(318,116)
Deferred income	(5,911)	129	(5,911)	129
Cash flow (used in) / provided by operating activities	**(1,232,116)**	**1,547,697**	**(1,232,269)**	**1,547,324**
Investments activities				
Acquisition of fixed assets and intangible	(3,579)	(5,881)	(3,579)	(5,881)
Acquisition of assets not used in banking operations	(173,509)	(50,846)	(173,509)	(50,846)
Disposal of fixed assets for own use and intangible assets	1	-	1	-
Disposal of assets on own use	16,642	10,200	16,642	10,200
Allocations of reserves of capital	48	3,009	48	3,009
Cash (used in) / provided by investment activities	**(160,397)**	**(43,518)**	**(160,397)**	**(43,518)**
Financing activities				
Deposits	814,670	(838,712)	814,823	(838,339)
Money market funding	22,065	6,901	22,065	6,901
Borrowings and onlendings	(883,899)	(1,180,654)	(883,899)	(1,180,654)
Acceptance and issuance of securities	1,093,842	195,962	1,093,842	195,962
Treasury shares	8,453	2,409	8,453	2,409
Capital Increase	81,479	62,875	81,479	62,875
Interest on equity	(103,319)	(92,648)	(103,319)	(92,648)
Cash (used in) / provided by financing activities	**1,033,291**	**(1,843,867)**	**1,033,444**	**(1,843,494)**
Increase / (Decrease) in cash and cash equivalents	**(359,222)**	**(339,688)**	**(359,222)**	**(339,688)**
At beginning of the six-month period	4,369,169	4,966,820	4,369,169	4,966,820
At end of the six-month period	4,009,947	4,627,132	4,009,947	4,627,132
Change in cash and cash equivalents	**(359,222)**	**(339,688)**	**(359,222)**	**(339,688)**

See accompanying notes.

Banco ABC Brasil S.A.

Statements of value added
Six-month period ended June 30, 2017 and 2016
(In thousands of reais)

	Notes	Bank		Consolidated	
		2017	2016	2017	2016
Determination of Value Added					
Income		**1,376,888**	**671,324**	**1,388,163**	**683,399**
Income from financial intermediation		1,313,049	639,876	1,324,324	651,951
Income from services rendered	17	152,028	121,021	152,028	121,021
Set-up of allowance for loan losses		(114,562)	(103,050)	(114,562)	(103,050)
Other operating income	19	26,373	13,477	26,373	13,477
Expenses from financial intermediation		**(905,548)**	**149,936**	**(905,548)**	**149,936**
Assets acquired from third parties		**(65,598)**	**(264,109)**	**(65,788)**	**(264,253)**
Telecommunications and data processing	18	(7,340)	(7,014)	(7,340)	(7,022)
Services provided by third parties	18	(3,627)	(3,880)	(3,627)	(3,642)
Financial services	18	(8,742)	(8,062)	(8,776)	(8,308)
Specialized technical services	18	(7,014)	(7,143)	(7,049)	(7,175)
Travel expenses	18	(3,410)	(2,283)	(3,410)	(2,283)
Promotions and public relations	18	(910)	(451)	(910)	(451)
Other operating expenses	20	(6,415)	(216,835)	(6,415)	(216,835)
Non-operating income		(18,187)	(8,186)	(18,187)	(8,186)
Other administrative expenses	18	(9,953)	(10,255)	(10,074)	(10,351)
Gross value added		**405,742**	**557,151**	**416,827**	**569,082**
Retained values		**(5,268)**	**(4,569)**	**(5,268)**	**(4,569)**
Depreciation and amortization	18	(5,268)	(4,569)	(5,268)	(4,569)
Net value added		**400,474**	**552,582**	**411,559**	**564,513**
Added value received in transfer		**6,430**	**6,805**	**-**	**-**
Equity pick-up from subsidiaries		6,430	6,805	-	-
Total value added to be distributed		**406,904**	**559,387**	**411,559**	**564,513**
Distribution of value added		**406,904**	**559,387**	**411,559**	**564,513**
Salaries and social charges		**137,032**	**130,262**	**137,032**	**130,408**
Direct compensation		59,608	61,247	59,608	61,369
Benefits		11,209	10,708	11,209	10,722
Social Charges - FGTS		5,517	5,297	5,517	5,307
Training		1,114	811	1,114	811
Profit sharing		59,584	52,199	59,584	52,199
Taxes, charges and compulsory contributions		**59,728**	**228,080**	**64,383**	**233,060**
Federal		51,636	224,774	56,291	229,750
State		10	16	10	16
Municipal		8,082	3,290	8,082	3,294
Compensation of third party capital		**6,150**	**5,800**	**6,150**	**5,800**
Rental	18	6,150	5,800	6,150	5,800
Compensation of shareholders		**203,994**	**195,245**	**203,994**	**195,245**
Interest on equity	26.b	103,319	92,648	103,319	92,648
Retained profit		100,675	102,597	100,675	102,597

See accompanying notes.

1. Operations

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

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

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

I Financial statements presentation and consolidation criteria

The financial statements (individual and consolidated) were prepared in accordance with accounting practices adopted in Brazil, in light of accounting guidelines contained in Law No. 6,404/76 with amendments introduced by Law No. 11,638/07 and 11,941/09, and the standards and instructions of the Central Bank of Brazil (BACEN) and the Brazilian Securities and Exchange Commission (CVM). The consolidated financial statements include the financial statements of Banco ABC Brasil S.A. and those of the subsidiaries ABC Brasil Distribuidora de Títulos e Valores Mobiliários S.A. and ABC Brasil Administração e Participações Ltda., for which the direct and indirect ownership interest as of June 30, 2017, is equivalent to approximately 100%.

These financial statements were approved by the Directors on August 2, 2017.

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

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

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

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

Significant accounting practices are summarized as follows:

a) *Asset valuation criteria*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b) *Cash and cash equivalents*

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

c) *Liability valuation criteria*

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

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

d) *Hedge Accounting*

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

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

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

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

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

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

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

f) *Recognition of revenues and expenses*

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

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

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

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

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

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

h) *Impairment of non-financial assets*

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

i) *Income and Social Contribution Taxes*

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

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

j) *Earnings per share*

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

3. Cash and cash equivalents

Cash and cash equivalent components:

	Bank and Consolidated	
	2017	**2016**
Cash and banks	**20,440**	**28,279**
Interbank investments	**3,989,507**	**4,598,853**
Foreign investments	502,846	412,592
Other investments with maturity less than 90 days	3,486,661	4,186,261
Total cash and cash equivalents	**4,009,947**	**4,627,132**

4. Interbank investments

The balance of interbank investments is composed of money market investments backed by federal government bonds with maturities up to December 2017, in the amount of R$ 4,561,756 (R$ 4,801,060 in 2016), foreign currency overnight investments in the amount of R$ 502,846 (R$ 412,592 in 2016) and investments in interbank deposits maturing in June 2018, in the amount of R$ 976,917 (R$ 142,592 in 2016).

5. Marketable securities and derivative financial instruments

a) Marketable securities

The classification of marketable securities at June 30, 2017 and 2016 are as follows:

	2017				2016	
	Bank		Consolidated		Bank	Consolidated
	Cost	Market	Cost	Market	Market	Market
Trading securities						
Financial Treasury Bills - "LFT"	1,182,084	1,181,422	1,322,479	1,321,795	1,056,040	1,194,015
Eurobonds	9,491	9,454	9,491	9,454	12,935	12,935
National Treasury Notes - "NTN - B"	140,736	142,553	140,736	142,553	237,742	237,742
National treasury bills - "LTN"	1,371,523	1,422,047	1,371,523	1,422,047	-	-
Bank Deposit Certificate - "CDB"	-	-	25,906	25,906	109,329	131,267
Debentures	22,662	22,476	22,662	22,476	3,791	3,791
Promissory Notes - "NP"	-	-	-	-	3,575	3,575
Subtotal - Trading securities	**2,726,496**	**2,777,952**	**2,892,797**	**2,944,231**	**1,423,412**	**1,583,325**
Securities available for sale (b)						
Eurobonds	7,084	7,082	7,084	7,082	34,800	34,800
National Treasury Notes - "NTN - B"	12,405	12,462	12,405	12,462	-	-
National Treasury Notes - "NTN - A"	84,615	83,713	84,615	83,713	80,552	80,552
Bank deposit certificates - "CDB"	-	-	-	-	-	19,796
Debentures	1,090,553	1,089,214	1,090,553	1,089,214	897,018	897,018
Promissory Notes - "NP"	388,335	390,795	388,335	390,795	335,877	335,877
Rural Product bills - "CPR"	173,328	170,519	173,328	170,519	144,189	144,189
Foreign government bonds	1,400,187	1,414,163	1,400,187	1,414,163	1,043,191	1,043,191
Financial Treasury - "LF"	-	-	-	-	140,512	140,512
Subtotal - Securities available for sale	**3,156,507**	**3,167,948**	**3,156,507**	**3,167,948**	**2,676,139**	**2,695,935**
Held to maturity						
National treasury bills - "LTN" (a)	469,961	469,961	469,961	469,961	573,473	573,473
Subtotal - held to maturity	**469,961**	**469,961**	**469,961**	**469,961**	**573,473**	**573,473**
Total	**6,352,964**	**6,415,861**	**6,519,265**	**6,582,140**	**4,673,024**	**4,852,733**

(a) Securities classified as held to maturity are valued at amortized cost. If they were valued at market value, on June 30, 2017, would have positive adjustment of R$ 37,291 (negative adjustment of R$ 15,683 in June 30, 2016).

(b) The market value submitted is net of the allowance for devaluation of securities in the amount of R$ 117,806 on June 30, 2017 (R$ 59,242 in 2016).

At June 30, 2017, unrealized income on securities classified as available for sale totaled a gain of R$ 11,441 (R$ 4,886 loss in 2016), which is recorded in equity under the account "Equity valuation adjustment" net of tax effects, amounting to R$ 6,293 (R$ 2,687 loss in 2016).

As of June 30, 2017, the balance of unlisted securities is R$ 2,900,739.

The Bank's portfolios at June 30, 2017, classified by maturity or effective possibility of settlement, are as follows:

	Bank						
	2017						
	Up to 1 Month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Trading securities							
Financial Treasury Bills - "LFT"	-	-	-	115,963	880,000	185,459	1,181,422
Eurobonds	-	-	-	-	-	9,454	9,454
National Treasury Notes - "NTN - B"	-	-	-	-	79,117	63,436	142,553
National Treasury Bills - "LTN"	-	-	-	-	1,422,047	-	1,422,047
Debentures	-	-	-	-	-	22,476	22,476
Subtotal - Trading securities	**-**	**-**	**-**	**115,963**	**2,381,164**	**280,825**	**2,777,952**
Securities available for sale							
Eurobonds	-	-	-	-	-	7,082	7,082
National Treasury Notes - "NTN - B"	-	-	-	-	-	12,462	12,462
National Treasury Notes - "NTN - A"	-	-	-	-	-	83,713	83,713
Debentures	-	35,298	128,392	249,771	373,507	302,246	1,089,214
Promissory Notes - "NP"	-	185,386	17,577	35,284	145,594	6,954	390,795
Rural Product Bills - "CPR"	-	133	-	44,203	115,218	10,965	170,519
Foreign government bonds	-	-	1,414,163	-	-	-	1,414,163
Subtotal - Securities available for sale	**-**	**220,817**	**1,560,132**	**329,258**	**634,319**	**423,422**	**3,167,948**
Held to maturity							
National Treasury Bills - "LTN"	-	-	-	-	469,961	-	469,961
Subtotal - held to maturity	**-**	**-**	**-**	**-**	**469,961**	**-**	**469,961**
Total - 2017	**-**	**220,817**	**1,560,132**	**445,221**	**3,485,444**	**704,247**	**6,415,861**
Total - 2016	**197,507**	**198,623**	**1,357,417**	**565,430**	**1,002,111**	**1,351,936**	**4,673,024**

	Consolidated						
	2017						
	Up to 1 Month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Trading securities							
Financial Treasury Bills - "LFT"	-	-	-	115,963	1,020,373	185,459	1,321,795
Eurobonds	-	-	-	-	-	9,454	9,454
National Treasury Notes - "NTN - B"	-	-	-	-	79,117	63,436	142,553
National Treasury Bills - "LTN"	-	-	-	-	1,422,047	-	1,422,047
Bank Deposit Certificate - "CDB"	-	-	25,906	-	-	-	25,906
Debentures	-	-	-	-	-	22,476	22,476
Subtotal - Trading securities	**-**	**-**	**25,906**	**115,963**	**2,521,537**	**280,825**	**2,944,231**
Securities available for sale							
Eurobonds	-	-	-	-	-	7,082	7,082
National Treasury Notes - "NTN - B"	-	-	-	-	-	12,462	12,462
National Treasury Notes - "NTN - A"	-	-	-	-	-	83,713	83,713
Debentures	-	35,298	128,392	249,771	373,507	302,246	1,089,214
Promissory Notes - "NP"	-	185,386	17,577	35,284	145,594	6,954	390,795
Rural Product Bills - "CPR"	-	133	-	44,203	115,218	10,965	170,519
Foreign government bonds	-	-	1,414,163	-	-	-	1,414,163
Subtotal - Securities available for sale	**-**	**220,817**	**1,560,132**	**329,258**	**634,319**	**423,422**	**3,167,948**
Held to maturity							
National Treasury Bills - "LTN"	-	-	-	-	469,961	-	469,961
Subtotal - held to maturity	**-**	**-**	**-**	**-**	**469,961**	**-**	**469,961**
Total - 2017	**-**	**220,817**	**1,586,038**	**445,221**	**3,625,817**	**704,247**	**6,582,140**
Total - 2016	**197,507**	**198,623**	**1,377,213**	**565,430**	**1,162,024**	**1,351,936**	**4,852,733**

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

		Bank and Consolidated	
		Market value	
Operation type	**Linked securities**	**2017**	**2016**
Derivatives - B3 S.A - Brasil, Bolsa, Balcão e CBLC	LTN / NTN / CDB	291,679	464,249
Exchange - B3 S.A - Brasil, Bolsa, Balcão	LTN	50,490	91,727
Agribusiness credit bills funding	Rural product bills / Debentures	177,293	126,101
Onlendings - Circular No. 3,844	LFT	-	463,968
Total		**519,462**	**1,146,045**

b) Derivative financial instruments

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

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

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

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

Derivatives operations have a counterparty credit limit set according to the customer's profile and are reviewed periodically by credit committees with participation from senior management. The operations are under the custody of the B3 S.A - Brasil, Bolsa, Balcão as well as the Chicago Stock Exchange.

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

The bases adopted for determining market prices are as follows:

- Futures: stock exchange quotations;
- Options: determined based on the criteria set forth in the contracts, calculated according to known models used by the market;
- Swaps: cash flows for each contract are discounted to present value, in accordance with the respective interest rate curves, obtained based on B3 S.A - Brasil, Bolsa, Balcão prices adjusted to the credit risk of the counterparties; and
- Forward: the future value of the transaction discounted to present value as rates obtained at B3 S.A - Brasil, Bolsa, Balcão grants or reference stock exchange market adjusted to the credit risk of the counterparties.

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 are recorded in memorandum accounts, as follows:

	2017				2016	
	Bank				Bank	
	Notional value	Cost - (receivable / payable)	Marked to Market adjustment	Market value	Notional value	Market value
Future contracts	**8,961,830**	**-**	**-**	**-**	**7,149,671**	**-**
Purchase commitments	**2,659,964**	**-**	**-**	**-**	**3,542,942**	**-**
Interbank market	1,561,241	-	-	-	2,939,501	-
Foreign currency	1,098,723	-	-	-	602,657	-
Others	-	-	-	-	784	-
Sales commitments	**6,301,866**	**-**	**-**	**-**	**3,606,729**	**-**
Interbank market	6,000,375	-	-	-	3,606,729	-
Foreign currency	300,219	-	-	-	-	-
Others	1,272	-	-	-	-	-
Asset position	**11,132,168**	**806,883**	**100,116**	**906,999**	**13,085,050**	**1,138,526**
Swap contracts	**1,597,949**	**57,743**	**3,325**	**61,068**	**1,419,774**	**126,448**
Interbank market	742,286	54,174	3,021	57,195	813,320	123,218
Foreign currency	103,877	2,849	27	2,876	25,561	1,202
Fixed rates	751,786	720	277	997	572,876	603
Others	-	-	-	-	8,017	1,425
Options contracts	**7,759,139**	**632,179**	**95,450**	**727,629**	**9,461,995**	**662,816**
Purchase commitments	**4,280,992**	**140,362**	**(46,751)**	**93,611**	**2,411,095**	**19,937**
Foreign currency	4,238,919	137,797	(45,319)	92,478	2,408,907	19,825
Others financial assets	42,073	2,565	(1,432)	1,133	2,188	112
Sales commitments	**3,478,147**	**491,817**	**142,201**	**634,018**	**7,050,900**	**642,879**
Foreign currency	3,401,357	489,539	140,964	630,503	2,514,302	642,676
Others financial assets	76,790	2,278	1,237	3,515	4,536,598	203
Others financial instruments	**1,775,080**	**116,961**	**1,341**	**118,302**	**2,203,281**	**349,262**
Foreign currency	806,125	77,342	2,186	79,528	1,937,084	329,994
Others financial assets	968,955	39,619	(845)	38,774	266,197	19,268

	2017				2016	
	Bank				Bank	
	Notional value	Cost - (receivable / payable)	Marked to Market adjustment	Market value	Notional value	Market value
Liability position	**10,228,925**	**(867,206)**	**103,520**	**(763,686)**	**12,400,554**	**(945,571)**
Swap contracts	**1,195,502**	**(34,312)**	**4,776**	**(29,536)**	**804,113**	**(134,379)**
Interbank market	404,606	(26,344)	7,850	(18,494)	560,772	(116,211)
Foreign currency	256,805	(7,250)	(289)	(7,539)	97,239	(13,570)
Fixed rates	517,878	(627)	(2,235)	(2,862)	121,851	(1,850)
Others	16,213	(91)	(550)	(641)	24,251	(2,748)
Options contracts	**7,838,894**	**(716,569)**	**100,348**	**(616,221)**	**9,577,150**	**(595,460)**
Purchase commitments	**4,555,988**	**(194,922)**	**114,301**	**(80,621)**	**2,627,100**	**(18,501)**
Foreign currency	4,493,942	(193,193)	114,056	(79,137)	2,602,904	(17,972)
Others financial assets	62,046	(1,729)	245	(1,484)	24,196	(529)
Sales commitments	**3,282,906**	**(521,647)**	**(13,953)**	**(535,600)**	**6,950,050**	**(576,959)**
Foreign currency	3,235,500	(518,276)	(13,693)	(531,969)	2,418,482	(576,757)
Others financial assets	47,406	(3,371)	(260)	(3,631)	4,531,568	(202)
Others financial instruments	**1,194,529**	**(116,325)**	**(1,604)**	**(117,929)**	**2,019,291**	**(215,732)**
Foreign currency	1,021,800	(84,302)	(1,605)	(85,907)	825,661	(190,747)
Others financial assets	172,729	(32,023)	1	(32,022)	1,193,630	(24,985)

	2017				2016	
	Consolidated				Consolidated	
	Notional value	Cost - (receivable / payable)	Marked to Market adjustment	Market value	Notional value	Market value
Future contracts	**8,961,830**	**-**	**-**	**-**	**7,149,671**	**-**
Purchase commitments	**2,659,964**	**-**	**-**	**-**	**3,542,942**	**-**
Interbank market	1,561,241	-	-	-	2,939,501	-
Foreign currency	1,098,723	-	-	-	602,657	-
Others	-	-	-	-	784	-
Sales commitments	**6,301,866**	**-**	**-**	**-**	**3,606,729**	**-**
Interbank market	6,000,375	-	-	-	3,606,729	-
Foreign currency	300,219	-	-	-	-	-
Others	1,272	-	-	-	-	-
Asset position	**12,069,668**	**1,136,608**	**87,604**	**1,224,212**	**13,085,050**	**1,138,526**
Swap contracts	**1,597,949**	**57,743**	**3,325**	**61,068**	**1,419,774**	**126,448**
Interbank market	742,286	54,174	3,021	57,195	813,320	123,218
Foreign currency	103,877	2,849	27	2,876	25,561	1,202
Fixed rates	751,786	720	277	997	572,876	603
Others	-	-	-	-	8,017	1,425
Options contracts	**8,696,639**	**961,904**	**82,938**	**1,044,842**	**9,461,995**	**662,816**
Purchase commitments	**4,280,992**	**140,362**	**(46,751)**	**93,611**	**2,411,095**	**19,937**
Foreign currency	4,238,919	137,797	(45,319)	92,478	2,408,907	19,825
Others financial assets	42,073	2,565	(1,432)	1,133	2,188	112
Sales commitments	**4,415,647**	**821,542**	**129,689**	**951,231**	**7,050,900**	**642,879**
Foreign currency	4,338,857	819,264	128,452	947,716	2,514,302	642,676
Others financial assets	76,790	2,278	1,237	3,515	4,536,598	203
Others financial instruments	**1,775,080**	**116,961**	**1,341**	**118,302**	**2,203,281**	**349,262**
Foreign currency	806,125	77,342	2,186	79,528	1,937,084	329,994
Others financial assets	968,955	39,619	(845)	38,774	266,197	19,268

	2017				2016	
	Consolidated				Consolidated	
	Notional value	Cost - (receivable / payable)	Marked to Market adjustment	Market value	Notional value	Market value
Liability position	**11,138,300**	**(1,169,581)**	**116,807**	**(1,052,774)**	**12,400,554**	**(945,571)**
Swap contracts	**1,195,502**	**(34,312)**	**4,776**	**(29,536)**	**804,113**	**(134,379)**
Interbank market	404,606	(26,344)	7,850	(18,494)	560,772	(116,211)
Foreign currency	256,805	(7,250)	(289)	(7,539)	97,239	(13,570)
Fixed rates	517,878	(627)	(2,235)	(2,862)	121,851	(1,850)
Others	16,213	(91)	(550)	(641)	24,251	(2,748)
Options contracts	**8,748,269**	**(1,018,944)**	**113,635**	**(905,309)**	**9,577,150**	**(595,460)**
Purchase commitments	**4,555,988**	**(194,922)**	**114,301**	**(80,621)**	**2,627,100**	**(18,501)**
Foreign currency	4,493,942	(193,193)	114,056	(79,137)	2,602,904	(17,972)
Others financial assets	62,046	(1,729)	245	(1,484)	24,196	(529)
Sales commitments	**4,192,281**	**(824,022)**	**(666)**	**(824,688)**	**6,950,050**	**(576,959)**
Foreign currency	4,144,875	(820,651)	(406)	(821,057)	2,418,482	(576,757)
Others financial assets	47,406	(3,371)	(260)	(3,631)	4,531,568	(202)
Others financial instruments	**1,194,529**	**(116,325)**	**(1,604)**	**(117,929)**	**2,019,291**	**(215,732)**
Foreign currency	1,021,800	(84,302)	(1,605)	(85,907)	825,661	(190,747)
Others financial assets	172,729	(32,023)	1	(32,022)	1,193,630	(24,985)

To mitigate the risks of the operations of funding with the subordinated debt of US$ 69,3 million (US$ 264,9 million in 2016) (Note 16.b), and Foreign Onlendings in the amount US$ 83,8 million (US$ 123,3 million in 2016) (Note 15.b), the management decided to designate financial instruments shown below to hedge a portion of the principal amount and value of the a portion contractual interest.

		Bank and Consolidated		
		2017		
Derivatives used as fair value hedge	**Notional value**	**Curve Yield**	**Market value**	**MTM**
Hedge instruments				
Swap contracts	**528,422**	**(28,458)**	**(20,843)**	**7,615**
Subordinate loans	**238,163**	**(13,003)**	**(9,282)**	**3,721**
Foreign currency - US dollar - Liabilities position (1)	238,163	(13,003)	(9,282)	3,721
Liabilities due to transfers abroad	**290,259**	**(15,455)**	**(11,561)**	**3,894**
Foreign currency - US dollar - Assets position (1)	159,762	4,221	5,237	1,016
Foreign currency - US dollar - Liabilities position (1)	130,497	(19,676)	(16,798)	2,878
Subject to hedge	**511,751**	**(511,751)**	**(519,366)**	**(7,615)**
Subordinated debt (Note 16.b)	233,166	(233,166)	(236,887)	(3,721)
Liabilities due to transfers abroad (Note 15.b)	278,585	(278,585)	(282,479)	(3,894)

(1) Amounts updated through the balance sheet date.

		Bank and Consolidated		
		2016		
Derivatives used as fair value hedge	**Notional value (1)**	**Curve Yield**	**Market value**	**MTM**
Hedge instruments				
Swap contracts	**1,316,804**	**(98,582)**	**(108,858)**	**(10,276)**
Subordinate loan	**896,310**	**(68,579)**	**(81,370)**	**(12,791)**
Foreign currency - US dollar - Liabilities position (2)	896,310	(68,579)	(81,370)	(12,791)
Liabilities due to transfers abroad	**420,494**	**(30,003)**	**(27,488)**	**2,515**
Foreign currency - US dollar - Assets position (2)	131,437	636	1,246	610
Foreign currency - US dollar - Liabilities position (2)	289,057	(30,639)	(28,734)	1,905
Subject to hedge	**1,261,989**	**(1,261,989)**	**(1,251,713)**	**10,276**
Subordinated debt (Note 16.b)	864,466	(864,466)	(851,675)	12,791
Liabilities due to transfers abroad (Note 15.b)	397,523	(397,523)	(400,038)	(2,515)

(1) Included new financial instruments started after the *"reset" of hedge* whose notional value of contracts at June 30, 2016 was R$ 333,207, amounts updated through the balance sheet date.
(2) Amounts updated through the balance sheet date.

Considering that cash flows (principal and interests) of the hedged item (subordinated debt and foreign onlendings) and cash flows of designated swaps are identical, effectiveness expected from the time such hedge instruments are 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, 2017 and 2016, are as follows:

	2017							2016
	Bank							Bank
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total	Total
Off Balance								
Futures contracts	1,824,722	1,664,471	848,989	1,878,474	2,608,704	136,470	8,961,830	7,149,671
Option contracts	9,672,575	258,756	262,073	21,729	5,382,900	-	15,598,033	19,039,145
Swap contracts	209,312	690,816	720,868	389,802	1,126,062	185,013	3,321,873	3,540,691
Others financial instruments	625,731	1,153,023	672,403	346,883	171,569	-	2,969,609	4,222,572
Total - 2017	**12,332,340**	**3,767,066**	**2,504,333**	**2,636,888**	**9,289,235**	**321,483**	**30,851,345**	**-**
Total - 2016	**11,488,277**	**2,646,155**	**3,820,743**	**2,937,169**	**11,893,960**	**1,165,775**	**-**	**33,952,079**
Asset position								
Option contracts	557,370	3,251	3,432	173	163,403	-	727,629	662,816
Swap contracts	1	37,826	2,639	5,068	18,993	1,778	66,305	127,694
Others financial instruments	5,495	73,495	18,444	13,752	7,116	-	118,302	349,262
Total - 2017	**562,866**	**114,572**	**24,515**	**18,993**	**189,512**	**1,778**	**912,236**	**-**
Total - 2016	**112,392**	**104,561**	**108,482**	**86,425**	**726,898**	**1,014**	**-**	**1,139,772**
Liability position								
Option contracts	(475,634)	(5,075)	(5,060)	(285)	(130,167)	-	(616,221)	(595,460)
Swap contracts	(198)	(3,487)	(3,237)	(1,151)	(29,132)	(18,411)	(55,616)	(244,483)
Others financial instruments	(14,351)	(73,567)	(17,051)	(9,719)	(3,241)	-	(117,929)	(215,732)
Total - 2017	**(490,183)**	**(82,129)**	**(25,348)**	**(11,155)**	**(162,540)**	**(18,411)**	**(789,766)**	**-**
Total - 2016	**(208,497)**	**(37,853)**	**(38,203)**	**(56,946)**	**(604,663)**	**(109,513)**	**-**	**(1,055,675)**

	2017							2016
	Consolidated							Consolidated
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total	Total
Off Balance								
Futures contracts	1,824,722	1,664,471	848,989	1,878,474	2,608,704	136,470	8,961,830	7,149,671
Option contracts	11,519,450	258,756	262,073	21,729	5,382,900	-	17,444,908	19,039,145
Swap contracts	209,312	690,816	720,868	389,802	1,126,062	185,013	3,321,873	3,540,691
Others financial instruments	625,731	1,153,023	672,403	346,883	171,569	-	2,969,609	4,222,572
Total - 2017	**14,179,215**	**3,767,066**	**2,504,333**	**2,636,888**	**9,289,235**	**321,483**	**32,698,220**	**-**
Total - 2016	**11,488,277**	**2,646,155**	**3,820,743**	**2,937,169**	**11,893,960**	**1,165,775**	**-**	**33,952,079**
Asset position								
Option contracts	874,583	3,251	3,432	173	163,403	-	1,044,842	662,816
Swap contracts	1	37,826	2,639	5,068	18,993	1,778	66,305	127,694
Others financial instruments	5,495	73,495	18,444	13,752	7,116	-	118,302	349,262
Total - 2017	**880,079**	**114,572**	**24,515**	**18,993**	**189,512**	**1,778**	**1,229,449**	**-**
Total - 2016	**112,392**	**104,561**	**108,482**	**86,425**	**726,898**	**1,014**	**-**	**1,139,772**
Liability position								
Option contracts	(764,722)	(5,075)	(5,060)	(285)	(130,167)	-	(905,309)	(595,460)
Swap contracts	(198)	(3,487)	(3,237)	(1,151)	(29,132)	(18,411)	(55,616)	(244,483)
Others financial instruments	(14,351)	(73,567)	(17,051)	(9,719)	(3,241)	-	(117,929)	(215,732)
Total - 2017	**(779,271)**	**(82,129)**	**(25,348)**	**(11,155)**	**(162,540)**	**(18,411)**	**(1,078,854)**	**-**
Total - 2016	**(208,497)**	**(37,853)**	**(38,203)**	**(56,946)**	**(604,663)**	**(109,513)**	**-**	**(1,055,675)**

The unquoted derivative financial instruments where the pricing process is substantially based on the use of judgments and estimates has the amounts recorded in the Assets of R$ 159,846 and in the Liabilities of R$ 182,096.

Gains (losses) on derivative financial instruments for the period ended June 30, 2017 and 2016 are as follows:

	2017				2016	
	Bank			Consolidated	Bank	Consolidated
	Gains	Losses	Net	Net	Net	Net
Swaps	282,718	(284,897)	(2,179)	(2,179)	(303,236)	(303,236)
Futures	3,108,906	(3,193,624)	(84,718)	(84,718)	(557,482)	(555,929)
Options	165,251	(159,445)	5,806	6,581	15,042	13,915
Forwards	228,551	(266,329)	(37,778)	(37,778)	200,115	200,115
Total	**3,785,426**	**(3,904,295)**	**(118,869)**	**(118,094)**	**(645,561)**	**(645,135)**

Risk sensitivity analysis in financial instrument operations

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

	Exposure		
	Probable Scenario	Scenario II	Scenario III
i) *Interest rate*			
Net exposure to fixed interest rates (RWAjur1)	4,857	21,301	42,266
Net exposure of currency coupons (RWAjur2)	38,370	42,014	43,272
Net exposure of index coupons (RWAjur3)	14,400	14,486	14,487
Total interest rate exposure (Note 27)	**57,627**	**77,801**	**100,025**
ii) Foreign exchange rate			
Total exposure purchased at exchange rates	**2,195**	**5,487**	**10,975**

i) Interest rates:

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

In order to comply with CVM Rule No. 475/08, regarding risk sensitivity, it was utilized, in the scenario analysis required in this regulation, the amount of the minimum capital requirement for interest rate exposure as of June 30, 2017.

ii) Foreign exchange rate:

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

The risk exposure calculation criteria as set out by the Central Bank of Brazil and in accordance with CVM Rule No. 475/08 were taken into account in the scenario analysis of net exposure at June 30, 2017.

iii) Banking Book:

These refer to operations that are not classified in the trading book, resulting from Bank business lines and their possible hedge instruments. Measurement and valuation of interest rate risk of banking book operations are regulated by the Central Bank of Brazil through Circular No. 3,365/07 that sets criteria and assumptions to gauge the degree of risk including stress tests whose results could indicate how much regulatory capital is required to cover such risks. Results of these procedures have no relevance on accounting practices regarding the recording and valuation of banking book operations are reported to the Central Bank of Brazil and at June 30, 2017 an exposure of R$ 44,449 was stated, which also takes into account interest rate risk of the aforementioned banking book in alternative scenarios according to methodologies set out by the regulatory body.

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

6. Interbank accounts

The breakdown of interbank accounts represents the amount of R$ 21,946 as of June 30, 2017 (R$ 12,656 in 2016), represented by reserve requirements - Central Bank deposits, in the amount of R$ 106 (R$ 237 in 2016) and Others - Payments and receivables to settle, in the amount of R$ 21,840 (R$ 12,419 in 2016).

7. Lending operations, guarantees and responsibilities

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

Loans portfolio by modality:

	Bank and Consolidated	
	2017	**2016**
Loans		
Loans	4,835,267	4,808,615
Financing	4,146,709	3,897,957
Financing - Rural and agribusiness	1,855,573	943,048
Subtotal - Loans	**10,837,549**	**9,649,620**
Others receivables		
Advances on export contracts and interest (a)	450,280	242,490
Notes and loans receivable	556,022	448,326
Others	14,845	74,957
Subtotal - Others receivables	**1,021,147**	**765,773**
Subtotal - Loans and Others receivables	**11,858,696**	**10,415,393**
Subtotal - Financial guarantees and responsibilities (b)	**9,357,295**	**9,157,677**
Total	**21,215,991**	**19,573,070**

(a) The balance comprises advance of R$ 441,169 (R$ 240,783 in 2016), demonstrated reducing Other liabilities (Note 9) plus R$ 9,111 (R$ 4,009 in 2016) of income receivable related to such advances presented in Other credits (Note 9).

(b) The guarantees provided on behalf of clients are subject to charges and counter-guarantees by its beneficiaries. On June 30, 2017, the balance of provisions for guarantees and responsibilities is R$ 39,946 (R$ 25,760 at June 30, 2016) - Note 16.c.

Loans portfolio by sector activity:

	Bank and Consolidated					
	2017			**2016**		
	Loans	**Guarantees and responsibilities**	**Total**	**Loans**	**Guarantees and responsibilities**	**Total**
Private Sector						
Financial intermediaries	104,945	2,213,695	2,318,640	88,493	2,223,325	2,311,818
Industry	4,401,395	1,409,381	5,810,776	3,209,212	1,428,029	4,637,241
Commercial	1,839,100	793,727	2,632,827	1,351,958	1,260,019	2,611,977
Services	5,221,485	4,069,122	9,290,607	5,470,303	3,433,288	8,903,591
Individuals	212,986	121,272	334,258	230,119	47,394	277,513
Subtotal - Private sector	**11,779,911**	**8,607,197**	**20,387,108**	**10,350,085**	**8,392,055**	**18,742,140**
Public Sector	**78,785**	**750,098**	**828,883**	**65,308**	**765,622**	**830,930**
Total	**11,858,696**	**9,357,295**	**21,215,991**	**10,415,393**	**9,157,677**	**19,573,070**

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

	Bank and Consolidated							
	2017							
	Maturities							
	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Overdue after 15 days	Total
Loans	658,446	1,446,993	1,816,612	2,401,402	3,562,367	852,823	98,906	10,837,549
Other credits	187,087	278,785	217,663	285,720	7,173	6,915	37,804	1,021,147
Subtotal - Loans and other credits	**845,533**	**1,725,778**	**2,034,275**	**2,687,122**	**3,569,540**	**859,738**	**136,710**	**11,858,696**
Financial guarantees and responsibilities	**656,100**	**986,761**	**2,443,814**	**3,049,245**	**2,167,911**	**53,464**	**-**	**9,357,295**
Total - 2017	**1,501,633**	**2,712,539**	**4,478,089**	**5,736,367**	**5,737,451**	**913,202**	**136,710**	**21,215,991**
Total - 2016	**1,845,357**	**2,785,555**	**4,080,199**	**5,540,256**	**4,270,959**	**902,823**	**147,921**	**19,573,070**

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

(i) With substantial transfer of risks and benefits

During the six-month period ended June 30, 2017, in the Bank and consolidated, were performed credit assignment operations without coobrigation in the amount of R$ 15,566 (R$ 3,218 in 2016). The effect of these operations on the income was loss at six-month period ended June 30, 2017 of R$ 341 (R$ 99 of loss in 2016).

Credit risk concentration are as follows:

	Bank and Consolidated			
	2017		2016	
	Balance	% of portfolio (1)	Balance	% of portfolio (1)
Main debtor	735,430	3.47	709,824	3.63
10 main debtors	3,785,847	17.84	3,861,896	19.73
20 main debtors	5,520,934	26.02	5,573,107	28.47

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

8. Allowance for loan and other credit losses

The portfolio of loans and other assets, and the allowance for loan and other credit losses, at June 30, 2017 and 2016, are as follows:

		Bank and Consolidated			
		2017			
		Total operations			Allowance
Risk rating	Minimum Level of allowance	Normal course	Past due	Total	Res. 2682
AA	-	673,302	-	673,302	-
A	0.5%	4,714,132	-	4,714,132	23,571
B	1.0%	3,825,351	16	3,825,367	38,254
C	3.0%	1,790,573	3,855	1,794,428	53,833
D	10.0%	363,254	10,695	373,949	40,021
E	30.0%	116,956	55,245	172,201	57,815
F	50.0%	73,691	1,368	75,059	37,530
G	70.0%	142,969	48,005	190,974	133,682
H	100.0%	21,758	17,526	39,284	39,284
Additional provision (*)		-	-	-	50,000
Total		**11,721,986**	**136,710**	**11,858,696**	**473,990**

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

		Bank and Consolidated			
		2016			
		Total operations			Allowance
Risk rating	Minimum Level of allowance	Normal course	Past due	Total	Res. 2,682/99
AA	-	510,745	-	510,745	-
A	0.5%	3,270,225	-	3,270,225	16,351
B	1.0%	4,196,628	76	4,196,704	41,967
C	3.0%	1,682,558	1,760	1,684,318	50,530
D	10.0%	327,994	9,502	337,496	33,750
E	30.0%	235,856	23,327	259,183	82,721
F	50.0%	11,015	20,005	31,020	15,510
G	70.0%	11,773	11,873	23,646	16,552
H	100.0%	20,678	81,378	102,056	102,056
Additional provision (*)			-	-	50,000
Total		**10,267,472**	**147,921**	**10,415,393**	**409,437**

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

Changes in the allowances for loan and other credit losses for the six-month period ended June 30, 2017 and 2016 were as follows:

	Bank and Consolidated			
	2017			2016
	Loans	Other credits	Total	Total
Balances at the beginning of the period	315,369	114,882	430,251	338,843
Set up / (Reversal)	102,224	12,123	114,347	104,085
Foreign exchange variation	899	-	899	(8,896)
Classified as future year P&L	-	(543)	(543)	(202)
Loans written off as losses	(31,971)	(38,993)	(70,964)	(24,393)
Balances at the end of the period	**386,521**	**87,469**	**473,990**	**409,437**

At June 30, 2017, balance of renegotiated loans amounted to R$ 600,772 (R$ 585,959 in 2016), being total loan transactions renegotiated over the six-month period ended June 30, 2017 amounted to R$ 30,734 (R$ 326,664 in 2016).

The amount of loans recovered for the six-month period ended June 30, 2017, previously offset against the provision, was R$ 2,813 (R$ 3,455 in 2016).

9. Foreign exchange portfolio

The balance of the foreign exchange portfolio is as under:

	Bank and Consolidated	
	2017	2016
Other credits		
Foreign exchange purchased to be settled – CCL	590,110	269,053
Allowance for Exchange variation of CCL	(247)	(80)
Rights on foreign Exchange sales	200,548	64,624
Advances received	(6,230)	(3,573)
Income receivable from advances on exchange	9,111	4,009
Total	**793,292**	**334,033**
Other liabilities		
Foreign exchange sold to settle	205,371	61,347
Foreign exchange purchase liabilities	575,857	295,187
Advances on foreign exchange contracts	(441,169)	(240,783)
Total	**340,059**	**115,751**

10. Other credits

b) Trading and intermediation of securities 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 are as follows:

	Bank		Consolidated	
	2017	**2016**	**2017**	**2016**
Tax credits (Note 21)	444,718	382,648	444,726	382,655
Debtors for the purchase of assets and assets	18,363	-	18,363	-
Guarantee deposit debtors	15,495	116,486	15,495	116,486
Taxes and contributions to be offset	37,071	24,573	37,943	25,851
Securities and credits receivable	550,802	445,153	550,802	445,153
Credits linked to credit assignment operations (1)	-	38,895	-	38,895
Other	5,187	5,139	5,187	5,145
Total	**1,071,636**	**1,012,894**	**1,072,516**	**1,014,185**

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

11. Investments

	ABC Brasil Distribuidora de Títulos e Valores Mobiliários S.A.	ABC Brasil Administração e Participações Ltda.	2017	2016
Capital	50,002	55,632		
Equity	94,046	97,121		
Income for the six-month period	2,881	3,549		
Number of common shares owned	24,980,054	-		
Number of preferred shares owned	24,980,055	-		
Number of shares owned	-	55,631,814		
Ownership interest (%)	100.00	99.99		
Book value	94,046	97,121	**191,167**	**177,376**
Equity pickup	2,881	3,549	**6,430**	**6,805**

12. Fixed, deferred and intangible assets

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

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

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

13. Deposits

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

	Bank							Consolidated	
	2017						2016	2017	2016
	Without maturity	Up to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total	Total	Total	Total
Demand deposits	20,235	-	-	-	-	20,235	63,281	20,132	62,619
Interbank deposits	-	153,799	259,730	-	-	413,529	120,866	413,529	120,866
Time deposits	-	1,765,524	3,519,452	435,953	332	5,721,261	3,572,372	5,721,261	3,572,372
Total - 2017	**20,235**	**1,919,323**	**3,779,182**	**435,953**	**332**	**6,155,025**	**-**	**6,154,922**	**-**
Total - 2016	**63,281**	**1,066,278**	**2,219,862**	**358,756**	**48,342**	**-**	**3,756,519**	**-**	**3,755,857**

14. Acceptance and issuance of securities

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

	Bank and Consolidated					
	2017					2016
	Up to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total	Total
Real estate credit bill	277,045	530,709	226,533	-	1,034,287	931.809
Agribusiness credit bills	436,278	1,210,189	1,023,736	2,098	2,672,301	1.703.228
Financial bills	274,360	804,782	2,439,122	19,979	3,538,243	2.598.615
Certificates of structured finance	1,654	4,812	387	-	6,853	19.502
Total - 2017	**989,337**	**2,550,492**	**3,689,778**	**22,077**	**7,251,684**	**-**
Total - 2016	**1,172,372**	**2,434,981**	**1,644,328**	**1,473**	**-**	**5,253,154**

15. Borrowings and onlendings

a) Borrowings and onlendings by maturity are as follows:

	Bank and Consolidated					
	2017					
	Up to 3 months	3 to 12 months	1 to 3 years	Over 3 years	Total	2016 Total
Borrowings:						
Foreign	1,710,256	1,775,293	1,910	-	3,487,459	3,922,546
Onlendings - Domestic:						
BNDES	141,834	353,810	441,855	198,962	1,136,461	1,048,364
FINAME	49,457	137,451	236,778	178,348	602,034	768,200
Other institutions	74,806	54,851	5,607	-	135,264	110,209
Onlendings - Foreign	271,917	351,920	701,648	282,054	1,607,539	914,234
Total - 2017	**2,248,270**	**2,673,325**	**1,387,798**	**659,364**	**6,968,757**	**-**
Total - 2016	**974,960**	**3,632,046**	**1,703,444**	**453,103**	**-**	**6,763,553**

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

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

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

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

b) The compositions of the balance of foreign onlendings at June 30, 2017 and 2016 are composed as follows:

	Bank and Consolidated	
	2017	**2016**
Borrowings and onlendings		
Foreign Onlendings subject to "Hedge accounting"		
Principal amount US$ 50,0 million (US$ 83,3 million in 2016)	165,380	267,433
Principal amount US$ 33,8 million (US$ 40,0 million in 2016)	111,950	128,368
Accrued interest	1,255	1,722
Subtotal	**278,585**	**397,523**
Adjustment to market value ("Hedge Accounting") - Notes 2.II.d and 5.b	3,894	2,515
Total	**282,479**	**400,038**
Other foreign onlendings	1,325,060	514,196
Total	**1,607,539**	**914,234**

Foreign onlendings, subject to hedge accounting of US$ 50,0 million (US$ 83,3 million in 2016) maturing in November 2018 with annual interest rate of 2.9%, paid on an semiannual basis and US$ 33,8 million (US$ 40,0 million in 2016) maturing in November 2022 with annual interest rate of 4.6%, paid on an semiannual basis.

16. Other liabilities

a) Tax and social security balances are as follows:

	Bank		Consolidated	
	2017	**2016**	**2017**	**2016**
Provision for income and social contribution taxes on income	76,893	32,682	80,665	36,811
Taxes and contributions payable	46,410	64,524	46,480	64,660
Provision for deferred income and social contribution taxes (Note 21)	203,323	260,473	203,672	260,473
Total	**326,626**	**357,679**	**330,817**	**361,944**

b) Subordinated debts:

The composition of the balance of subordinated debt at June 30, 2017 and 2016 are composed as follows:

	Bank and Consolidated	
	2017	**2016**
Subordinated debts subject to "Hedge accounting"		
Subordinated Notes US$ 69,3 million (US$ 267,9 million in 2016)	247,674	942,030
Subtotal	**247,674**	**942,030**
Others Subordinated debts		
Financial bills	485,899	240,004
Subordinated Notes US$ 69,0 million (US$ 79,5 million in 2016)	238,365	268,969
Subtotal	**724,264**	**508,973**
Total Subordinated debts	**971,938**	**1,451,003**

The composition of the balance of subordinated debt from issuing of subordinated notes abroad at June 30, 2017 and 2016, are composed as follows:

	Bank and Consolidated	
	2017	**2016**
Subordinated debts subject to "Hedge accounting"		
Subordinated Notes		
Principal amount US$ 49,3 million (US$ 244,9 million in 2016)	163,021	786,074
Principal amount US$ 20,0 million (US$ 20,0 million in 2016)	66,164	64,196
Accrued interest	3,981	15,843
Discount subject to hedge accounting	-	(1,647)
Subtotal	**233,166**	**864,466**
Deferred fund-raising expenses	(624)	(3,434)
Deferred hedge accounting P&L (1)	12,162	97,083
Discount not subject to hedge accounting	(751)	(3,294)
Adjustment to market value ("Hedge Accounting") - Notes 2.II.d and 5.b	3,721	(12,791)
Total	**247,674**	**942,030**

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

	Bank and Consolidated	
	2017	**2016**
Others Subordinated debts		
Subordinated Notes US$ 69,0 million (US$ 79,5 million in 2016)	228,428	255,243
Goodwill	5,879	9,382
Deferred fund-raising expenses	(169)	(420)
Accrued interest	4,227	4,764
Total	**238,365**	**268,969**

Funds raised abroad, subject to hedged accounting structure of US$ 300,0 million, principal amount of US$ 69,3 million on June 30, 2017 (US$ 264,9 in 2016), with maturing in April 2020 and annual interest rate of 7.9%, paid on a semiannual basis. On October 9, 2012, the Bank raised funds through the issuance of additional Subordinated Notes abroad in the amount of US$ 100,0 million, principal amount US$ 69,0 million on June 30, 2017 (US$ 79,5 in 2016), with same maturity and interest rates.

On the six-month period ended June 30, 2017, the Bank made a partial repurchase of the subordinated notes issued on April 8, 2010 and later on October 9, 2012, in the amount of US$ 206,091. The total amount paid under the offer for the notes accepted for repurchase was US$ 226,603. After receiving authorization to repurchase subordinated notes by the Central Bank of Brazil, the Bank began to disregard the subordinated notes from its Reference Equity - PR.

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

The balance of R$ 485,899, related to capital through the issuance of financial bills with subordination clause, with maturity until February 2027 with an interest rate from 8.3 % to 9.3% + IPCA, from 1.7% to 3.2% + CDI, fixed rates from 12.1% to 20.3% and CDI from 119.0% to 130.0%.

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

	Bank		Consolidated	
	2017	2016	2017	2016
Allowance for payments to be settled	71,048	73,762	71,077	73,822
Sundry domestic creditors	64	32	64	32
Provision for contingent liabilities (Note 25)	32,254	84,310	32,254	84,310
Provision for financial guarantees provided	39,946	25,760	39,946	25,760
Payables	-	39	-	-
Total	**143,312**	**183,903**	**143,341**	**183,924**

The financial guarantees provided are subject to charges and counter-guarantees and recorded in off balance accounts. As of June 30, 2017 and 2016, the balances of the financial guarantees provided composed as follows:

	Bank e Consolidated			
	2017		2016	
Type of guarantee	Amount	Provision	Amount	Provision
Guarantees given to customers	9,348,816	39,833	9,023,312	25,760
Import credit facilities	8,479	113	134,365	-
Total	**9,357,295**	**39,946**	**9,157,677**	**25,760**

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

	Bank and consolidated			
	2017		2016	
Riks rating	Amount	Provision	Amount	Provision
AA	6,202,101	-	6,512,927	-
A	1,283,950	6,420	1,314,658	6,573
B	1,527,747	15,277	1,198,271	11,983
C	230,017	6,901	98,632	2,959
D	113,480	11,348	28,558	2,856
E	-	-	4,631	1,389
Total	**9,357,295**	**39,946**	**9,157,677**	**25,760**

17. Income from services rendered

Income from services rendered, for the six-month period ended June 30, 2017 and 2016, are composed as follows:

	Bank and consolidated	
	2017	2016
Income from guarantees given	108,048	93,840
Fees related to credit operations	5,122	7,278
Collection fees	7,538	5,909
Bank fees	3,836	4,513
Income from commissioning and security placement	27,083	9,141
Income from other services	401	340
Total	**152,028**	**121,021**

18. Other administrative expenses

Other administrative expenses in the six-month period ended June 30, 2017 and 2016 are composed as follows:

	Bank		Consolidated	
	2017	**2016**	**2017**	**2016**
Third party services	3,627	3,880	3,627	3,642
Financial system services	8,742	8,062	8,776	8,308
Rentals	6,150	5,800	6,150	5,800
Specialist technical services	7,014	7,143	7,049	7,175
Data processing	5,690	5,515	5,690	5,515
Communication	1,650	1,499	1,650	1,507
Travel expenses	3,410	2,283	3,410	2,283
Depreciation and amortization	5,268	4,569	5,268	4,569
Promotions and public relations	910	451	910	451
Publications	233	21	256	21
Philanthropic contributions	312	367	312	367
Transportation	967	1,059	967	1,059
Asset maintenance and conservation	952	993	952	993
Water, electricity and gas	417	304	417	304
Materials	189	223	189	223
Insurance	222	240	222	240
Advertising and Publicity	1,294	1,252	1,294	1,252
Condominium	1,354	1,336	1,354	1,336
Legal Fees	381	669	381	669
Others	3,632	3,791	3,730	3,887
Total	**52,414**	**49,457**	**52,604**	**49,601**

19. Other operating income

The breakdown of other operating income, for the six-month period ended June 30, 2017 and 2016 are as follows:

	Consolidated	
	2017	**2016**
Interests and monetary correction of assets	795	4,384
Provision of reversal	5,775	-
Recovery of charges and expenses	611	952
Exchange rate variation	16,183	-
Others recoveries	-	5,000
Other	3,009	3,141
Total	**26,373**	**13,477**

20. Other operating expenses

Other operating expenses for six-month period ended June 30, 2017 and 2016 are as follows:

	Bank and Consolidated	
	2017	**2016**
Provision of constitution	-	8.102
Financial guarantees provided of constituition	3,200	-
Commissioning linked to operations	666	195
Discounts granted	2,468	2.379
Exchange rate variation	-	202.059
Other expenses	81	4.100
Total	**6,415**	**216.835**

21. Income and social contributions taxes

The nature and origin of deferred tax assets deferred tax liabilities, as well as the changes occurred therein at June 30, 2017 and December 31, 2016 are stated as follows:

	December 2016	Additions	Write-offs	June 2017
Deferred tax assets				
Temporary differences:				
Allowance for loan losses and others	186,234	101,572	(79,535)	208,271
Adjustment to market value - securities and derivatives	111,065	27,960	(68,315)	70,710
Unrealized gains (losses) on futures market	14,896	14,870	(1,342)	28,424
Other	86,304	44,442	(2,598)	128,148
Adjustment to market value - available for sale securities	8,496	2,857	(2,188)	9,165
	406,995	**191,701**	**(153,978)**	**444,718**
Deferred tax liabilities				
Temporary differences:				
Adjustments to market value - securities and derivatives	(207,664)	(72,293)	99,203	(180,754)
Unrealized gains (losses) on futures market	(6,239)	(4,293)	2,631	(7,901)
Adjustment to market value - available for sale securities	(8,691)	(7,469)	1,850	(14,310)
Adjustment resulting from the transition tax regime - RTT	(1,503)	-	1,145	(358)
	(224,097)	**(84,055)**	**104,829**	**(203,323)**
Net balance	**182,898**	**107,646**	**(49,149)**	**241,395**

The consolidated financial statements include, further to the amounts presented in the table above, adjustment to market value of securities available for sale and financial instruments derivatives in amount of R$ 8 at June 30, 2017 (R$ 7 in June 30, 2016) in deferred tax assets and R$ 349 at June 30, 2017 in deferred tax liabilities.

The net balance of deferred tax assets and tax liabilities at June 30, 2017 and 2016, are stated as follows:

	Bank		Consolidated	
	2017	2016	2017	2016
Other credits - Sundry - Tax credits (Note 10.b)	444,718	382,648	444,726	382,655
Other liabilities - Provision for deferred taxes and contributions (Note 16.a)	(203,323)	(260,473)	(203,672)	(260,473)
Total	**241,395**	**122,175**	**241,054**	**122,182**

The realization of deferred tax assets and liabilities at June 30, 2017 based on the history of profitability and estimated realization are stated as follows:

Year	Bank			Consolidated
	Assets	Liabilities	Net	Net
2017	168,971	(139,201)	29,770	29,421
2018	48,294	(2,777)	45,517	45,517
2019	118,043	(43,538)	74,505	74,513
2020	35,948	(8,107)	27,841	27,841
2021	17,927	(980)	16,947	16,947
2022	36,838	(1,252)	35,586	35,586
Over 5 years	18,697	(7,468)	11,229	11,229
Total	**444,718**	**(203,323)**	**241,395**	**241,054**
Present Value - Selic	**347,134**	**(171,848)**	**175,285**	**174,974**

Expenses with income and social contribution taxes for the six-month period ended June 30, 2017 and 2016 are calculated as follows:

	Bank		Consolidated	
	2017	2016	2017	2016
Income before taxation less profit sharing	208,763	381,721	212,909	386,081
Total income and social contributions taxes	93,943	171,775	98,113	176,159
Net income from write-offs and write-ups of deferred liabilities net of tax credits	63,448	(164,234)	63,075	(164,465)
Nontaxable revenues / expenses net of nondeductible expenses	(30,623)	69,907	(33,517)	66,845
Equity pick up in subsidiaries	(2,894)	(3,062)	-	-
Interest on equity capital	(46,494)	(41,692)	(46,494)	(41,692)
Other amounts	(9,164)	(10,452)	(9,187)	(10,476)
Total income and social contribution taxes - Current	**68,216**	**22,242**	**71,990**	**26,371**
Deferred taxes and contributions				
Tax liabilities set up in the period	76,586	237,787	76,934	237,970
Tax liabilities realized in the period	(102,979)	(142,228)	(102,979)	(142,411)
Tax credits set up in the period	(188,844)	(179,360)	(188,844)	(179,362)
Tax credits realized in the period	151,790	248,035	151,814	248,268
Total deferred taxes and contributions	**(63,447)**	**164,234**	**(63,075)**	**164,465**
Total income and social contribution taxes	**4,769**	**186,476**	**8,915**	**190,836**

22. Related parties

a) Subsidiaries and related companies

The amounts below refer to the Bank's transactions with subsidiaries and related companies. These operations were carried out under normal market conditions and rates of the dates of the respective transactions. For the six-month period ended June 30, 2017 and 2016, transactions between related parties are as follows:

			2017		2016	
Transactions / Related parties	**Relationship**	**Maturity**	**Assets / (Liabilities)**	**Income / (Expenses) Period**	**Assets / (Liabilities)**	**Income / (Expenses) Period**
Demand deposits						
ABC Brasil Adm. e Participações Ltda.	Subsidiary	No maturity	(49)	-	(84)	-
ABC Brasil DTVM S.A.	Subsidiary	No maturity	(54)	-	(578)	-
Marsau Comercial Exp. e Importadora Ltda.	Related party	No maturity	(23)	-	(6)	-
Time deposits and Funds from acceptance and issue of securities						
Marsau Comercial Exp. e Importadora Ltda.	Related party	-	-	-	(593)	-
Marsau Uruguay Holdings Sociedad Anonima	Shareholder	07/14/2017	(714)	(6)	(905)	(5)
Arab Banking Corporation	Subsidiary	04/18/2016	-	-	-	(657)
Key members of management		Sundry	(40,931)	(4,472)	(26,227)	(3,187)
Borrowings						
Arab Banking Corporation (ABC)	Holding	07/10/2017	(327,231)	(4,383)	(807,077)	(3,708)
Dividends and interest on equity capital						
Marsau Uruguay Holdings Sociedad Anonima	Shareholder	08/10/2017	(53,682)	-	(48,469)	-
Other liabilities						
ABC Brasil Adm. e Participações Ltda.	Subsidiary	-	-	-	(39)	(240)

b) Fees of key members of management

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. 3921/10.

The new plan has the following objectives: (i) align Banco ABC's management compensation practices with the risk management policy; (ii) avoid behavior that increases risk exposure above limits considered prudent in terms of the short, medium and long term strategies adopted by Banco ABC; (iii) create instruments to retain and attract talent to key Bank roles; and (iv) adapt the compensation policy to standards established in Resolution No. 3921/10.

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

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 the managers will be determined by dividing the amount corresponding to deferred variable remuneration, net of withholding tax, by the unit share price, calculated by the average closing price of the preferred shares issued by Banco ABC Brazil, at the trading sessions of B3 SA - Brasil, Bolsa, Balcão on June (for the payment of variable remuneration for the first half) and December (for payment of the variable remuneration for the second half of the year), except in cases where there are closed periods in those months, at which time the average will be calculated using the subsequent trading sessions.

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

The total compensation of key members of management for the six-month period ended June 30, 2017 and 2016 are composed as follows:

	2017	2016
Fixed remuneration	11,019	10,522
Variable remuneration	15,241	13,806
Total short-term benefits	**26,260**	**24,328**
Share-based compensation	17,618	16,051
Total long-term benefits	**17,618**	**16,051**
Total	**43,878**	**40,379**

c) Summary of changes in the compensation plan:

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

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

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

23. Overseas branch

The transactions with third parties carried out by the overseas branch at June 30, 2017 and 2016 are as follows:

	2017		2016	
	US$	R$	US$	R$
Assets				
Cash and banks	2,089	6,911	3,361	10,788
Interbank investments	133,453	441,489	80,351	257,909
Marketable securities and derivative financial instruments	30,304	100,252	60,550	194,354
Lending operations - Net	533,121	1,763,671	537,399	1,724,944
Other receivables, amounts and assets	2,708	8,959	5,155	16,548
Total	**701,675**	**2,321,282**	**686,816**	**2,204,543**
Liabilities				
Demand deposits	84	278	84	270
Time deposits	28,443	94,095	39,420	126,530
Foreign borrowings	961,935	3,182,273	1,126,594	3,616,140
Derivative financial instruments	16,795	55,561	43,571	139,854
Other liabilities	322	1,065	233	749
Total	**1,007,579**	**3,333,272**	**1,209,902**	**3,883,543**

24. Profit sharing

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

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

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

a) Fiscal contingents

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

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

In 2001, the Bank filed a petition for writ of mandamus seeking a preliminary injunction that ensured the right not to add to its P&L figures, for the purposes of determination of IRPJ and CSLL, retained earnings that were never actually made available by ABC Brasil Banking Ltd, upon the divestiture of interest in that company. Currently the decision at first jurisdiction level is favorable. Total contingency corresponds to R$ 10,425.

Service Tax ("ISS") - 1994 a 2003

These are judicial proceedings involving ISS payment involving municipal authorities, mainly in connection with guarantees given (collateral signature and surety) referring to the period from 1994 to 2003, corresponding to R$ 1,118.

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

This is an administrative proceeding in which the Bank discusses the release of 50% of fine, the assessment notices issued by the municipality of São Paulo, referring to the service tax on guarantees of income on the period from 2008 to 2011. The fine was launched on values whose enforceability was suspended as linked to the injunction where challenging the levy of this tax. The amount involved is R$ 12,460.

Social Security's Charges ("INSS")

The Bank is currently a defendant in a lawsuit related to payment of pension charges, mainly on profit sharing related to 2006 to 2012 exercises, amounting to R$ 190,752.

Unauthorized payment

Refers to payment of COFINS without fines, as established in article 63 of Law No. 9.430/96. Awaiting appeal decision. Amount demanded totals R$ 3,568.

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

Collection of income tax and social contribution related deduction of losses on loans operations in result of 2010. The Bank has estimated the losses as effective, however, the Receita Federal considers that occurred anticipation of the deduction period provided for in Law 9,430/96. The value of the requirement amounts to R$ 5,114.

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

It is collection of income tax and social contribution of PLR on deductibility paid to the board of directors for the period of 2010 to 2012. Awaiting judgment of challenging the tax assessment notice. The amount of requirement is R$ 69,823.

CND - Positive certificate with negative effects

This is a judicial deposit made to allow the issuance of CND. In September 2016, the Bank began the discussion at the administrative level in order to cancel the debts in an improper manner and therefore recover the amount deposited in court. The value of the discussion is R$ 3,995.

b) Labor

On June 30, 2017, labor lawsuits in progress classified by our legal counsel as probable loss totaled R$ 10,719 (Note 25.e). The labor lawsuits classified as possible loss totaled R$ 16,512 and were not provisioned.

c) Civil

On June 30, 2017, civil claims in progress classified by our legal counsel as probable loss totaled R$ 1,162 (Note 25.e). The civil lawsuits classified as possible loss totaled R$ 5,378 and were not provisioned.

d) Changes in provisions

	Bank and Consolidated				
	Tax and legal obligations	**Labor**		**Civil**	
At the beginning of the period	28,076	8,993		960	
Set up / (Reversal)	(7,703)	3,180		202	
Write-off	-	(1,454)		-	
At end of the period	**20,373**	**10,719**	**(b)**	**1,162**	**(a)**

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

26. Equity

a) Capital

On June 30, 2017 capital comprises 189,988,101 registered and uncertified shares (173,998,017 in 2016), without par value, of which 95,780,135 common shares (87,515,454 in 2016) and 94,207,966 preferred shares (86,482,563 in 2016).

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, 2017 and 2016 shareholders resolved to distribute interest on equity, calculated according with established by Law 9,249/95, as follows:

Resolution approval date	Interest on equity	Reduction in expenses with income and social contributions taxes
06/27/2017	**103,319**	**46,494**
06/27/2016	92,648	41,691

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

c) Capital increase

On December 26, 2016, the Board of Directors approved the proposal for distribution of interest over the own capital on the gross value of R$ 95,857, that represents a gross value of R$ 0.539 per ordinary and preferential shares. It was also deliberated the proposal to increase the equity of the company, on the amount of R$ 81,479 at most, through the emission of new shares, for the private subscription with the utilization of interest credit over own capital hereby approved.

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

On June 27, 2017, the Board of Directors approved the proposal for distribution of interest over the own capital on the gross value of R$ 103,319, that represents a gross value of R$ 0.554 per ordinary and preferential shares. It was also deliberated the proposal to increase the equity of the company, on the amount of R$ 87,821 at most, through the emission of new shares, for the private subscription with the utilization of interest credit over own capital hereby approved.

d) Destination of earnings

i) Income reserve - Legal reserve

The establishment of compulsory legal reserve of 5% of net income for June 30, 2017 amounted of R$ 10,200 (R$ 9,762 in 2016).

ii) Income reserve - Dividend equalization

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

iii) *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.

e) Treasury shares

For the six-month period ended June 30, 2017, based on authorization of the Board of Directors to acquire shares of Company for holding in treasury, 153,400 preferred shares were repurchased.

On June 30, 2017, the total value of shares repurchased in treasury is R$ 37,597 equivalent to 3,491,368 preferred shares (R$ 50,913 equivalent to 4,931,849 in 2016). The average cost per share repurchased treasury is R$ 10,77.

Changes in treasury shares

	2017	2016
At the beginning of the period	4,381,824	5,127,842
Shares acquired	153,400	608,400
Shares delivered	(1,043,856)	(804,393)
At the end of the period	**3,491,368**	**4,931,849**

27. Operational limits - The Basel Accord

The Central Bank of Brazil, through Resolution No, 4,192/13 and 4,278/13, instituted the determination of the reference equity on a consolidated basis for the financial conglomerate and by Resolution No, 4,193/13 instituted calculating the minimum equity required for reference the Risk Weighted Assets (RWA), both with effect from October 2013. The capital adequacy ratio for June 30, 2017 calculated based on the prudential conglomerate is 16.18% (18.08% in 2016). The table below shows the calculation of the minimum equity required for the reference risk weighted assets (RWA) which was 9.88% on January 01, 2016 (11.00% at December 31, 2015).

	2017	2016
Credit risk	1,779,366	1,665,368
Interest Rate	57,627	38,462
Commodities	12,353	13,240
Actions	308	2
Operating risk	101,208	85,619
Exchange risk	21,950	30,374
Required capital base (PRE)	**1,972,812**	**1,833,065**
Reference equity (PR)	**3,449,869**	**3,355,426**
Excess of equity in relation to limit	**1,477,057**	**1,522,361**

28. Other information

Offset and settlement of liabilities agreement - the Bank has an agreement on the offset and settlement of liabilities under the Brazilian National Financial System, in accordance with CMN Resolution No. 3,263/05, resulting in added guarantees of settlement of their assets with financial institutions that are party to the agreement. The Bank does not have compensation mitigation services as of June 30, 2017 (R$ 984 in 2016).

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

We present below the major adjustments identified between the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil ("BRGAAP") and the International Financial Reporting Standards IFRS for the six-month period ended June 30, 2017 and 2016.

		2017	2016
Equity under BRGAAP		**3,089,924**	**2,688,820**
IFRS adjustments net of taxes:			
Allowance for losses on loans and advances to clients	**(a)**	84,196	86,939
Guarantees and responsibilities		15,729	11,833
Others		(2,212)	416
Equity under IFRS		**3,187,637**	**2,788,008**
Net income under BRGAAP		**203,994**	**195,245**
IFRS adjustments net of taxes:			
Allowance for losses on loans and advances to clients	**(a)**	(5,024)	(2,525)
Exchange variation on foreign investments	**(b)**	(1,217)	5,496
Legal Liabilities (ISS)		-	(24,180)
Guarantees and responsibilities		2,588	3,399
Others		-	(1,500)
Net income under IFRS		**200,341**	**175,935**

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 rate fluctuation on investment abroad

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.

Performance in the first half of 2017

We submit to your consideration the individual and consolidated accounting information of Banco ABC BRASIL S.A. for the first half of 2017.

Banco ABC BRASIL S.A.

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

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

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

Banco ABC Brasil S.A. is listed in the Level 2 of Corporate Governance of São Paulo Stock Exchange (B3 S.A - Brasil, Bolsa, Balcão).

Shareholding Structure

As of June 30, 2017 the shareholding structure of Banco ABC Brasil S.A. was the following: Bank ABC: 59.67%; Free-float: 33.03%; Management and Board members: 5.46%; and Stocks in Treasury: 1.84%.

Business Profitability

Banco ABC BRASIL S.A. reported net income of R$ 204.0 million in the first half of 2017 (R$ 195.2 million in the first half of 2016), reaching a return on average equity of 13.6% in the period (15.0% in the first half of 2016).

The increase of the bank's net income in the first half of 2017 compared to the same period of the previous year is mainly due to the increase on income from financial intermediation and the decrease on the operating expenses, which were partially offset by higher expenses from financial intermediation.

Shareholders received, as Interest on own capital, the total gross amount of R$ 103.3 million, which represents a gross amount of R$ 0.55 for each common share and each preferred share, in compliance with legal provisions inherent to tax withholding, with interest inherent to the first half of 2017. The Bank offered shareholders the opportunity to reinvest the interest on equity paid by issuing new shares (note 26 b/c).

Credit Portfolio

The credit portfolio (including guarantees issued) totaled R$ 21,216.0 million as of June 30, 2017 (R$ 19,573.1 as of the end of the first half of 2016). Regarding the credit portfolio quality, 92.8% of the loan transactions and 98.8% of the guarantees issued transactions were rated between AA and C at the end of June 2017, in accordance with Brazilian Central Bank Resolution No. 2682. Considering both portfolios, the ratio was 95.5%. The allowance for loan losses represented 4.00% of the loan portfolio as of the end of the first half of 2017 (3.93% as of the end of June 2016).

IN CVM 381/03

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

No services unrelated to audit were performed.

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

Securities Portfolio

At the end of the period, Banco ABC BRASIL S.A. has R$ 470.0 million in securities classified as "held to maturity", in accordance with Circular No. 3,068/01 of November 8, 2001 of the Central Bank of Brazil. The Bank has the financial capability and intention to hold these securities to maturity.

Arbitration Clause

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

Risk Management

1) Corporate Risk

To Banco ABC Brasil the risk management is a process aimed at creating and preserving the institution's value, providing reasonable assurance that events that may affect the institution are identified and continuously managed according to its risk appetite. Therefore, to meet Resolutions Nos. 4,557/17 and 4,327/14 of the Central Bank of Brazil, the bank maintains specific structures to deal with risk management, capital management, and environmental and social responsibility, respectively. To meet the aforementioned resolutions and Circular No. 3,678/13 of the Central Bank of Brazil, the information related to the risk management process of Banco ABC Brasil is available in its website on internet, available through the following URL: www.abcbrasil.com.br > Investor Relations > IR Services > Risk Factors > Risk Management Structure > Banco ABC Brasil.

Corporate Risk Management is responsibility of all areas and employees. They must perform their activities and timely identify risks, failures and deficiencies and inform to areas better positioned to deal with them. Despite being responsibility of all areas and employees, it is managed in a centralized manner by Vice-Presidency of Credit and Risk Management.

The Bank's governance structure considers that the company must be managed with main focus on value creation for shareholders, without injuring the rights of interested parties and complying the laws that regulate the markets, according to accepted and recommended ethical standards. Such structure is based on the regulations of B3 S.A - Brasil, Bolsa, Balcão, the Brazilian Securities and Exchange Commission (CVM) and the Central Bank of Brazil, counting on. It is based on bodies defined by the current regulation, such as the Board of Directors and Audit Committee, and supported by internal ones, such as the Board Risk Committee and the Executive Committee, as well as other operating committees, such as the Credit Committee, the Financial Committee and the Operational Risk and Compliance Committee.

The Board of Directors is responsible for defining the risk appetite of the institution, the approval of business strategies and the maintenance of high governance standards. It should ensure the effectiveness of the risk management framework, providing independence and resources for its proper functioning. Accordingly, it is supported by bodies and committees created for this purpose.

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

2) Operational risk

The Bank acknowledges that Operational Risk is a specific risk category and should be managed as such. It should cover the institution as a whole, involving all its employees, including third-party service providers and considering its processes, activities, systems, products and physical structure. Operating risk management also includes legal risks.

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

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

3) Market and liquidity risks

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

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

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

4) Credit risk

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

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

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

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

5) Environmental and Social Responsibility

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

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

6) Capital management

The Executive Committee conducts the capital management jointly with the Board of Directors, based on activities coordinated by the Financial Planning area, which is also responsible for structuring the annual strategic plan and monitoring the budget. The Risk Management and the Finance areas are fully integrated in the process. In compliance with Resolution No. 4,557/17 of the Central Bank of Brazil, the information relating to capital management Brasil is available in its website on internet, available through the following URL: www.abcbrasil.com.br > Investor Relations > IR Services > Risk Factors > Capital Management Structure - Banco ABC Brasil.

7) Compensation Committee

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

8) Compliance risk

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

Sao Paulo, August 02, 2017.

The management

Banco ABC Brasil S.A.

Summary report of the Audit Committee

In meeting held on August 02, 2017, the Audit Committee based on information provided by the management of the Bank and its subsidiaries, by the independent auditors, internal audit function, by those in charge of risk management and internal controls, and on its own analysis and diligence, recommended that the Board of Directors approve the audited financial statements of Banco ABC Brasil S.A., ABC Brasil Distribuidora de Títulos e Valores Mobiliários S.A. and other subsidiaries for the six-month period ended June 30, 2017 and 2016.

The Audit Committee's full report dated August 02, 2017, including the details and the scope of its services and diligences, will be available on Banco ABC Brasil S.A. website (www.abcbrasil.com.br) and available to stakeholders in the "Corporate Governance" section.

Sao Paulo August 02, 2017.

The Audit Committee

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, 2017;

b) Reviewed, discussed and agreed with the opinion expressed in the independent auditor's report of Ernst & Young Auditores Independentes S.S., on the Bank's financial statements for the six-month period ended June 30, 2017.

Sao Paulo, August 02, 2017.

Anis Chacur Neto
Director President

Sérgio Ricardo Borejo
Director Vice - President of Administrative

Leila Maria de Carvalho Rocha
Director