Conference Call about 3rd Quarter 2011 Earnings Results

Itaú Unibanco Holding S.A.

Alfredo Egydio Setubal
Investor Relations Officer

Nov | 03 | 2011

Highlights

1. Results:

- **Recurring net income reached R$ 3.9 billion** in the 3rdQ/11 (23.5% ROE), an increase of 18.8% from the second quarter. **Net income was R$ 3.8 billion** in the third quarter (22.7% ROE), an increase of 5.7% from the prior quarter of 2011.

- In 2011, the recurring net income reached R$ 10.9 billion (22.4% ROE), an increase of 13.2% compared to the same period of 2010 and the net income was R$ 10.9 billion (22.5% ROE).

2. Loan Portfolio Growth:

- **The loan portfolio totaled R$ 382.2 billion** on September 30, 2011 a 6.1% increase quarter-on-quarter and 22.8% compared with September 30, 2010.

R$ million

	Sep 30, 11	Jun 30, 11	Dec 31, 10	Sep 30, 10	Variation		
					Sep/11 - Jun/11	Sep/11 - Dec/10	Sep/11 - Sep/10
Individuals	141,475	135,942	125,079	116,666	4.1%	13.1%	21.3%
Companies	221,660	208,668	193,951	181,115	6.2%	14.3%	22.4%
Argentina/Chile/Uruguay/Paraguay	19,102	15,497	14,397	13,548	23.3%	32.7%	41.0%
Total with endorsements and sureties	**382,236**	**360,107**	**333,427**	**311,329**	**6.1%**	**14.6%**	**22.8%**

- Disregarding the exchange rate variation, the increase would have been 3.5% compared to the prior quarter and 21.3% compared to the same period of 2010.

3. Financial Margin with Clients:

- In the third quarter of 2011, **managerial financial margin with clients totaled R$ 11.8 billion**, an increase of 5.3% from the prior quarter, higher than the growth of the credit portfolio disregarding the exchange rate variation, and 16.6% compared with the third quarter of 2010.

- **Financial margin with the market totaled R$ 1.1 billion**, growing R$ 446 million, particularly because of proprietary positions (including R$151 million from the result of the sale of 6.4 million CETIP shares).

Highlights

4. Nonperfoming Loans and Result of Loan and Lease Losses:

- The **expenses with provisions for loan and lease losses reached R$ 4.97 billion** in the third quarter of 2011, R$136 million less than in the prior quarter, primarily due to the anticipation of provisions created by the expected loss model on the prior quarters, and to the current level of allowances considering the evolution of the risk profile of our portfolio.

- The **90-day delinquency ratio increased 20 basis points** to 4.7% on September 30, 2011. Short-term delinquency rate (31 to 90 days), declined 10 basis points in the quarter to 2.6% of the loan portfolio. Disregarding the exchange rate variation observed in the quarter, the 90 – day NPL would have reached 4.8% and the short-term delinquency rate would have remained stable.

4. Efficiency Ratio:

- **Efficiency ratio reached 47.5%** in the third quarter, decreasing 80 basis points compared to the prior quarter. This improvement on the quarter was due to an increase of 6.6% in revenues, compared with an increase of 5.7% in expenses. The 47.5% represents a 310 basis point improvement compared with the 50.6% from the third quarter of 2010. In 2011 to date, efficiency ratio reached 47.8% with an increase of 30 basis points compared with the same period of 2010.

- **Non-interest expenses increased 5.7%** compared to the prior quarter, to R$ 8.4 billion, confirming a trend of deceleration. Personnel expenses grew only R$135 million (4.1%) compared to 2ndQ11, already considering the 9.0% accrued readjustment related to the Collective Bargaining Agreement which impacted our expenses in R$164 million. On the first nine months of 2011, non interest expenses grew 12.5% and continue to reduce their growth compared with the same period of 2010.

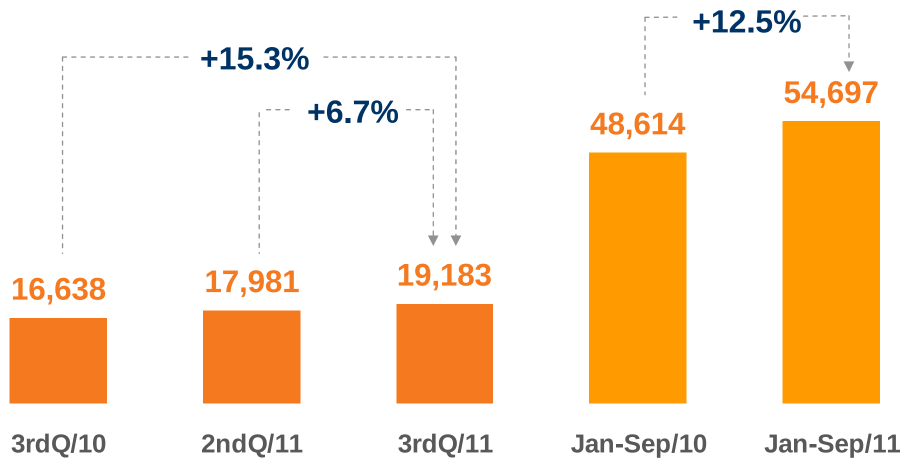
- **Revenues grew less than expected** on the first nine months of 2011, reaching 12.5% of growth compared with 2010. Changes in the credit portfolio mix and lower than expected growth of banking service fees are responsible for this effect. Revenues on overdue credit portfolios were also responsible for the decline in the growth of revenues in 2011.

Highlights

R$ million

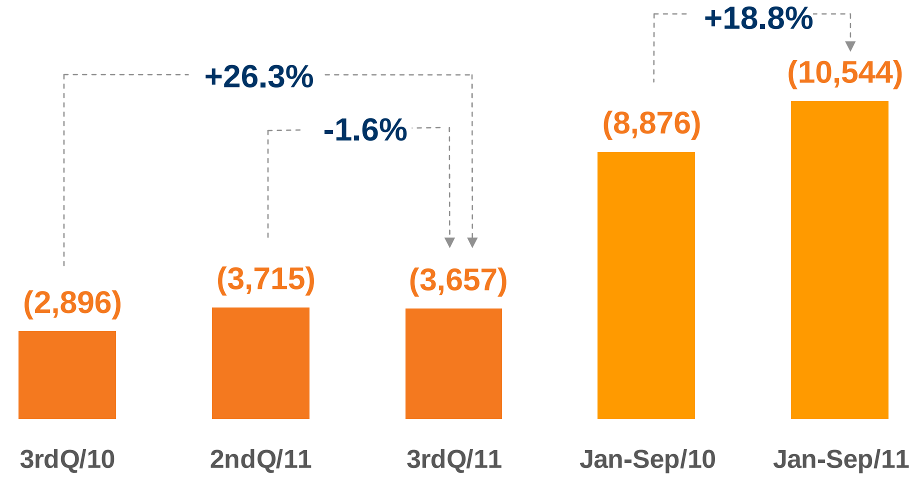
Operating Revenues

(Financial Margin, Banking Service Fees, Result from Op. of Insurance, Pension Plans and Capitalization before Retained Claims and Other Income)



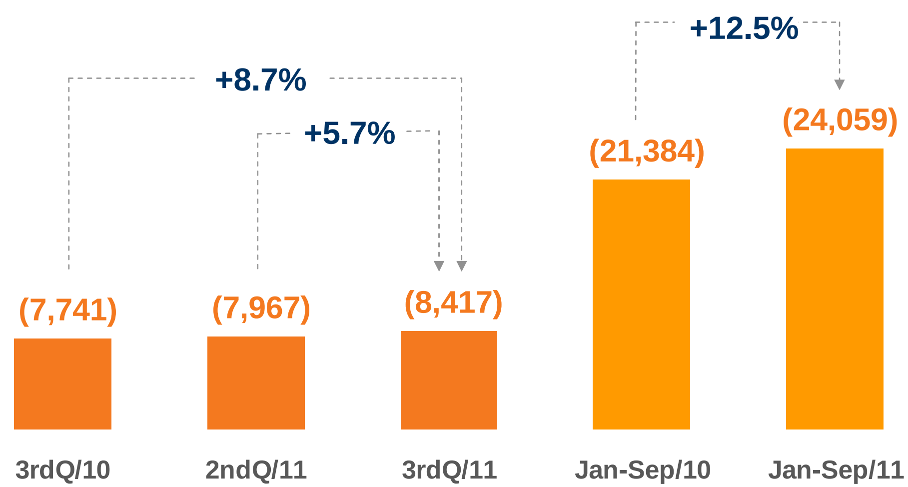
Result from Loan and Lease Losses

(Provision for Loan and Lease Losses net of Recovery of Credits Written Off as Losses)

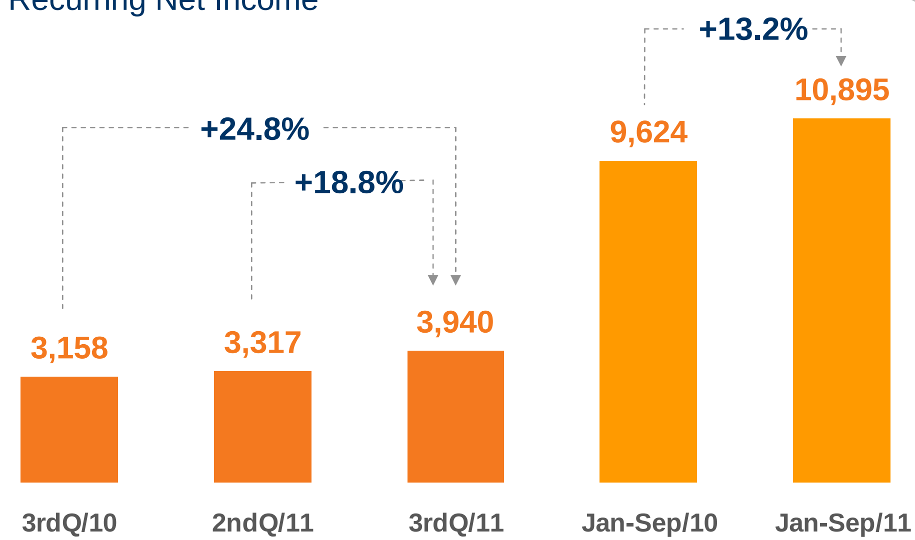


Non-interest Expenses

(Personnel Expenses and Other Administrative, Operating and Tax Expenses)

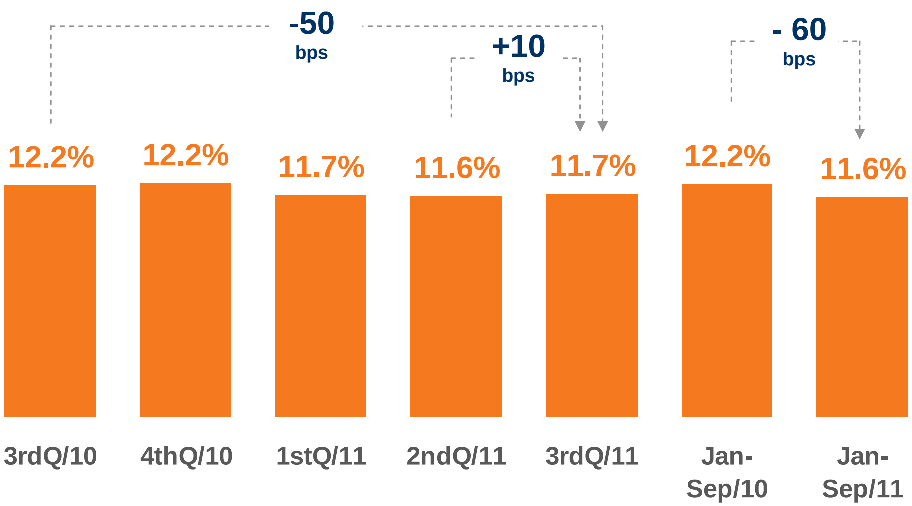


Recurring Net Income



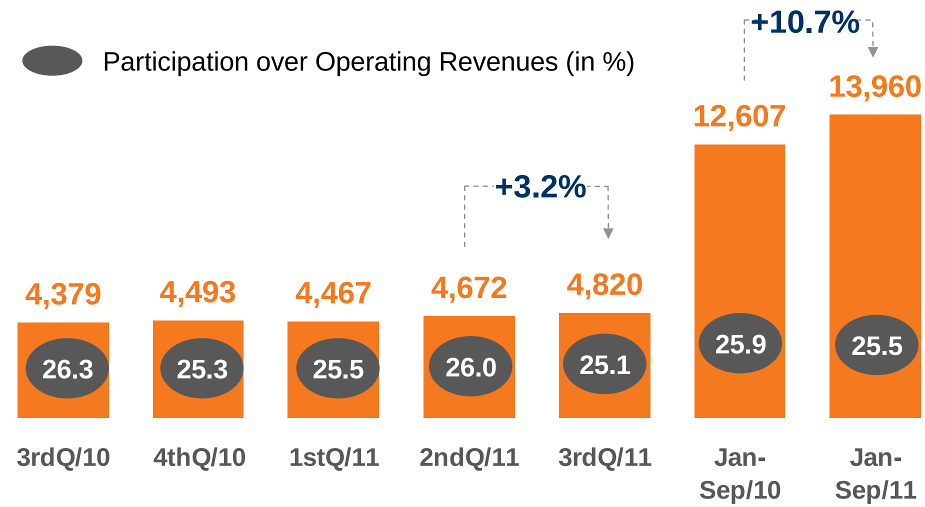
Highlights

Net Interest Margin (with Clients)

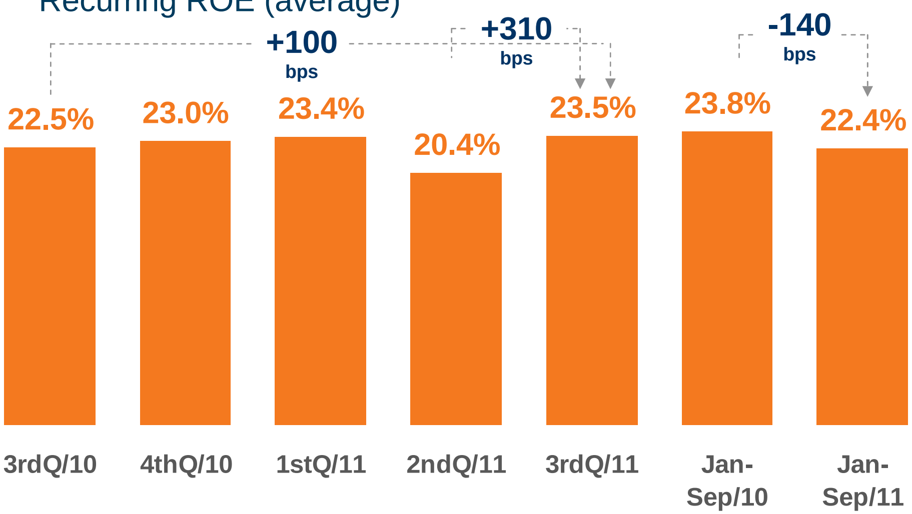


Banking Fees Revenues

R$ million

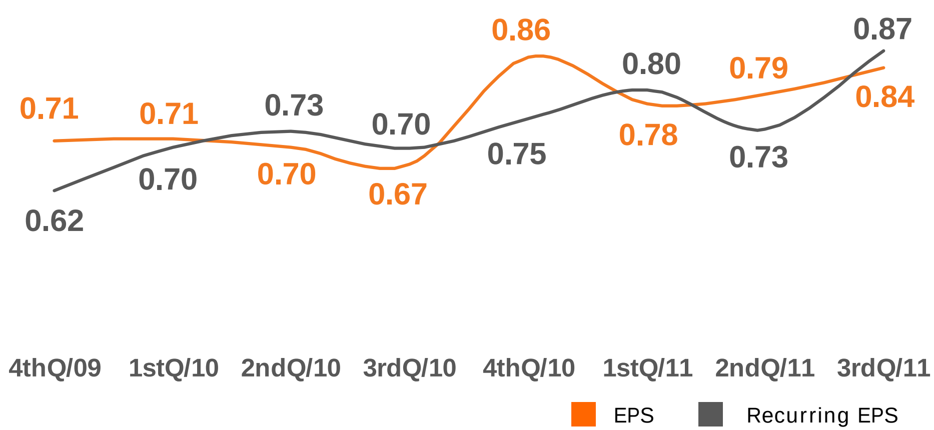


Recurring ROE (average)



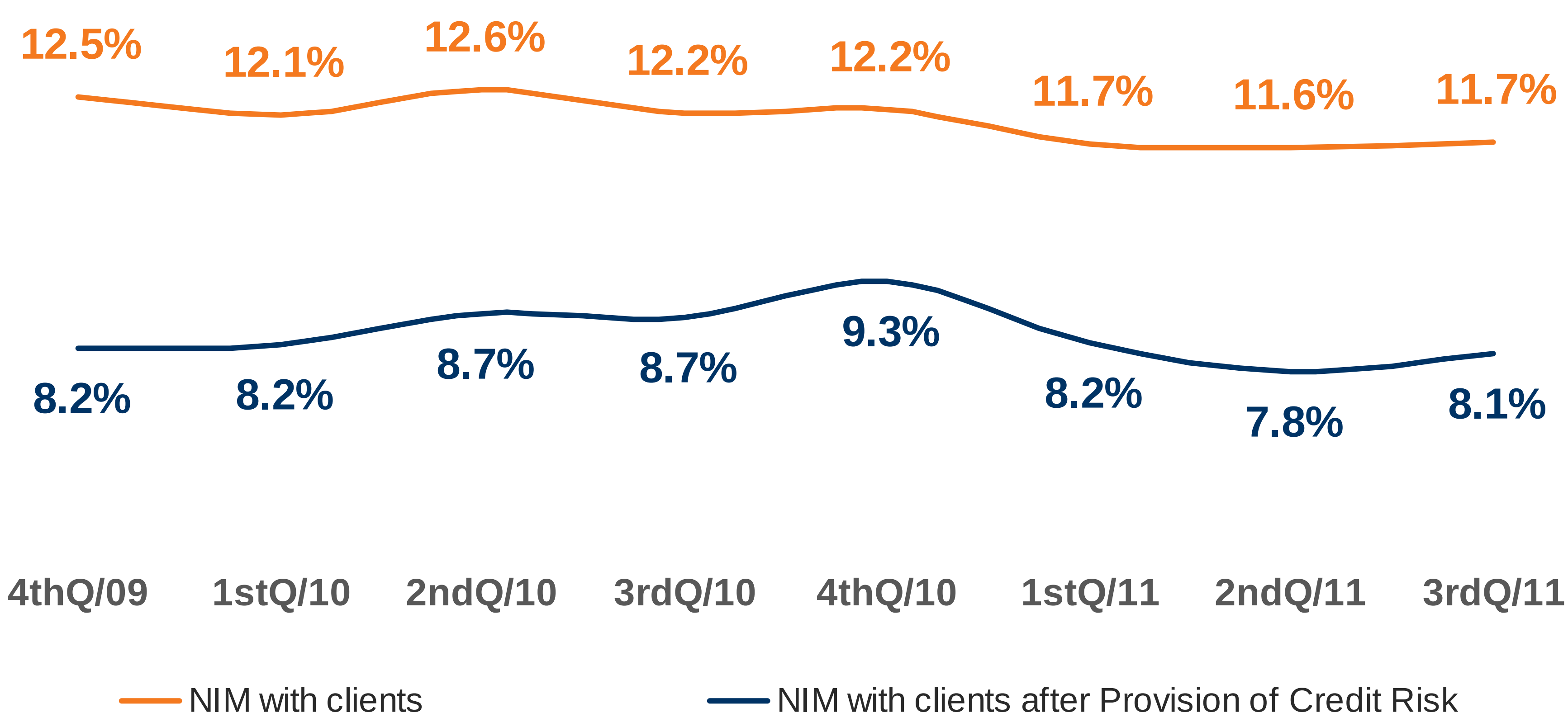
Earnings Per Share

R$



Obs.: The financial statements from the first quarter of 2011 and prior quarters, for comparability purposes, have been adjusted by the non consolidation of Porto Seguro (previously consolidated at 30%) and by the proportional consolidation of FIC at 50% (previously consolidated at 100%), without impact on net income.

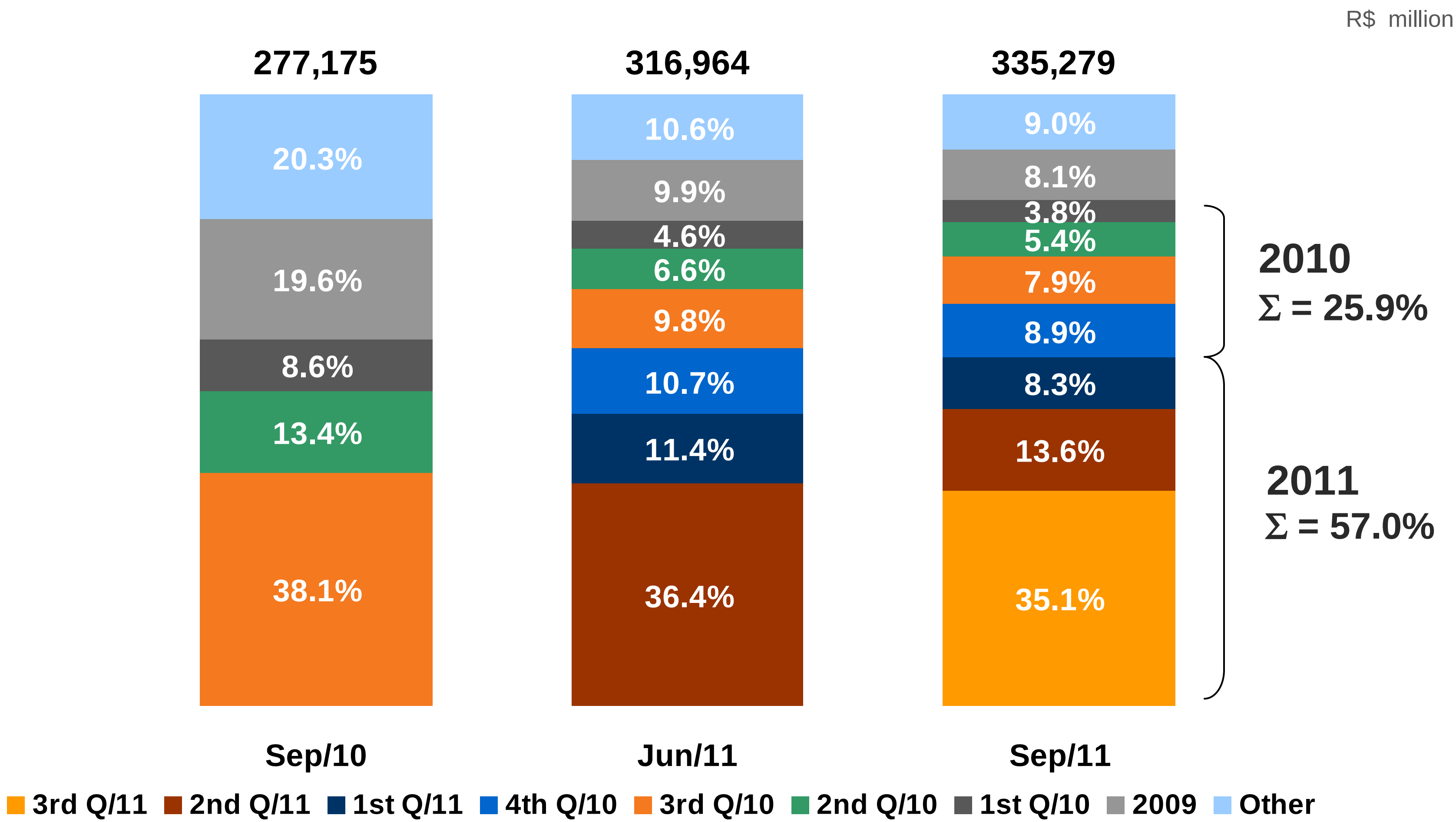
Net Interest Margin



Analysis of Financial Margin

Profile of the portfolio of credit by origination period:

Older vintages are losing relevance compared to the most recent ones, with higher spreads than those observed in 2010.

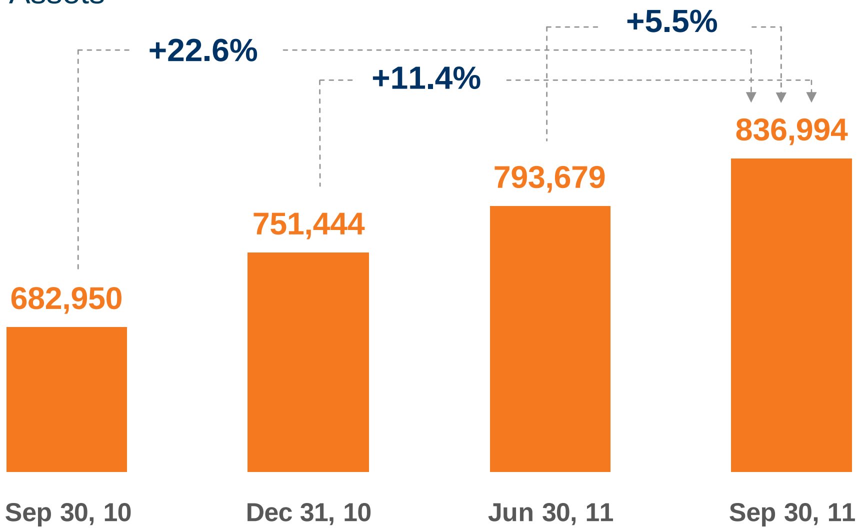


Highlights

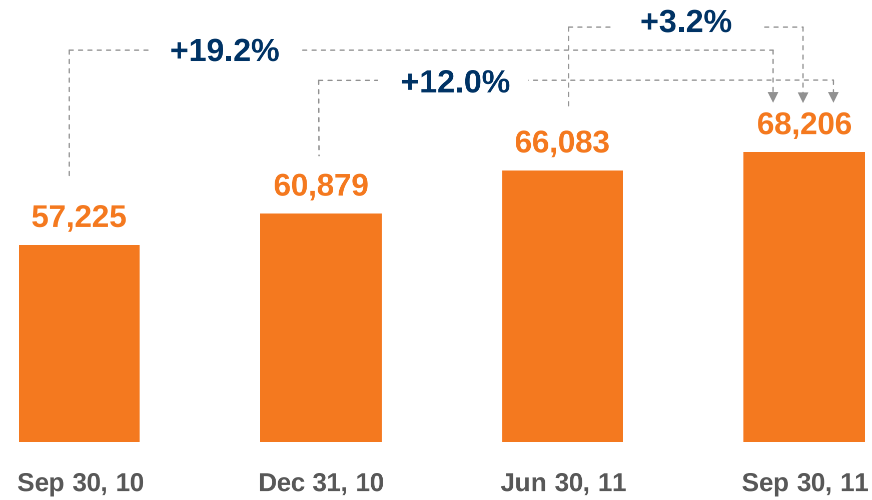
Itaú

R$ million

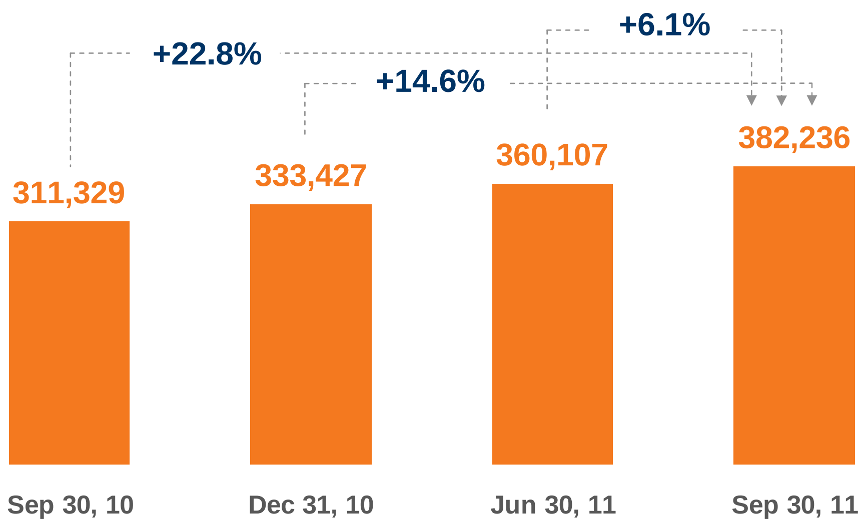
Assets



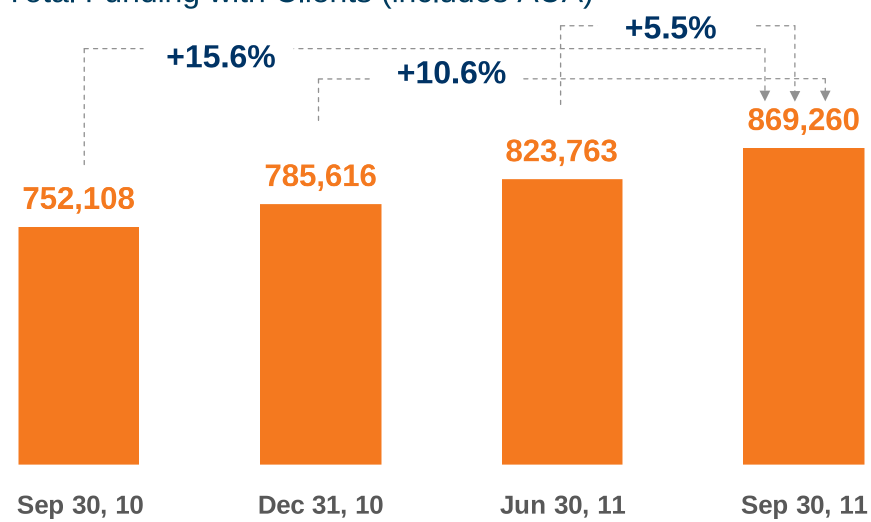
Stockholders' Equity



Loan Portfolio (Includes Endorsements and Sureties)



Total Funding with Clients (includes AUA)



Results

R$ million

	3rdQ/11	2ndQ/11	3rdQ/11 - 2ndQ/11	Jan-Sep/11	Jan-Sep/10	Jan-Sep/11 - Jan-Sep/10
Operating Revenues	**19,183**	**17,981**	**6.7%**	**54,697**	**48,614**	**12.5%**
Financial Margin with Clients	11,824	11,233	5.3%	33,850	29,203	15.9%
Financial Margin with Market	1,136	690	64.6%	2,760	2,816	-2.0%
Banking Service Fees and Income from Banking Charges	4,820	4,672	3.2%	13,960	12,607	10.7%
Result from Insurance, Pension Plans and Capit. Operations before Retained Claims and Selling Expenses	1,319	1,279	3.2%	3,823	3,604	6.1%
Other Operating Income	84	106	-21.4%	304	384	-20.9%
Loan Losses and Retained Claims	**(4,041)**	**(4,118)**	**-1.9%**	**(11,734)**	**(10,106)**	**16.1%**
Expense for Allowance for Loan Losses	(4,972)	(5,107)	-2.7%	(14,459)	(11,775)	22.8%
Recovery of Credits Written Off as Losses	1,315	1,393	-5.6%	3,915	2,899	35.0%
Retained Claims	(385)	(403)	-4.6%	(1,190)	(1,230)	-3.3%
Other Operating Income/(Expenses)	**(11,202)**	**(10,546)**	**6.2%**	**(32,068)**	**(28,884)**	**11.0%**
Non-interest Expenses	(8,417)	(7,967)	5.7%	(24,059)	(21,384)	12.5%
Tax Expenses for ISS, PIS, Cofins and Other Taxes	(946)	(983)	-3.7%	(2,864)	(2,668)	7.3%
Other Results (*)	(1,838)	(1,596)	15.2%	(5,145)	(4,833)	6.5%
Recurring Net Income	**3,940**	**3,317**	**18.8%**	**10,895**	**9,624**	**13.2%**
Non-recurring Events	**(133)**	**286**	**-**	**45**	**(190)**	**-**
Net Income	**3,807**	**3,603**	**5.7%**	**10,940**	**9,433**	**16.0%**

(*) Other results is composed by equity in earnings of affiliates and other investments, non operating income, insurance selling expenses, income tax and social contribution, profit sharing (officers) and minority interest in subsidiaries.

Loans by Type of Client

R$ million

	Sep 30, 11	Jun 30, 11	Dec 31, 10	Sep 30, 10	Variation Sep/11 - Jun/11	Variation Sep/11 - Dec/10	Variation Sep/11 - Sep/10
Individuals	**141,475**	**135,942**	**125,079**	**116,666**	**4.1%**	**13.1%**	**21.3%**
Credit Card	35,586	34,555	33,030	29,176	3.0%	7.7%	22.0%
Personal Loans	33,282	30,262	23,864	23,203	10.0%	39.5%	43.4%
Vehicles	60,008	60,141	60,118	57,262	-0.2%	-0.2%	4.8%
Mortgage Loans	12,599	10,984	8,067	7,025	14.7%	56.2%	79.3%
Companies	**221,660**	**208,668**	**193,951**	**181,115**	**6.2%**	**14.3%**	**22.4%**
Corporate	134,751	123,629	115,348	108,719	9.0%	16.8%	23.9%
Very Small, Small and Middle Market (*)	86,908	85,039	78,604	72,396	2.2%	10.6%	20.0%
Argentina/Chile/Uruguay/Paraguay	**19,102**	**15,497**	**14,397**	**13,548**	**23.3%**	**32.7%**	**41.0%**
Total with endorsements and sureties	**382,236**	**360,107**	**333,427**	**311,329**	**6.1%**	**14.6%**	**22.8%**
Total Retail (**)	**228,383**	**220,981**	**203,682**	**189,062**	**3.3%**	**12.1%**	**20.8%**
Corporate - Total Risk (***)	**150,289**	**138,852**	**130,946**	**122,138**	**8.2%**	**14.8%**	**23.0%**
Endorsements and Sureties	**46,957**	**43,144**	**38,374**	**34,155**	**8.8%**	**22.4%**	**37.5%**
Individuals	248	237	252	186	4.7%	-1.7%	33.5%
Corporate	42,303	39,159	34,693	30,839	8.0%	21.9%	37.2%
Very Small, Small and Middle Market	3,099	2,923	2,541	2,361	6.0%	22.0%	31.3%
Argentina/Chile/Uruguay/Paraguay	1,307	825	888	769	58.5%	47.2%	69.9%
Growth adjusted for the effects of exchange rate changes					**3.5%**	**13.0%**	**21.3%**

(*) Includes rural loans from individuals.

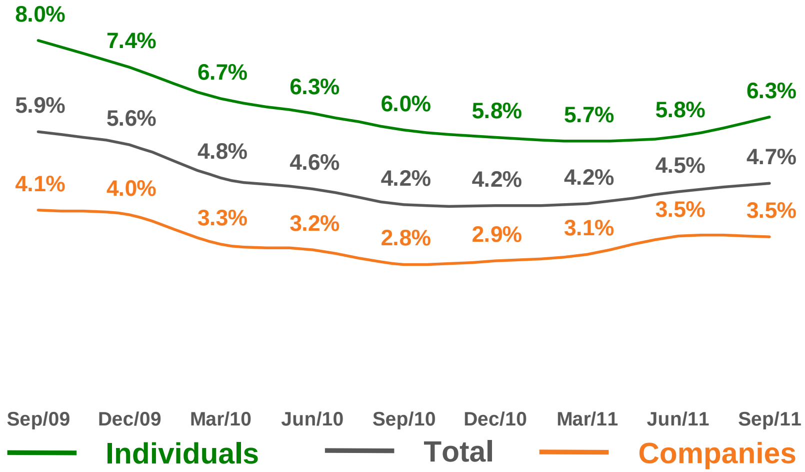
(**) Includes all products from individuals and very small, small and middle market companies.

(***) Includes private bonds (debentures, CRI and commercial paper). Without considering the exchange rate variation, the growth would have been 4.2% in relation to Jun 30, 11, and 20.7% in relation to Sep 30, 10.

Note: The acquired payroll credit portfolio is considered as corporate risk. Mortgage loans and rural loans portfolios from the businesses segment are allocated according to the client's size.

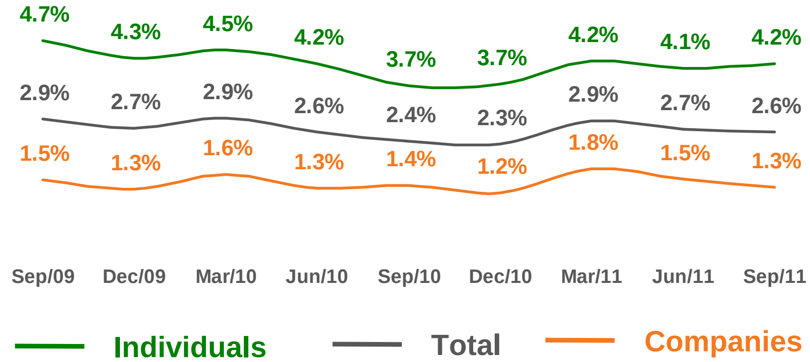
Credit Ratios

NPL Ratio (90 days)

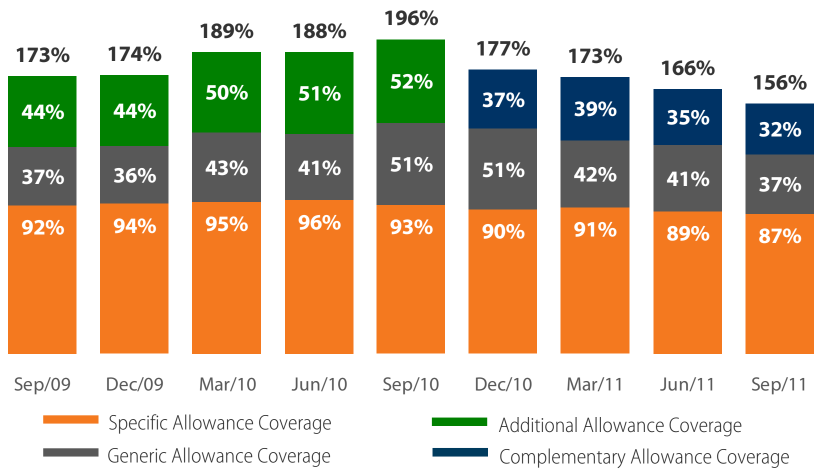


Disregarding the exchange variation in credit portfolio, the NPL over 90 days ratio would have reached 4.8%

NPL Ratio (31 to 90 days)



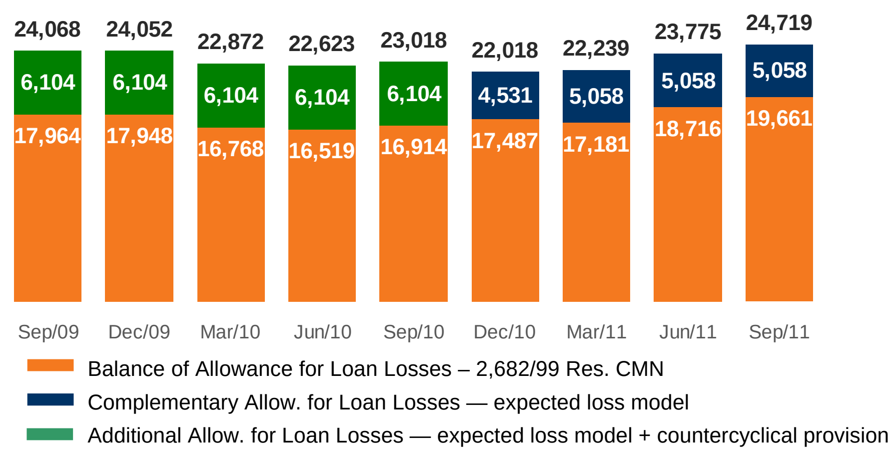
Coverage ratio (*) – 90 days



(*) Allowance for Loan Losses / Credits overdue more than 90 days.

Balance of Allowance for Loan Losses

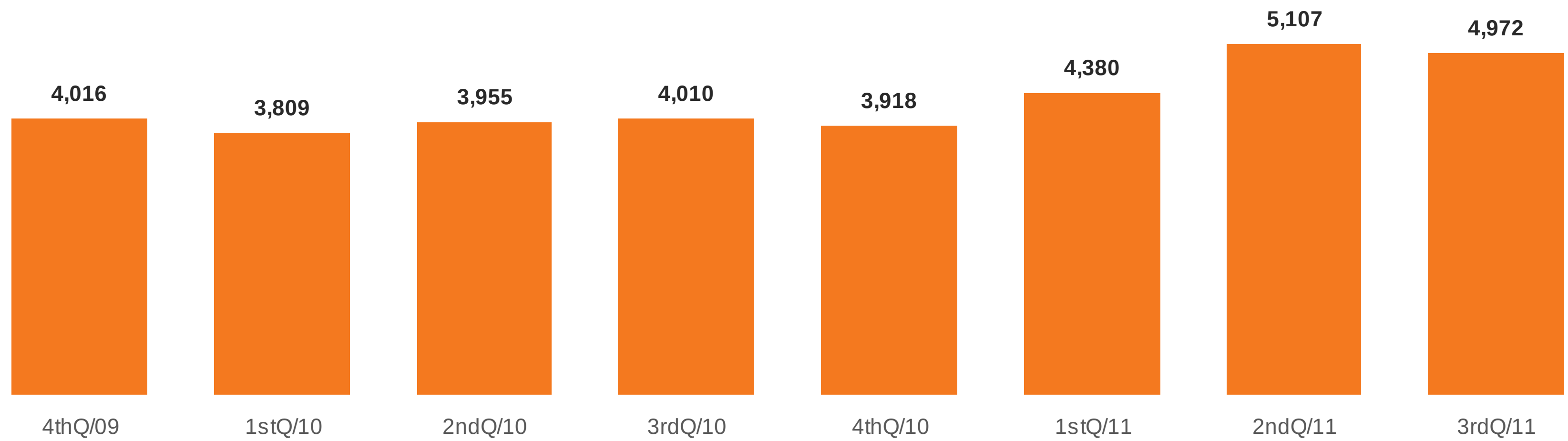
R$ million



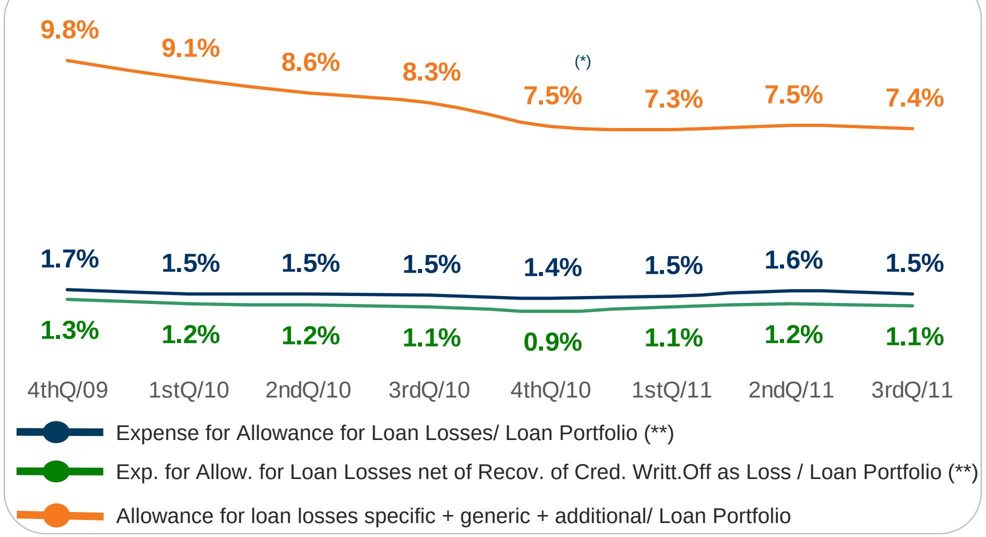
Credit Ratios

R$ million

Evolution of Expense for Allowance with Loan Losses



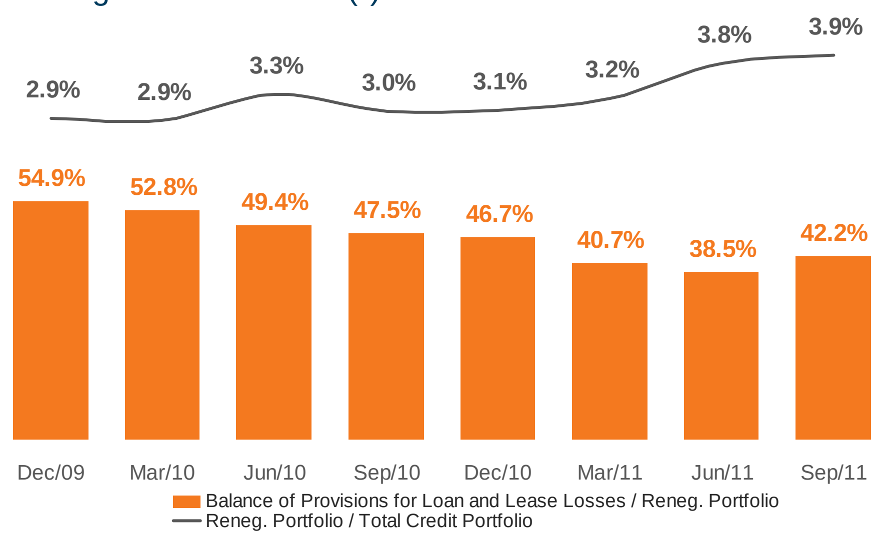
Allowance for Loan Losses



(*) There was a R$ 1.6 billion of additional provision reversal.

(**) Average balance of the two previous quarters.

Renegotiation Portfolio (*)



(*) According to the National Monetary Council (CMN) 2,682/99 resolution.

Total Funding | Free, Raised and Managed Assets

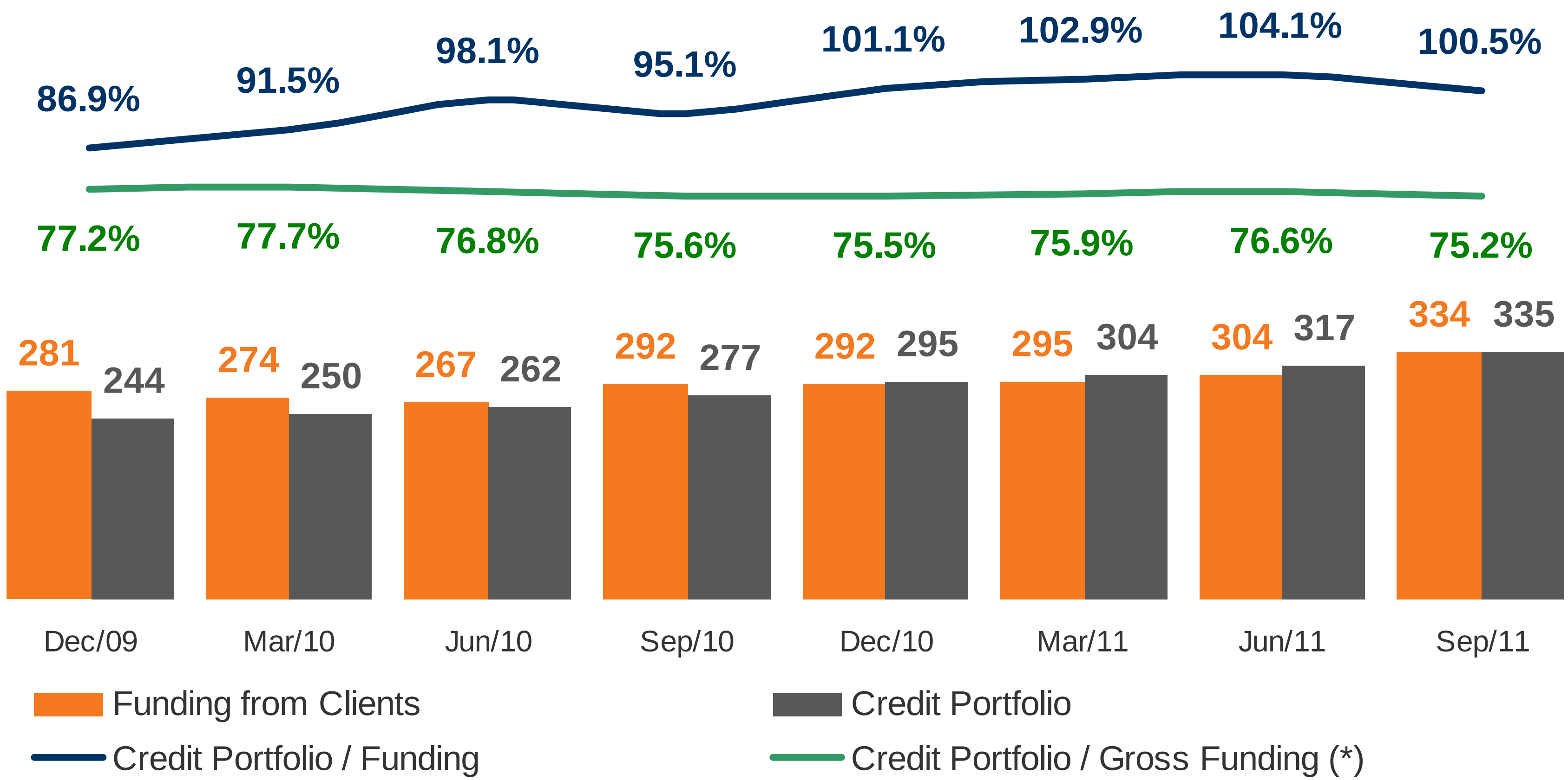
R$ million

	Sep 30, 11	Jun 30, 11	Sep 30, 10	Variation Sep/11 – Jun/11	Variation Sep/11 – Sep/10
Demand Deposits	25,439	23,792	28,469	6.9%	-10.6%
Savings Deposits	63,307	59,982	54,858	5.5%	15.4%
Time Deposits	121,402	114,785	106,011	5.8%	14.5%
Debentures (Repurchase Agreements) and Funds from Bills (1)	127,815	115,154	94,040	11.0%	35.9%
(1) Total – Funding from Account Holders	**337,963**	**313,712**	**283,378**	**7.7%**	**19.3%**
Institutional Clients	17,735	15,140	14,104	17.1%	25.7%
Onlending	36,073	34,277	28,862	5.2%	25.0%
(2) Total – Funding from Institutional & Account Holders	**391,772**	**363,130**	**326,344**	**7.9%**	**20.0%**
Assets under Administration	390,811	379,392	357,495	3.0%	9.3%
Technical Provisions of Insurance, Pension Plans and Capitalization	70,170	66,703	57,717	5.2%	21.6%
(3) Total – Clients	**852,752**	**809,225**	**741,555**	**5.4%**	**15.0%**
Deposits from Banks	2,157	2,802	1,258	-23.0%	71.6%
Funds from Acceptance and Issuance of Securities Abroad	14,350	11,736	9,295	22.3%	54.4%
Total Funds from Clients + Banks	**869,260**	**823,763**	**752,108**	**5.5%**	**15.6%**
Repurchase Agreements (2)	85,004	95,684	65,844	-11.2%	29.1%
Borrowings	21,799	18,670	14,333	16.8%	52.1%
Foreign Exchange Portfolio	39,759	25,458	21,399	56.2%	85.8%
Subordinated Debt	37,638	37,210	33,017	1.1%	14.0%
Collection and Payment of Taxes and Contributions	4,636	9,385	3,706	-50.6%	25.1%
Free Assets (3)	59,010	58,445	49,907	1.0%	18.2%
Free Assets and Other	**247,845**	**244,853**	**188,206**	**1.2%**	**31.7%**
Total Funds (Free, Raised and Managed Assets)	**1,117,105**	**1,068,616**	**940,314**	**4.5%**	**18.8%**

(1) Includes funds from Real estate, mortgage, financial, credit and similar notes.
(2) Does not include own issued Debentures, classified as funding.
(3) Stockholders´ Equity + Minority- Permanent Assets.

Ratio between Credit Portfolio and Funding

R$ billion

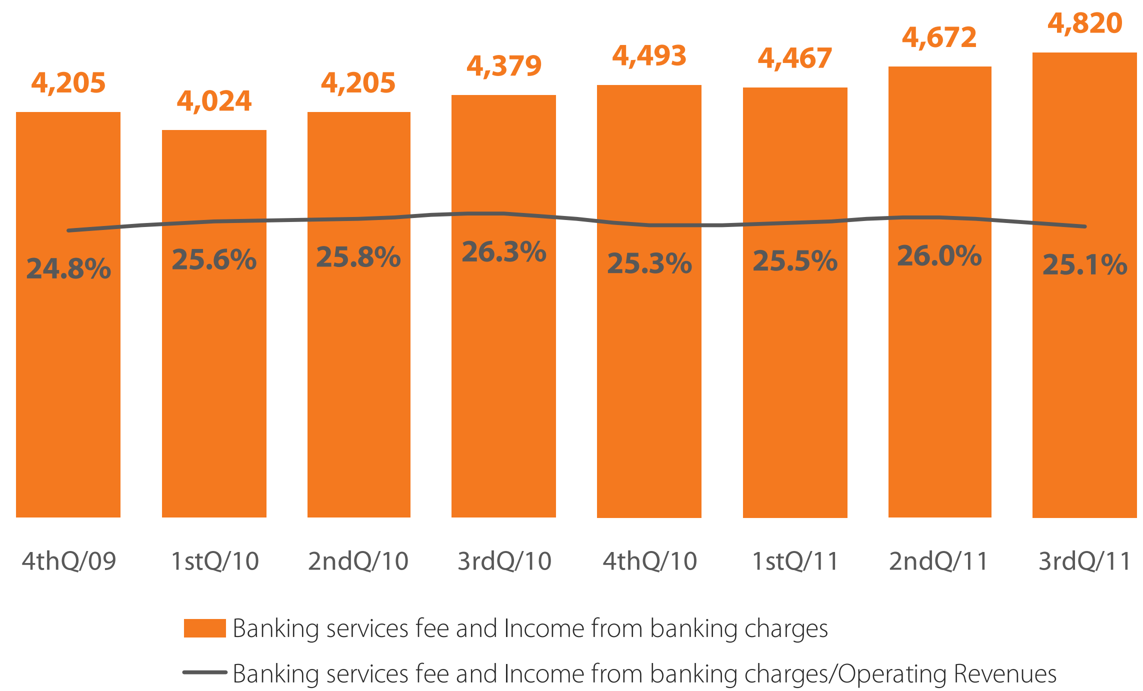


(*) Gross funding, disregarding the deduction of compulsory deposits and cash and cash equivalents.

Banking Fees Revenues

R$ million

	3rdQ/11	2ndQ/11	3rdQ/11 - 2ndQ/11	Jan-Sep/11	Jan-Sep/10	Jan-Sep/11 - Jan-Sep/10
Asset Management	671	638	5.1%	1,946	1,850	5.2%
Current Account Services	623	598	4.1%	1,797	1,810	-0.8%
Loan Operations and Guarantees Provided	823	827	-0.4%	2,429	2,063	17.8%
Collection Services	357	301	18.8%	988	975	1.3%
Credit Cards	1,891	1,804	4.8%	5,387	4,702	14.6%
Other	455	503	-9.6%	1,414	1,208	17.1%
Total	**4,820**	**4,672**	**3.2%**	**13,960**	**12,607**	**10.7%**



Non–Interest Expenses

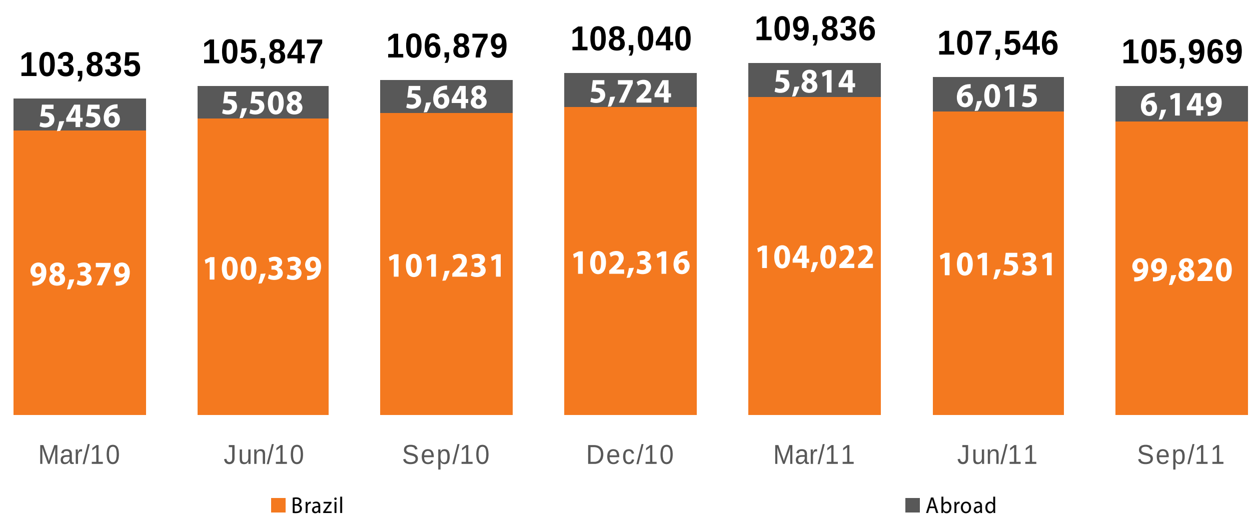
R$ million

	3rd Q/11	2nd Q/11	3rd Q/11 - 2nd Q/11	Jan-Sep/11	Jan-Sep/10	Jan-Sep/11 - Jan-Sep/10
Personnel Expenses	(3,471)	(3,335)	4.1%	(10,049)	(9,136)	10.0%
Administrative Expenses	(3,584)	(3,422)	4.7%	(10,266)	(9,746)	5.3%
Operating Expenses	(1,276)	(1,125)	13.4%	(3,495)	(2,263)	54.5%
Other Tax Expenses (*)	(87)	(84)	3.7%	(249)	(240)	3.7%
Non–Interest Expenses	**(8,417)**	**(7,967)**	**5.7%**	**(24,059)**	**(21,384)**	**12.5%**

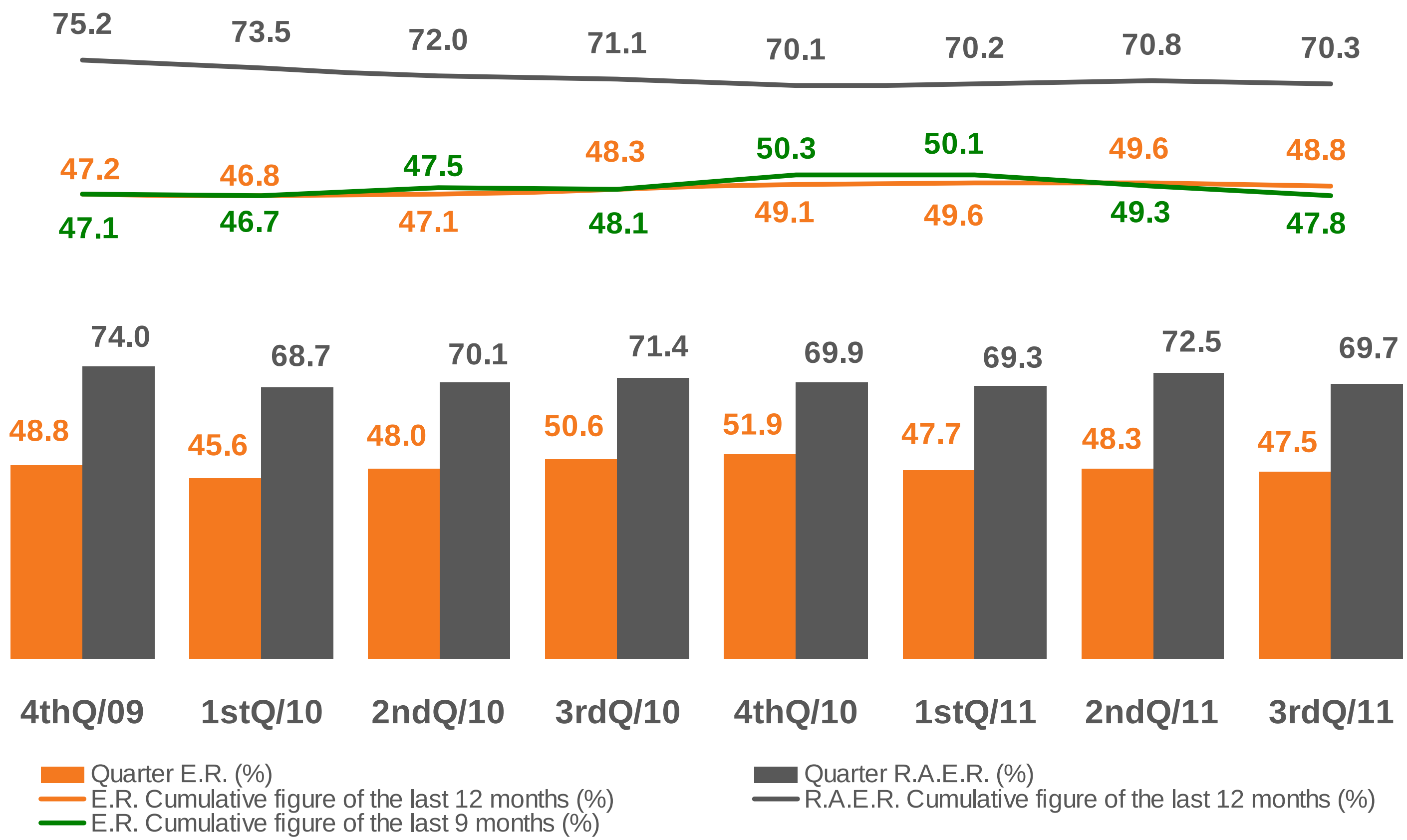
(*) Does not include PIS, Cofins and ISS.

Expectation for 2011: 8%–10% growth

Evolution of the Number of Employees



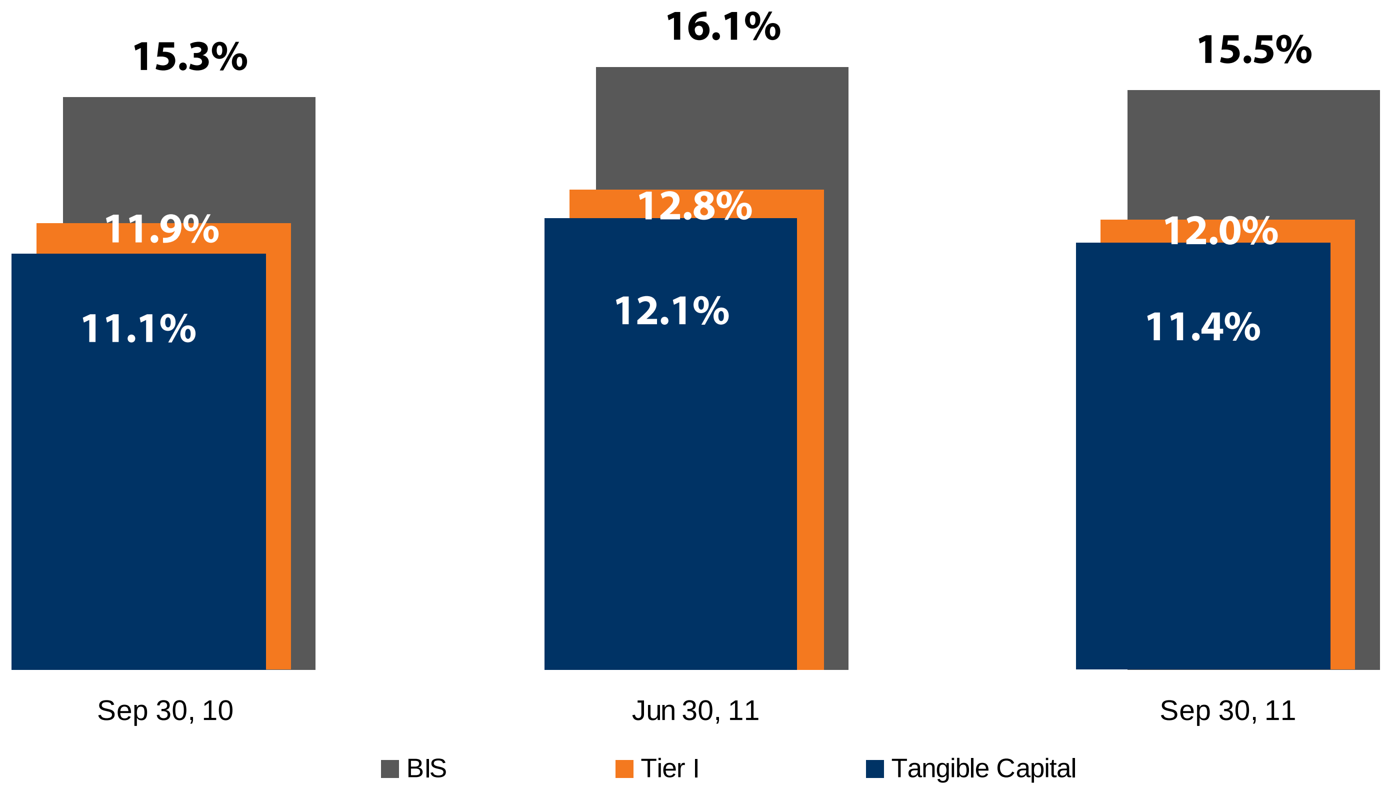
Efficiency Ratio and Risk-Adjusted Efficiency Ratio



Risk Adjusted Efficiency Ratio = [Non-Interest Expenses (Personnel Expenses + Administrative Expenses + Operating Expenses + Other Tax Expenses) + Insurance Selling Expenses + Result from Loan Losses + Retained Claims] / [(Managerial Financial Margin + Banking Service Fees and Banking Charges + Operating Result of Insurance, Capitalization and Pension Plans before Retained Claims and Insurance Selling Expenses + Other Operating Income - Tax Expenses for ISS, PIS, Cofins and Other Taxes)]

BIS Ratio

Evolution of BIS Ratio, Tier I and Tangible Capital (*)
(Economic Financial Consolidated)



- An issue of subordinated debt, amounting R$ 1,187 million, is pending approval from the Central Bank of Brazil. If we considered this issue, the Basel ratio would have reached 15.7%;
- The BIS ratio was influenced in 40 basis points by the Circ. 3.515/BACEN, that became effective since July 1st, 2011;
- The repurchase of 41 million shares to the Treasury, which occurred in 2011 impacted the BIS in 20 basis points.

(*) Tangible Common Equity (TCE) ratio is internationally defined as Stockholders' Equity less intangible assets, goodwill and redeemable preference shares. In Brazil, non-voting shares basically have an equity function and, for this reason, have not been excluded from Tangible Equity.

•Note: The Basel ratio of the financial system consolidated reached 15.1% on September 30, 2011. An issue of subordinated debt, amounting R$ 1,187 million, is pending approval from the Central Bank of Brazil. If we considered this issue, the Basel ratio of the financial system would have reached 15.3%;

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Alfredo Egydio Setubal
Investor Relations Officer

Nov | 03 | 2011