

# **complete financial statements**

**Itaú Unibanco Holding S.A.**



**September 30, 2012**



# MANAGEMENT REPORT – January to September 2012

## To our Stockholders:

We present the Management Report and the Interim Financial Statements of Itaú Unibanco Holding S.A. (Itaú Unibanco) and its subsidiaries for the period from January to September 2012, in accordance with the regulations established by the Brazilian Corporate Law, the National Monetary Council (CMN), the Central Bank of Brazil (Bacen), the Brazilian Securities and Exchange Commission (CVM), the Superintendency of Private Insurance (Susep), and the National Council of Private Insurance (CNSP).

## 1) Highlights

### 1.1) Corporate Events: Public Tender Offer (the “TO”) of Redecard S.A.

We highlight the main events related to Redecard “TO”:

- In the Auction of September 24, 2012, we purchased 298,989,137 common shares issued by Redecard, representing 44.4% of its respective capital;
- Both in environment of private trading and in auctions at BM&FBovespa, we purchased, by September 30, additional 100 shares of Redecard and in October, additional 23,987,343 common shares at the amount offered, with the accretion of SELIC variation for the period;
- With the aforementioned purchases, we now hold 659,461,936 common shares, equivalent to a 98.0% interest;
- All purchases of shares made as from September 24 and up to the date of this report are equivalent to the investment of R\$ 11.3 billion;
- On October 18, 2012, the Brazilian Securities and Exchange Commission (CVM) cancelled the Redecard’s register as a publicly-held company;
- The bank expects to consummate the purchase of 100% of non-controlling interest by the end of 2012.

Redecard will continue as an independent company, operating in partnerships with other banks, with increased flexibility in pricing and synergies arising from integration. In addition, the combined use of infrastructures of Redecard and Itaú Unibanco will bring greater flexibility and will expedite the operations both for payment products offered to clients and offered to merchants.

### 1.2) Investments in Technology

At the end of September, we announced the investment of R\$ 10.4 billion in technology, innovation and services to be made in the period from 2012 to 2015, of which:

- R\$ 2.7 billion in data processing systems;
- R\$ 0.8 billion for acquisition of software;
- R\$ 4.6 billion in system development; and
- R\$ 2.3 billion in our Data Center in Mogi Mirim (under construction), one the largest technological centers in the world, with capacity to support the expansion of operations for the next three decades. The completion of the first phase is scheduled for 2014, and is expected to generate about 700 direct jobs, in addition to significantly contributing to the development of the economy, trade and qualification of labor in the region.

The amount of R\$ 10.4 billion represents one of the largest private investments to favor the growth of the Brazilian economy, aiming at increasing efficiency, continuously improving the quality of services provided and the response time to customers.

### 1.3) New Concept of Branch and Service

On an innovative way and making use of cutting-edge technology resources, we opened the concept branch in Villa Lobos mall (São Paulo – Capital city) in August, with a differentiated layout inspired in the visual concept of a store, providing more interaction between our managers and clients, in a more appealing, comfortable and safe environment. Itaú's concept branch located in malls also operates in different working hours, i.e., from 12 noon 8 p.m.

### 1.4) Other Highlights

*Dow Jones Sustainability World Index (DJSI)* - We were selected for the 13<sup>th</sup> consecutive time to take part in the DJSI, the main sustainability index in the world, in its 2012/2013 edition.

We are the only Latin American bank to be in this index since its creation. The new portfolio is composed of 340 companies of 30 countries, of which only 9 Brazilian companies, three of which are related to the group, namely: Itaúsa, Duratex and Redecard.

In this edition, we reached the maximum rate (100%) of the banking sector in the criteria "Development of Human Capital", "Engagement with Strategic Audiences" and "Anti-crime and fraud policies/ actions", in addition to being assigned a score higher than the sector average in all assessment items.

*Launch of the New Credit Card* – In a pioneer action, we launched the Itaucard 2.0 credit card in August, with the lowest interest rates in the market, between 3.99% and 5.99%, in accordance with the client segment.

Aware that the Brazilian credit card market is growing at a fast pace and becoming increasingly more important as a banking instrument, we are constantly studying methods to improve our products and finding ways to reduce interest rates. In view of this challenge, we analyzed a number of credit card models in the international market and have we conducted, since 2010, a number of surveys and tests to get to this new credit card model.

Since its launch, 300 thousand clients have requested the card, which is offered as a "multiple card", with debit and credit functions.

*Facebook* - Our fan page reached over 2.7 million fans, and:

- We have the fan page with the highest number of followers in the financial sector in the world, in accordance to a survey conducted in September 2012 by Social Bakers; and
- Considering all Brazilian brands in all segments, we are the 8th largest fan page in Brazil.

*Market Value on Stock Exchange* – On September 30, 2012, we ranked as the 16th largest bank of the world under the market value criterion (R\$ 138.4 billion), according to the Bloomberg ranking, despite of the Real depreciation, since the ranking is calculated in US dollars.

*Standard & Poor's Ratings* – In July, Standard & Poor's rating agency disseminated the reassessment of the risk ratings for Brazilian banks, and the rates attributed to Itaú Unibanco Holding improved regarding our capacity to pay short-term liabilities: Foreign Currency Funding (Short Term) from A-3 to A-2, and National Currency Funding (Short Term) from A-3 to A-2.

*BMG* - The Council for Economic Defense (CADE) approved the association between Itaú Unibanco and Banco BMG. Itaú will hold 70% and BMG 30% of the association, with the purpose of maximizing the performance of the institutions in the payroll advance loan market.

### 1.5) Subsequent event

We inform the sale to Experian of our total interest in Serasa. Experian shall pay R\$ 1.7 billion to Itaú Unibanco, in cash, for 601,403 SERASA's shares, representing 16.14% of the company's capital. The result before taxes for the bank, arising from this sale, is estimated at R\$ 1.5 billion in the fourth quarter of 2012.

## 2) Information and Indicators

The table below shows our main information and indicators. The complete interim financial statements and the Management's Discussion & Analysis Report, which present further details on the results for the period, are available on the Itaú Unibanco website: [www.itaú-unibanco.com.br/ri](http://www.itaú-unibanco.com.br/ri), section Financial Information, option Financial Statements, click in BRGAAP and choose 2012.

|  | Jan to<br>Sep/12 | Jan to<br>Sep/11   | Change<br>(%)  | 3rd Q/12                  | 2nd Q/12                  | Change<br>(%) |
|--|------------------|--------------------|----------------|---------------------------|---------------------------|---------------|
| <b>Statement of Income for the Period – R\$ billion (1)</b>  |                  |                    |                |                           |                           |               |
| Gross income from financial operations   | 38.3             | 34.5               | 11.3%          | 12.7                      | 11.9                      | 6.5%          |
| Expenses for allowance for loan losses   | (18.0)           | (14.5)             | 24.2%          | (5.9)                     | (6.0)                     | -0.8%         |
| Income from recovery of credits written off as loss  | 3.5              | 3.9                | -11.2%         | 1.2                       | 1.1                       | 2.9%          |
| Income from services, income from bank charges, and income from insurance, pension plan and capitalization | 17.2             | 15.9               | 8.7%           | 5.7                       | 5.8                       | -1.6%         |
| Personnel, administrative and other operating expenses   | (23.9)           | (23.4)             | 2.4%           | (8.0)                     | (7.9)                     | 1.9%          |
| Tax expenses   | (3.3)            | (3.0)              | 10.4%          | (1.1)                     | (1.0)                     | 9.5%          |
| Income tax and social contribution   | (2.8)            | (2.3)              | 22.3%          | (1.0)                     | (1.8)                     | -44.8%        |
| Recurring net income   | 10.5             | 10.9               | -3.2%          | 3.4                       | 3.6                       | -4.8%         |
| Net income   | 10.1             | 10.9               | -7.7%          | 3.4                       | 3.3                       | 2.1%          |
| Total dividends and interest on capital (net of taxes)   | 2.0              | 2.1                | -7.2%          | 0.5                       | 0.8                       | -34.7%        |
| <b>Shares – R\$</b>  |                  |                    |                |                           |                           |               |
| Recurring net income per share (2)   | 2.33             | 2.41               | -3.3%          | 0.76                      | 0.79                      | -4.8%         |
| Net income per share (2)   | 2.24             | 2.41               | -7.3%          | 0.75                      | 0.73                      | 2.1%          |
| Book value per share (2)   | 17.48            | 15.12              | 15.6%          | 17.48                     | 16.74                     | 4.4%          |
| Number of outstanding shares – In thousands  | 4,518,244        | 4,512,243          | 0.1%           | 4,518,244                 | 4,517,639                 | 0.0%          |
| Dividends and interest on capital per share (net of taxes)   | 0.4336           | 0.4668             | -7.1%          | 0.1138                    | 0.1744                    | -34.7%        |
| Price of preferred share (PN) (3)  | 30.63            | 29.09              | 5.3%           | 30.63                     | 28.05                     | 9.2%          |
| Price of preferred share (PN)/Net income   | 10.3             | 9.0                | 13.6%          | 10.3                      | 9.6                       | 7.1%          |
| Price of preferred share (PN)/Stockholders' equity   | 1.8              | 1.9                | -8.9%          | 1.8                       | 1.7                       | 4.6%          |
| Market capitalization – R\$ billion (4)(5)   | 138.4            | 131.3              | 5.4%           | 138.4                     | 126.7                     | 9.2%          |
|  | Sep 30<br>2012   | Dec 31<br>2011 (6) | Sep 30<br>2011 | Change (%)                |                           |               |
|  |                  |                    |                | Dec 31/11 to<br>Sep 30/12 | Sep 30/11 to<br>Sep 30/12 |               |
| <b>Balance Sheet - R\$ billion</b>   |                  |                    |                |                           |                           |               |
| Total assets   | 960.2            | 851.3              | 837.0          | 12.8%                     | 14.7%                     |               |
| Loan portfolio with endorsements and sureties  | 417.6            | 397.0              | 382.2          | 5.2%                      | 9.3%                      |               |
| Free, raised and managed own assets  | 1,261.8          | 1,144.5            | 1,116.6        | 10.3%                     | 13.0%                     |               |
| Subordinated debt  | 48.5             | 39.0               | 37.6           | 24.6%                     | 29.0%                     |               |
| Stockholders' equity   | 79.0             | 71.3               | 68.2           | 10.7%                     | 15.8%                     |               |
| Referential equity (Financial Conglomerate)  | 110.9            | 92.6               | 88.1           | 19.8%                     | 25.8%                     |               |
| <b>Performance Indices (%)</b>   |                  |                    |                |                           |                           |               |
| Recurring return on average equity – annualized  | 19.0%            | 22.3%              | 22.4%          | -3.3 p.p                  | -3.4 p.p                  |               |
| Return on average equity – annualized  | 18.2%            | 22.3%              | 22.5%          | -4.1 p.p                  | -4.3 p.p                  |               |
| Return on average assets - annualized  | 1.5%             | 1.8%               | 1.8%           | -0.3 p.p                  | -0.3 p.p                  |               |
| Recurring return on average assets - annualized  | 1.6%             | 1.8%               | 1.8%           | -0.2 p.p                  | -0.2 p.p                  |               |
| Efficiency ratio (7)   | 45.0%            | 47.3%              | 47.4%          | -2.3 p.p                  | -2.4 p.p                  |               |
| Basel ratio (financial conglomerate)   | 17.4%            | 16.0%              | 15.1%          | 1.4 p.p                   | 2.3 p.p                   |               |
| Fixed assets ratio (Financial Conglomerate)  | 45.5%            | 48.6%              | 49.8%          | -3.1 p.p                  | -4.3 p.p                  |               |
| <b>Significant Data</b>  |                  |                    |                |                           |                           |               |
| Employees of Conglomerate  | 97,030           | 104,542            | 105,969        | -7.2%                     | -8.4%                     |               |
| Employees Brazil   | 90,427           | 98,258             | 99,820         | -8.0%                     | -9.4%                     |               |
| Employees Abroad   | 6,603            | 6,284              | 6,149          | 5.1%                      | 7.4%                      |               |
| Number of service centers  | 32,833           | 33,753             | 34,178         | -2.7%                     | -3.9%                     |               |
| Number of branches (units)   | 4,115            | 4,072              | 4,005          | 1.1%                      | 2.7%                      |               |
| Number of service centers (units)  | 901              | 912                | 943            | -1.2%                     | -4.5%                     |               |
| Number of ATMs (units)   | 27,817           | 28,769             | 29,230         | -3.3%                     | -4.8%                     |               |

(1) Excludes the non-recurring effects of each period.

(2) Calculated based on the weighted average of the number of shares;

(3) Calculated based on the average quotation of preferred shares on the last day of the period;

(4) Calculated based on the average quotation of preferred shares on the last day of the period (quotation of average PN multiplied by the number of outstanding shares at the end of the period);

(5) R\$ 130.6 billion considering the closing quotation of common and preferred (ON and PN) shares multiplied by total outstanding shares of each type of shares;

(6) The performance indices refer to the period between January 1, 2011 and December 31, 2011;

(7) Calculated based on international criteria defined in the Management's Discussion & Analysis Report.

### 3) Performance

#### 3.1) Income

Net income for the period from January to September 2012 amounted to R\$ 10.1 billion, with annualized return of 18.2% on average equity (22.5% in the same period of the previous year). Recurring net income was R\$ 10.5 billion, with annualized return of 19.0%. The increase of 11.3% in income from financial operations (before allowance for loan losses) and 8.7% in income from services and bank charges, and income from insurance, pension plan and capitalization operations, as compared to the same period of 2011, added to the control over personnel and administrative expenses, that increase only 2.4% in the period, contributed to the result.

The efficiency ratio reached 45.0% accumulated up to September 2012, as compared to 47.4% achieved in the same period of 2011. The reduction of 240 bps is the result of the efforts of our Efficiency Project started in 2010. In this context, expenses not related to interest posted an increase of 2.7% in the first nine months of 2012 in relation to the same period of 2011, and for comparison purposes, inflation for the first nine months of the year was 3.77% (IPCA).

#### 3.2) Assets

Total consolidated assets reached R\$ 960.2 billion and consolidated stockholders' equity totaled R\$ 79.0 billion at September 30, 2012, with growth of 14.7% and 15.8% in the last 12 months, respectively, and 12.8% and 10.7% from January to September.

The diversification of our business is reflected in the composition of our funding and loan portfolio, reducing risks to specific segments, which may be more impacted by the volatility in economy, as follows:

##### Loan Portfolio and Default

At September 30, 2012, the balance of loan portfolio, including endorsements and sureties, reached R\$ 417.6 billion, an increase of 5.2% and 9.3% as compared to December 31 and September 30, 2011, respectively. In conformity with the table below:

|   | R\$ million    |                |                |                 |                 |
|---|----------------|----------------|----------------|-----------------|-----------------|
|   | Variation      |                |                |                 |                 |
|   | Sep 30, 12     | Dec 31, 11     | Sep 30, 11     | Sep/12 – Dec/11 | Sep/12 – Sep/11 |
| <b>Individuals</b>                          | <b>155,377</b> | <b>153,988</b> | <b>147,420</b> | <b>0.9%</b>     | <b>5.4%</b>     |
| Credit Card                                 | 36,699         | 38,961         | 35,586         | -5.8%           | 3.1%            |
| Personal Loans + Own Payroll Loans          | 38,231         | 35,069         | 33,282         | 9.0%            | 14.9%           |
| Vehicles                                    | 54,046         | 60,093         | 60,008         | -10.1%          | -9.9%           |
| Mortgage Loans                              | 16,687         | 13,450         | 12,599         | 24.1%           | 32.4%           |
| Argentina/Chile/Uruguay/Paraguay            | 9,715          | 6,415          | 5,945          | 51.4%           | 63.4%           |
| <b>Companies</b>                            | <b>262,225</b> | <b>243,024</b> | <b>234,817</b> | <b>7.9%</b>     | <b>11.7%</b>    |
| Corporate                                   | 155,038        | 138,384        | 133,181        | 12.0%           | 16.4%           |
| Very Small, Small and Middle Market         | 89,448         | 90,378         | 88,479         | -1.0%           | 1.1%            |
| Argentina/Chile/Uruguay/Paraguay            | 17,739         | 14,263         | 13,157         | 24.4%           | 34.8%           |
| <b>Total with Endorsements and Sureties</b> | <b>417,603</b> | <b>397,012</b> | <b>382,236</b> | <b>5.2%</b>     | <b>9.3%</b>     |

*Individuals* – In Brazil, our Loan Portfolio to Individuals reached R\$ 155.4 billion at September 30, 2012, 0.9% higher than that posted at December 31, 2011, as an effect of the change in the portfolio composition to mitigate risk. Highlights:

- Mortgage Loans portfolio reached a growth of 24.1% as compared to the end of December 2011. The offer of Mortgage Loan is promoted by the network of branches, development companies and real estate agencies, as well as through partnerships with Lopes (LPS Brasil – Consultoria de Imóveis S.A.) and Coelho da Fonseca Empreendimentos Ltda., among others.
- Products such as Personal Loans and Payroll Advance Loans posted a significant growth.
- We are leaders in the Vehicle Financing and Credit Card segments, with balances at September 30, 2012 of R\$ 54.0 billion and R\$ 36.7 billion, respectively, with a reduction of 10.1% and 5.8% in the year.

*Corporate Segment* – In Brazil, our portfolio of Loan Operations to Companies reached R\$ 262.2 billion at September 30, 2012, posting a growth in relation to December 31, 2011 and September 30, 2011. In the Very Small, Small and Middle Market Company segment, we serve companies with annual revenue of up to R\$ 150 million, which are supported by a dedicated structure, with specific products and services. Through Itaú BBA, we serve around 2,500 of the largest corporate groups in Brazil, with a loan portfolio composed of loans in national and foreign currency, mandatory loans (BNDES Onlending, Rural Credit and Mortgage Loans) and guarantees.

In other countries, our loan portfolio for Mercosur operations (Argentina, Chile, Uruguay and Paraguay) posted a significant growth in the individual and corporate segments.

*Default* - Total default rate, considering the balance of operations overdue for over 90 days reached 5.1% at September 30, 2012, posting an increase of 20 bps as compared to December 31, 2011, and a improvement of 10 bps increase as compared to June 2012. This ratio reached 7.5% for the portfolio of credit to individuals and 3.3% for portfolio of credit to companies at the end of September 2012. The default rate from 15 to 90 days posted an improvement with a decrease between June and September 2012, showing signs of turning cycles of high delinquency from 7.5 to 7.2% in Individuals, from 2.2% to 1.8% in Companies and, in total, from 4.5% to 4.2%.

### 3.3) Funding & Funds Under Management

Free, raised and managed assets totaled R\$ 1.3 trillion at September 30, 2012, an 13.0% growth as compared to September, 2011. Of this total, 41.2% refer to investment funds, managed portfolios and technical provisions for insurance, pension plan and capitalization, 30.6% to deposits, debentures, and funds from bills, and 28.2% to Own assets and other funding.

The increase in funding (net of Compulsory deposits and Cash and cash equivalents) enabled the improved Loan portfolio and funding ratio, reaching 93.6% at September 30, 2012.

*Real Estate Credit Bills (LCI)* – Funding operations through issues of LCIs increased 12.3% in the first nine months of 2012 as compared to the same period of the previous year.

### 3.4) Capital Strength

Basel ratio was 17.4% at the end of September, posting an increase of 230 bps, compared to the same period of the previous year, an event that evidences our strength in the capital basis.

*Subordinated Notes* - In the period from January to September 2012, we issued new subordinated debt level II, which significantly increased our capital basis. In the domestic market, the bank issued a total of R\$ 10.1 billion in subordinated financial bills and in the foreign market three new placements, in the amount of US\$ 550 million in January, of US\$ 1,250 million in March, and US\$ 1,375 million in July, totaling US\$ 3.2 billion, were carried out. This amount accounts for approximately 29% of total foreign issues in dollar by Brazilian financial institutions in the capital markets, which showed, over the relevant period, the investors' interest in the issues of Itaú Unibanco Holding.

## **4) Business**

*Commercial Bank* - At the end of September 2012, we had 5,016 bank points of service, including regular branches and service centers (Postos de Atendimento Bancário - PAB) distributed in Brazil and abroad.

We kept the focus of Itaú Personalité on gaining market share in investments and pension plan for the high income segment, and on continuing to expand the exclusive branch network, as we opened 19 new points in the first nine months of 2012, represent a 23.3% increase compared to the same period of the previous year.

With the purpose of providing more convenience and easiness, particularly to our account holders, we changed the service hours of 46 branches in malls that now open from 12 noon to 8 p.m., adjusting the operation of these points to the time of higher flow of people.

In the Private Bank segment, we are the largest bank in Latin America and remain the leader in the Brazilian market, with over 25.0% of market share, according to the Brazilian Financial and Capital Markets Association (ANBIMA), by providing services to over 5,350 economic groups.

In the Assets under Administration segment, in which Privatization Funds, Fixed Income, Equities Funds, Investment Clubs and Clients' and the Group's Portfolios are managed in Brazil and abroad, we reached R\$ 432.3 billion in managed assets, with 19.3% market share and we rank 2<sup>nd</sup> in the global administration ranking, according to ANBIMA.

We are leaders in providing of custody services and bookkeeping of shares. We have a total of R\$ 898.3 billion in assets under custody, which represents 25.0% market share, according to ANBIMA, and we provide bookkeeping of shares services to 63.3% of total companies listed on the BM&FBovespa.

Kinea – In August, Kinea completed the funding of another FII (Mortgage Investment Fund) for Development with committed capital of R\$ 197 million, focused on high-income clients. In September, the funding of a new set of Private Equity Funds in the amount of the committed capital, of approximately R\$ 1 billion, was completed. With such funding, Kinea is among the largest independent managers in Brazil, with R\$ 3.6 billion of assets under management.

Insurance, Life, Pension Plan and Capitalization – The operations in these businesses in terms of volume of revenue for premiums, social security contributions and capitalization certificates reached R\$ 18.2 billion from January to September 2012 and technical provisions totaled R\$ 87.2 billion at the end of September 2012, not including foreign operations.

From January to September, total funding of private pension plans reached R\$ 13.5 billion, an increase of 48.2% as compared to the same period of the previous year, mainly influenced by the 56.2% increase in funding from VGBL product. Net funding, which represents total funding less redemptions and external portability, posted a 76.2% increase as compared to the first nine months of 2011.

Porto Seguro - Noteworthy is that we hold 30% of capital of the company, the leading company in residence and automobile insurance segment in Brazil. According to Susep (Superintendency of Private Insurance), in January to August, Porto Seguro held a market share of 25.4% in the automobile insurance segment and 27.0% in the residence insurance segment.

Consumer Credit – We are leaders in the consumer credit segment in Brazil, by means of Itaucard, Hipercard, and partnerships, offering a diversified range of products to accountholders and non-accountholder clients, originated in proprietary channels and through partnerships with companies that have outstanding performance in the markets they are engaged. From January through September 2012, the transacted amount reached R\$ 125.2 billion, an 13.3% increase in relation to the same period of 2011.



Itaú BBA – In the investment banking area, we highlight as follows:

- *Fixed Income* - in the period from January to August 2012, we took part in operations of debentures, promissory notes and securitization, which totaled R\$ 12.6 billion. In the ANBIMA ranking of distribution of fixed income from January to August 2012, we reached the first place in volume, with 28.8% market share. In international issues of fixed income, we acted as the joint book runner of offerings, with total volume of US\$ 17.3 billion, reaching the first place in the ranking of Issues of Brazilian Companies for September 2012 disseminated by BondRadar.
- *Mergers and Acquisitions* – we provide financial advisory on 50 transactions by September 2012 and achieved the leadership of the Thomson Reuters ranking in volume of operations, accumulating the amount of US\$ 14.9 billion.
- *Itaú Corretora* – by September 2012, we were ranked fifth among the brokerage companies, with a 5.5% market volume. In Futures Market, we ended that period with 9.4% market share, ranked fourth among the brokerage companies.

We highlight the following operations in the Wholesale banking activity of Itaú BBA:

- The loan portfolio and joint obligations of Itaú BBA reached the amount of R\$ 155.0 billion, a 16.4% increase as compared to September 2011. Financing positions in foreign trade posted a growth of 23.9%, as compared to September 2011.
- *Derivatives* – Itaú BBA maintained its leadership in CETIP (Clearing House for Custody and Financial Settlement of Securities) in derivative operations with companies, mainly in operations hedging the exposures to foreign currencies, interest rates and commodities. The volume of contracted operations from January to September 2012 was 6.2% higher than in the same period of prior year.
- *Project Finance* – In the period from January to September 2012, the bank was contracted to work in 60 structuring and/or advisory projects which exceeded R\$ 75 billion in investments.

*Activities Abroad* - In addition to Brazil, we acted in regions such as: Latin America, Europe, North America, Middle East and Asia. In the period from January to September, our business abroad posted recurring net income of R\$ 1.5 billion, with total assets of R\$ 189.1 billion at September 30, 2012, with the opening of 13 new branches. The Loan portfolio reached R\$ 25.6 billion in the first nine months, with a 43.8% increase as compared to the same period of 2011.

We are in the pre-operating phase in the organization of Itaú BBA Colômbia S.A. – Corporación Financiera. For this reason, in July and September 2012, capitalization was carried out in the company organized in Colombia, totaling approximately US\$ 200 million. The start-up is scheduled for the last quarter of 2012, after obtaining the operating license from the local regulatory authority.

## **5) People**

Itaú Unibanco had the support of approximately 97 thousand people at the end of September 2012, including approximately 6.6 thousand employees in foreign units. The employees' fixed compensation plus charges and benefits totaled R\$ 6.9 billion in the first nine months of the year. Welfare benefits granted to employees and their dependants totaled R\$ 949.0 million. In addition, over R\$ 177.4 million were invested in training programs during the period, totaling 1.6 million hours.

## **6) Sustainability and Corporate Governance**

In August, we made available Itaú Unibanco's new portal on the responsible use of Money, ([www.itaub.com.br/usoconsciente](http://www.itaub.com.br/usoconsciente)), an innovative financial education tool which purpose is to help people to make better use of money in different times of their lives. The bank's clients and non-clients have access to topics addressing, on a simple basis, everyday situations such as: hints to get out of the red; saving without giving up consumption; talking about money within the family, among others, and they can also send questions that will be answered by the institution's experts.

Strengthening our commitment to the transparency and communication with the market, during the first nine months of 2012:

- we took part in 19 conferences and road shows in Brazil and abroad, which contributed to strengthen our relationship with stockholders, analysts and investors in the Brazilian and international markets;
- we held 20 of the 22 meetings scheduled for the 2012 Apimec Cycle for all regions of Brazil. With an innovative language, the presentation of these meetings involves economic aspects of the country and the main information of our institution, such as financial performance, business areas and outlook for the sector. The next two Apimec meetings will occur on November 7 in Rio de Janeiro, and on November 28 in Porto Alegre;
- we were present in 11 financial education events (Expo Money) all over Brazil, and a total of 13 fairs is schedule up to the end of 2012.

On September 25, we held for the 17<sup>th</sup> consecutive year the Apimec meeting in São Paulo, which was attended by 572 people among stockholders, analysts and other stakeholders, and other 500 people followed the event live on the internet.

## **7) Social and cultural investments**

Social and cultural investments are aimed at anticipating changes, improving learning experiences and focusing on projects and initiatives that lead to transformation in society.

Aware of our responsibility, in the period from January to September 2012 we invested R\$ 130.8 million in education, culture and sports actions.

Our main initiatives in the period from January to September were:

- *Instituto Unibanco*: in the third quarter of 2012, Instituto Unibanco held two national qualification programs, gathering approximately 600 people belonging to the seven State Education Departments that develop the *Jovem do Futuro* (Youth with a Future) Project. Additionally, 27 qualification programs were held in the respective States, with approximately 1,300 school managers, and three qualification programs with 400 students of the *Agentes Jovens* (Young Agents) program.
- *Fundação Itaú Social*: in August and September, non-government organizations enrolled to apply for funds from Fundo Itaú Excelência Social (Fies – Itaú Social Excellence Fund). In 2012, the Fund will invest R\$ 2.4 million in up to 14 NGOs acting in the education area. Each chosen organization will also receive financial support, in addition to technical support, monitoring and qualification of their managers, offered by Fundação Itaú Social.
- *Itaú Cultural*: from January to September 2012, approximately 198 thousand people visited Itaú Cultural. The site of the institute had 9 million accesses, of which 7 million accessed the virtual encyclopedias. In the same period, Auditório Ibirapuera received over 117 thousand visitors, between in-house and off-site presents, and 31 shows were held there. The institution invested over R\$ 37.7 million in cultural projects and initiatives, of which R\$ 13.2 million (35%) under the Rouanet Law.

## **8) Awards and Recognition**

- Institutional Investor Magazine – considering eight awards we were in first place in six: Best Investor Relations nominated by the Sell and Buy Side; Best CEO nominated by the Sell and Buy Side; Best CFO nominated by the Buy Side and Best Investor Relations Professional nominated by the Buy Side.
- Ranked first among the Latin American financial institutions in Top 1000 World Banks 2012 (The Banker magazine – Financial Times);
- Acknowledged in the Banks Category in the *Época Negócios 360°* (Yearly Issue *Época Negócios 360°*) (*Época Negócios* magazine) and The Best of Dinheiro 2012 (Isto É Dinheiro magazine);
- Ranked 1<sup>st</sup> in the Maiores e Melhores (Best and Largest) 2012 (Exame magazine) in the list of the 50 largest Brazilian Banks by equity;

- 1<sup>st</sup> place since 2007 in the Banks category of Top of Mind Internet Award (Datafolha-UOL), a survey that acknowledges professionals and brands that value the online media;
- Acknowledged as one of the 10 best ombudsman services in Brazil, in the Ouvidorias Brasil 2012 (Ombudsman Services Brazil 2012) Award;
- Business - Itaú BBA was acknowledged for the third time as the Most Innovative Investment Bank in Latam, the most innovative investment bank in Latin America (The Banker - Financial Times), by the fifth consecutive time as the Best Cash Management Brasil (Euromoney magazine), and elected as the Best Investment Bank in Brazil 2012 (Euromoney Awards for Excellence 2012);
- People - Itaú Unibanco was considered one of the Great Places to Work (Great Places to Work in partnership with Época magazine), Empresa dos Sonhos dos Jovens (Dream Companies to Work by Youngsters) (Cia. de Talentos), and the Best Companies to Work (Você S.A. Guide) out of 150 companies;
- Sustainability - Green Project Awards Brazil for the best mobilization campaign with the Bike Rio project, Época Empresa Verde (Green Company Época) Award (Época magazine), as one of the companies with good environmental practices, and awarded in three categories in the Empresário Amigo do Esporte (Entrepreneur Friend of Sport) Award (Ministry of Sport), and it is one of the four companies that most invested in this sector under the Incentive Law.

## **9) Independent Auditors – CVM Instruction No. 381**

### **Procedures adopted by the Company**

The policy adopted by Itaú Unibanco Holding S.A., its subsidiaries and parent company, to engage non-audit related services from our independent auditors is based on the applicable regulations and internationally accepted principles that preserve the auditor's independence. These principles include the following: (a) an auditor cannot audit his or her own work, (b) an auditor cannot function in the role of management in companies where he or she provides external audit services; and (c) an auditor cannot promote the interests of its client.

During the period from January to September 2012, the independent auditors and related parties did not provide non-audit related services in excess of 5% of total external audit fees.

According to CVM Instruction No. 381, we list below the engaged services and related dates:

- January 24, 2012 – vulnerability analysis and application intrusion tests on the internet perimeter;
- February 17 and August 2, 2012 – review of aspects related to the business continuity program;
- February 23, March 29, July 4 and July 31, 2012 – acquisition of technical material;
- February 28, 2012 – consulting services for obtaining GIPS (Global Investment Performance Standards) certification;
- March 6, June 12, and August 10, 2012 – attendance at courses open to the public, related to finance and accounting;
- April 27 and August 7, 2012 – consulting services in the authorization request to the regulatory body for opening a subsidiary.

### **Summary of the Independent Auditors' justification - PricewaterhouseCoopers**

The provision of the above described non-audit related professional services do not affect the independence or the objectivity of the external audit of Itaú Unibanco, parent and its subsidiary/affiliated companies. The policy adopted for providing non-audit related services to Itaú Unibanco is based on principles that preserve the independence of Independent Auditors, all of which were considered in the provision of the referred services.

## **10) Circular No. 3,068/01 – BACEN**

Itaú Unibanco hereby represents to have the financial capacity and the intention to hold to maturity securities classified under the line “held-to-maturity securities” in the balance sheet, in the amount of R\$ 3.2 billion, corresponding to only 1.4% of total securities held.

### **Acknowledgements**

We thank our employees for their determination and skills which have been essential to reaching consistent and differentiated results, and our stockholders and clients for their trust.

(Approved at the Board of Directors' Meeting of October 22, 2012).

**BOARD OF DIRECTORS**

**Chairman**

PEDRO MOREIRA SALLES

**Vice-Chairmen**

ALFREDO EGYDIO ARRUDA VILLELA FILHO  
ROBERTO EGYDIO SETUBAL

**Members**

ALFREDO EGYDIO SETUBAL  
CANDIDO BOTELHO BRACHER  
DEMOSTHENES MADUREIRA DE PINHO NETO  
GUSTAVO JORGE LABOISSIÈRE LOYOLA  
HENRI PENCHAS  
ISRAEL VAINBOIM  
NILDEMAR SECCHES  
PEDRO LUIZ BODIN DE MORAES  
RICARDO VILLELA MARINO

**AUDIT COMMITTEE**

**President**

GUSTAVO JORGE LABOISSIÈRE LOYOLA

**Members**

ALKIMAR RIBEIRO MOURA  
EDUARDO AUGUSTO DE ALMEIDA GUIMARÃES  
GUY ALMEIDA ANDRADE  
LUIZ ALBERTO FIORE

**FISCAL COUNCIL**

**President**

IRAN SIQUEIRA LIMA

**Members**

ALBERTO SOZIN FURUGUEM  
LUIZ ALBERTO DE CASTRO FALLEIROS

**EXECUTIVE BOARD**

**Chief Executive Officer**

ROBERTO EGYDIO SETUBAL

**Executive Vice-Presidents**

ALFREDO EGYDIO SETUBAL (\*)  
CANDIDO BOTELHO BRACHER

**Executive Directors**

CAIO IBRAHIM DAVID  
CLAUDIA POLITANSKI  
MARCOS DE BARROS LISBOA  
RICARDO BALDIN  
SÉRGIO RIBEIRO DA COSTA WERLANG

**Directors**

ALEXSANDRO BROEDEL LOPES  
ANA TEREZA DE LIMA E SILVA PRANDINI  
EDUARDO HIROYUKI MIYAKI  
EMERSON MACEDO BORTOLOTO  
ROBERT GEORGE STRIBLING (\*\*)  
RODRIGO LUÍS ROSA COUTO  
ROGÉRIO PAULO CALDERÓN PERES

(\*) Investor Relations Director

(\*\*) Elected at Board Meeting on July 23, 2012. Awaiting BACEN approval.

**Accountant**

CARLOS ANDRÉ HERMESINDO DA SILVA  
CRC - 1SP281528/O-1

**Chief Executive Officer and General Manager**  
ROBERTO EGYDIO SETUBAL

**Executive Vice-Presidents**

ALEXANDRE DE BARROS  
ALFREDO EGYDIO SETUBAL  
JOSÉ CASTRO ARAÚJO RUDGE  
JOSÉ ROBERTO HAYM  
LUÍS OTAVIO MATIAS  
MÁRCIO DE ANDRADE SCHETTINI  
MARCO AMBROGIO CRESPI BONOMI  
MARCOS DE BARROS LISBOA  
RICARDO VILLELA MARINO  
SÉRGIO RIBEIRO DA COSTA WERLANG

**Executive Directors**

ANDRÉ SAPOZNIK  
CAIO IBRAHIM DAVID  
CARLOS EDUARDO MONICO  
CELSO SCARAMUZZA  
CLAUDIA POLITANSKI  
FERNANDO MARSELLA CHACON RUIZ  
GUSTAVO ADOLFO FUNCIA MURGEL  
LUIS ANTONIO RODRIGUES  
OSVALDO DO NASCIMENTO

**Directors**

ADILSO MARTINS DE LIMA  
ADRIANO BRITO DA COSTA LIMA  
ADRIANO CABRAL VOLPINI  
ALBERTO FERNANDES  
ALEXANDRE JADALLAH AOUDE  
ALEXSANDRO BROEDEL LOPES  
ANA CARLA ABRÃO COSTA  
ANA TEREZA DE LIMA E SILVA PRANDINI  
ANDRÉA MATTEUCCI PINOTTI CORDEIRO  
CARLOS EDUARDO DE CASTRO  
CARLOS EDUARDO MACCARIELLO  
CARLOS HENRIQUE DONEGÁ AIDAR  
CARLOS ORESTES VANZO  
CESAR PADOVAN  
CÍCERO MARCUS DE ARAÚJO  
CINTIA CARBONIERI ARAÚJO  
CLAUDIO CÉSAR SANCHES  
CLAUDIO JOSÉ COUTINHO ARROMATTE  
COSMO FALCO  
CRISTIANE MAGALHÃES TEIXEIRA PORTELLA  
CRISTINA CESTARI SPADA  
DANIEL LUIZ GLEIZER  
EDILSON PEREIRA JARDIM  
ERNESTO ANTUNES DE CARVALHO  
FABIO DI PACE MENEZES  
FERNANDO DELLA TORRE CHAGAS

**Directors (continued)**

FERNANDO JOSÉ COSTA TELES  
FLAVIO AUGUSTO AGUIAR DE SOUZA  
FRANCISCO VIEIRA CORDEIRO NETO  
GUILHERME MARTINS VASCONCELOS  
HENRIQUE PINTO ECHENIQUE  
IBRAHIM JOSÉ JAMHOUR  
JOÃO ANTONIO DANTAS BEZERRA LEITE  
JOÃO LUIZ DE MEDEIROS  
JORGE LUIZ VIEGAS RAMALHO  
JOSÉ FÉLIX VALENCIA RÍOS  
JOSÉ ISERN  
JOSÉ VIRGILIO VITA NETO  
LEILA CRISTIANE BARBOZA BRAGA DE MELO  
LUÍS EDUARDO GROSS SIQUEIRA CUNHA  
LUIS TADEU MANTOVANI SASSI  
LUIZ ANTONIO NOGUEIRA DE FRANÇA  
LUIZ EDUARDO LOUREIRO VELOSO  
LUIZ FERNANDO BUTORI REIS SANTOS  
LUIZ SEVERIANO RIBEIRO  
MARCELO BOOCK  
MARCELO DA COSTA LOURENÇO  
MARCELO LUIS ORTICELLI  
MARCO ANTONIO SUDANO  
MARCOS ANTÔNIO VAZ DE MAGALHÃES  
MARCOS AUGUSTO CAETANO DA SILVA FILHO  
MARCOS SILVA MASSUKADO  
MARCOS VANDERLEI BELINI FERREIRA  
MARIA IRENE GARCETE DE GAVILAN  
MARIO LUIZ AMABILE  
MESSIAS DOS SANTOS ESTEVES  
MILTON MALUHY FILHO  
NATACHA LITVINOV  
OSVALDO JOSÉ DAL FABBRO  
PAULO EIKIEVICIUS CORCHAKI  
PAULO MEIRELLES DE OLIVEIRA SANTOS  
RENATA HELENA DE OLIVEIRA TUBINI  
RENÉ MARCELO GONÇALVES  
RICARDO LIMA SOARES  
RICARDO ORLANDO  
RICARDO RIBEIRO MANDACARU GUERRA  
RICARDO URQUIJO LAZCANO  
ROBERTO FERNANDO VICENTE  
ROBERTO MASSARU NISHIKAWA  
RODRIGO LUIS ROSA CUTO  
ROGERIO CARVALHO BRAGA  
ROGÉRIO PAULO CALDERÓN PERES  
ROMILDO GONÇALVES VALENTE  
ROONEY SILVA  
SERGIO GUILLINET FAJERMAN  
SERGIO SOUZA FERNANDES JÚNIOR  
VILMAR LIMA CARREIRO  
WAGNER BETTINI SANCHES

## BANCO ITAÚ BBA S.A.

### BOARD OF DIRECTORS

#### Chairman

ROBERTO EGYDIO SETUBAL

#### Vice-Chairmen

ALFREDO EGYDIO SETUBAL  
FERNÃO CARLOS BOTELHO BRACHER

#### Members

ANTONIO CARLOS BARBOSA DE OLIVEIRA  
CANDIDO BOTELHO BRACHER  
EDUARDO MAZZILLI DE VASSIMON  
HENRI PENCHAS  
JOÃO DIONÍSIO FILGUEIRA BARRETO AMOÊDO  
JOSÉ ROBERTO HAYM  
SÉRGIO RIBEIRO DA COSTA WERLANG

### EXECUTIVE BOARD

#### Chief Executive Officer

CANDIDO BOTELHO BRACHER

#### Managing Vice-Presidents

ALBERTO FERNANDES  
DANIEL LUIZ GLEIZER  
JEAN-MARC ROBERT NOGUEIRA BAPTISTA ETLIN

#### Executive Directors

ALEXANDRE JADALLAH AOUDE  
ANDRÉ LUÍS TEIXEIRA RODRIGUES  
ELAINE CRISTINA ZANATTA RODRIGUES VASQUINHO  
FERNANDO FONTES IUNES  
MARCELO TREVISAN MARANGON  
MILTON MALUHY FILHO

#### Directors

ALBERTO ZOFFMANN DO ESPÍRITO SANTO  
ALEXANDRE ENRICO SILVA FIGLIOLINO  
ÁLVARO DE ALVARENGA FREIRE PIMENTEL  
ANDRÉ CARVALHO WHYTE GAILEY  
ANDRÉ DEL BEL CURY  
ANDRÉ FERRARI  
ANTONIO JOSÉ CALHEIROS RIBEIRO FERREIRA  
ANTONIO SANCHEZ JUNIOR  
EDUARDO CARDOSO ARMONIA  
EDUARDO CORSETTI  
EMERSON SAVI JUNQUEIRA  
FABIO MASSASHI OKUMURA  
FERNANDO HENRIQUE MEIRA DE CASTRO  
FLÁVIO DELFINO JUNIOR  
GILBERTO FRUSSA  
GUSTAVO HENRIQUE PENHA TAVARES  
ILAN GOLDFAJN  
JOÃO CARLOS DE GÊNNOVA  
JOÃO MARCOS PEQUENO DE BIASI  
JORGE BEDRAN JETTAR  
JOSÉ AUGUSTO DURAND  
LUIZ FELIPE MONTEIRO ARCURI TREVISAN  
MARCELLO PECCININI DE CHIARO  
MARCELO ARIEL ROSENHEK  
MÁRCO ANTONIO SUDANO  
MARCOS AUGUSTO CAETANO DA SILVA FILHO  
MÁRIO LÚCIO GURGEL PIRES  
MÁRIO LUÍS BRUGNETTI  
PAULO DE PAULA ABREU  
RODERICK SINCLAIR GREENLEES  
RODRIGO PASTOR FACEIRO LIMA  
THALES FERREIRA SILVA  
VANESSA LOPES REISNER

## BANCO ITAUCRED FINANCIAMENTOS S.A.

#### Chief Executive Officer

LUÍS OTÁVIO MATIAS

#### Executive Vice-President

MÁRCIO DE ANDRADE SCHETTINI

#### Directors

ADRIANO CABRAL VOLPINI  
ALEXSANDRO BROEDEL LOPES  
ANA TEREZA DE LIMA E SILVA PRANDINI  
CLÁUDIO JOSÉ COUTINHO ARROMATTE  
EVANIR COUTINHO USSIER  
FÁBIO MASSASHI OKUMURA  
FERNANDO JOSÉ COSTA TELES  
HENRIQUE PINTO ECHENIQUE  
LUÍS FERNANDO STAUB  
MARCOS ANTÔNIO VAZ DE MAGALHÃES  
MARCOS VANDERLEI BELINI FERREIRA  
MARIO LUIZ AMABILE

## ITAÚ SEGUROS S.A.

#### Chief Executive Officer

ROBERTO EGYDIO SETUBAL

#### Superintendent Director

MARCOS DE BARROS LISBOA

#### Executive Directors

ANDRÉ HORTA RUTOWITSCH  
ANTONIO EDUARDO MÁRQUEZ DE FIGUEIREDO TRINDADE  
JOSÉ CASTRO ARAÚJO RUDGE

#### Directors

ADRIANO CABRAL VOLPINI (\*)  
ANA TEREZA DE LIMA E SILVA PRANDINI (\*)  
ALEXSANDRO BROEDEL LOPES (\*\*)  
HENRIQUE PINTO ECHENIQUE (\*\*)  
MARIO LUIZ AMABILE (\*\*)

(\*) Elected at EGM on April 12, 2012. Awaiting Susep approval.

(\*\*) Elected at EGM on May 31, 2012. Awaiting Susep approval.

ITAÚ UNIBANCO HOLDING S.A.  
Consolidated Balance Sheet (Note 2a)  
(In thousands of Reais)

| ASSETS   | NOTE                 | 09/30/2012         | 09/30/2011         |
|--|----------------------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>  |                      | <b>706,038,456</b> | <b>623,106,858</b> |
| <b>CASH AND CASH EQUIVALENTS</b>                                 |                      | <b>13,103,962</b>  | <b>11,509,343</b>  |
| <b>INTERBANK INVESTMENTS</b>                                     | <b>4b and 6</b>      | <b>162,895,073</b> | <b>98,414,594</b>  |
| Money market   |                      | 142,631,765        | 74,361,027         |
| Money market – Assets Guaranteeing Technical Provisions - SUSEP  | 11b                  | 2,550,201          | 3,326,861          |
| Interbank deposits   |                      | 17,713,107         | 20,726,706         |
| <b>SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS</b>           | <b>4c, 4d and 7</b>  | <b>180,685,791</b> | <b>150,164,831</b> |
| Own portfolio  |                      | 50,363,127         | 40,465,820         |
| Subject to repurchase commitments                                |                      | 29,028,595         | 27,437,426         |
| Pledged in guarantee   |                      | 6,061,433          | 7,727,318          |
| Securities under resale agreements with free movement            |                      | 88,986             | 2,494              |
| Deposited with the Central Bank                                  |                      | 12,591,352         | 3,067,191          |
| Derivative financial instruments                                 |                      | 6,289,799          | 9,273,318          |
| Assets guaranteeing technical provisions - PGBL/VGBL fund quotas | 11b                  | 69,856,629         | 54,090,499         |
| Assets guaranteeing technical provisions – other securities      | 11b                  | 6,405,870          | 8,100,765          |
| <b>INTERBANK ACCOUNTS</b>  |                      | <b>68,050,957</b>  | <b>101,137,487</b> |
| Pending settlement   |                      | 3,642,547          | 3,631,417          |
| Central Bank deposits  |                      | 64,359,216         | 97,409,077         |
| National Housing System (SFH)                                    |                      | 1,106              | 392                |
| Correspondents   |                      | 32,654             | 66,679             |
| Interbank onlending  |                      | 15,434             | 29,922             |
| <b>INTERBRANCH ACCOUNTS</b>                                      |                      | <b>45,053</b>      | <b>78,356</b>      |
| <b>LOAN, LEASE AND OTHER CREDIT OPERATIONS</b>                   | <b>8</b>             | <b>190,369,182</b> | <b>176,072,265</b> |
| Operations with credit granting characteristics                  | 4e                   | 205,865,976        | 190,802,388        |
| (Allowance for loan losses)                                      | 4f                   | (15,496,794)       | (14,730,123)       |
| <b>OTHER RECEIVABLES</b>   |                      | <b>87,441,291</b>  | <b>82,518,418</b>  |
| Foreign exchange portfolio                                       | 9                    | 40,328,553         | 39,069,675         |
| Income receivable  |                      | 1,278,004          | 1,233,949          |
| Transactions with credit card issuers                            | 4e                   | 17,466,525         | 14,117,272         |
| Receivables from insurance and reinsurance operations            | 4ml and 11b          | 3,832,954          | 3,769,044          |
| Negotiation and intermediation of securities                     |                      | 2,612,552          | 2,594,693          |
| Sundry   | 13a                  | 21,922,703         | 21,733,785         |
| <b>OTHER ASSETS</b>  | <b>4g</b>            | <b>3,447,147</b>   | <b>3,211,564</b>   |
| Assets held for sale   |                      | 151,515            | 126,955            |
| (Valuation allowance)  |                      | (42,148)           | (52,203)           |
| Unearned premiums of reinsurance                                 | 4ml                  | 703,734            | 593,043            |
| Prepaid expenses   | 4g and 13b           | 2,634,046          | 2,543,769          |
| <b>LONG-TERM RECEIVABLES</b>                                     |                      | <b>231,030,307</b> | <b>202,687,396</b> |
| <b>INTERBANK INVESTMENTS</b>                                     | <b>4b and 6</b>      | <b>447,218</b>     | <b>1,104,035</b>   |
| Money market   |                      | 5                  | 5                  |
| Interbank deposits   |                      | 447,213            | 1,104,030          |
| <b>SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS</b>           | <b>4c, 4d and 7</b>  | <b>53,870,599</b>  | <b>35,419,373</b>  |
| Own portfolio  |                      | 33,015,876         | 20,521,095         |
| Subject to repurchase commitments                                |                      | 11,117,179         | 7,714,655          |
| Pledged in guarantee   |                      | 611,621            | 1,587,168          |
| Securities under resale agreements with free movement            |                      | -                  | 97,073             |
| Derivative financial instruments                                 |                      | 4,755,155          | 4,587,035          |
| Assets guaranteeing technical provisions – other securities      | 11b                  | 4,370,768          | 912,347            |
| <b>INTERBANK ACCOUNTS - National Housing System (SFH)</b>        |                      | <b>665,268</b>     | <b>660,151</b>     |
| <b>LOAN, LEASE AND OTHER CREDIT OPERATIONS</b>                   | <b>8</b>             | <b>141,758,683</b> | <b>134,487,893</b> |
| Operations with credit granting characteristics                  | 4e                   | 153,944,316        | 144,476,298        |
| (Allowance for loan losses)                                      | 4f                   | (12,185,633)       | (9,988,405)        |
| <b>OTHER RECEIVABLES</b>   |                      | <b>32,944,074</b>  | <b>29,484,644</b>  |
| Foreign exchange portfolio                                       | 9                    | 621,334            | 1,204,141          |
| Sundry   | 13a                  | 32,322,740         | 28,280,503         |
| <b>OTHER ASSETS – Prepaid expenses</b>                           | <b>4g and 13b</b>    | <b>1,344,465</b>   | <b>1,531,300</b>   |
| <b>PERMANENT ASSETS</b>  |                      | <b>23,147,466</b>  | <b>11,200,050</b>  |
| <b>INVESTMENTS</b>   | <b>4h and 15a II</b> | <b>3,324,158</b>   | <b>2,897,961</b>   |
| Investments in affiliates  |                      | 2,365,544          | 1,797,668          |
| Other investments  |                      | 1,163,906          | 1,295,877          |
| (Allowance for losses)   |                      | (205,292)          | (195,584)          |
| <b>REAL ESTATE IN USE</b>  | <b>4i and 15b</b>    | <b>5,330,113</b>   | <b>4,920,687</b>   |
| Real estate in use   |                      | 3,367,455          | 3,272,255          |
| Other fixed assets   |                      | 9,177,275          | 8,580,621          |
| (Accumulated depreciation)                                       |                      | (7,214,617)        | (6,932,189)        |
| <b>GOODWILL</b>  | <b>4j and 15b</b>    | <b>10,068,929</b>  | <b>95,087</b>      |
| <b>INTANGIBLE ASSETS</b>   | <b>4k and 15b</b>    | <b>4,424,266</b>   | <b>3,286,315</b>   |
| Acquisition of rights to credit payroll                          |                      | 1,668,789          | 2,469,891          |
| Other intangible assets  |                      | 4,812,760          | 3,196,846          |
| (Accumulated amortization)                                       |                      | (2,057,283)        | (2,380,422)        |
| <b>TOTAL ASSETS</b>  |                      | <b>960,216,229</b> | <b>836,994,304</b> |

The accompanying notes are an integral part of these financial statements.



ITAÚ UNIBANCO HOLDING S.A.  
Consolidated Balance Sheet (Note 2a)  
(In thousands of Reais)

| LIABILITIES   | NOTE                 | 09/30/2012         | 09/30/2011         |
|---|----------------------|--------------------|--------------------|
| <b>CURRENT LIABILITIES</b>  |                      | <b>518,642,703</b> | <b>445,193,576</b> |
| <b>DEPOSITS</b>   | <b>4b and 10b</b>    | <b>159,641,813</b> | <b>155,075,923</b> |
| Demand deposits   |                      | 29,817,694         | 26,069,204         |
| Savings deposits  |                      | 77,413,953         | 63,334,088         |
| Interbank deposits  |                      | 9,261,769          | 1,834,838          |
| Time deposits   |                      | 43,148,397         | 63,837,793         |
| <b>DEPOSITS RECEIVED UNDER SECURITIES REPURCHASE AGREEMENTS</b>           | <b>4b and 10c</b>    | <b>134,124,016</b> | <b>99,009,345</b>  |
| Own portfolio   |                      | 67,401,791         | 61,186,174         |
| Third-party portfolio   |                      | 66,487,407         | 36,047,478         |
| Free portfolio  |                      | 234,818            | 1,775,693          |
| <b>FUNDS FROM ACCEPTANCES AND ISSUANCE OF SECURITIES</b>                  | <b>4b and 10d</b>    | <b>32,853,856</b>  | <b>21,397,491</b>  |
| Real estate, mortgage, credit and similar notes                           |                      | 23,008,711         | 14,486,823         |
| Debentures  |                      | 2,616,549          | 61,008             |
| Foreign borrowings through securities                                     |                      | 7,228,596          | 6,849,660          |
| <b>INTERBANK ACCOUNTS</b>   |                      | <b>4,303,979</b>   | <b>4,610,250</b>   |
| Pending settlement  |                      | 3,167,626          | 3,464,153          |
| Correspondents  |                      | 1,136,353          | 1,146,097          |
| <b>INTERBRANCH ACCOUNTS</b>   |                      | <b>4,055,688</b>   | <b>4,013,370</b>   |
| Third-party funds in transit  |                      | 4,048,132          | 4,012,581          |
| Internal transfer of funds  |                      | 7,556              | 789                |
| <b>BORROWINGS AND ONLENDING</b>   | <b>4b and 10e</b>    | <b>30,292,811</b>  | <b>30,860,511</b>  |
| Borrowings  |                      | 18,623,732         | 18,206,749         |
| Onlending   |                      | 11,669,079         | 12,653,762         |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS</b>                                   | <b>4d and 7h</b>     | <b>5,036,698</b>   | <b>7,784,931</b>   |
| <b>TECHNICAL PROVISION FOR INSURANCE, PENSION PLAN AND CAPITALIZATION</b> | <b>4m II and 11a</b> | <b>32,066,010</b>  | <b>10,497,508</b>  |
| <b>OTHER LIABILITIES</b>  |                      | <b>116,267,832</b> | <b>111,944,247</b> |
| Collection and payment of taxes and contributions                         |                      | 4,517,450          | 4,635,777          |
| Foreign exchange portfolio  | 9                    | 40,495,090         | 38,536,542         |
| Social and statutory  | 16b II               | 2,335,915          | 2,276,523          |
| Tax and social security contributions                                     | 4n, 4o and 14c       | 8,375,074          | 8,128,513          |
| Negotiation and intermediation of securities                              |                      | 5,099,896          | 3,197,918          |
| Credit card operations  | 4e                   | 38,979,670         | 33,009,258         |
| Subordinated debt   | 10f                  | 4,631,588          | 8,782,333          |
| Sundry  | 13c                  | 11,833,149         | 13,377,383         |
| <b>LONG-TERM LIABILITIES</b>  |                      | <b>360,660,808</b> | <b>321,191,486</b> |
| <b>DEPOSITS</b>   | <b>4b and 10b</b>    | <b>72,277,542</b>  | <b>65,599,408</b>  |
| Interbank deposits  |                      | 254,083            | 322,500            |
| Time deposits   |                      | 72,023,459         | 65,276,908         |
| <b>DEPOSITS RECEIVED UNDER SECURITIES REPURCHASE AGREEMENTS</b>           | <b>4b and 10c</b>    | <b>111,147,697</b> | <b>96,559,948</b>  |
| Own portfolio   |                      | 94,345,489         | 84,931,761         |
| Free portfolio  |                      | 16,802,208         | 11,628,187         |
| <b>FUNDS FROM ACCEPTANCES AND ISSUANCE OF SECURITIES</b>                  | <b>4b and 10d</b>    | <b>24,190,179</b>  | <b>19,567,731</b>  |
| Real estate, mortgage, credit and similar notes                           |                      | 16,814,606         | 11,013,838         |
| Debentures  |                      | -                  | 1,053,441          |
| Foreign borrowings through securities                                     |                      | 7,375,573          | 7,500,452          |
| <b>BORROWINGS AND ONLENDING</b>   | <b>4b and 10e</b>    | <b>26,560,967</b>  | <b>27,011,632</b>  |
| Borrowings  |                      | 3,370,086          | 3,592,093          |
| Onlending   |                      | 23,190,881         | 23,419,539         |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS</b>                                   | <b>4d and 7h</b>     | <b>4,088,688</b>   | <b>3,425,611</b>   |
| <b>TECHNICAL PROVISION FOR INSURANCE, PENSION PLAN AND CAPITALIZATION</b> | <b>4n II and 11a</b> | <b>55,215,048</b>  | <b>59,672,187</b>  |
| <b>OTHER LIABILITIES</b>  |                      | <b>67,180,687</b>  | <b>49,354,969</b>  |
| Foreign exchange portfolio  | 9                    | 629,586            | 1,222,095          |
| Tax and social security contributions                                     | 4n, 4o and 14c       | 13,041,071         | 12,319,640         |
| Subordinated debt   | 10f                  | 43,912,152         | 28,855,366         |
| Sundry  | 13c                  | 9,597,878          | 6,957,868          |
| <b>DEFERRED INCOME</b>  | <b>4p</b>            | <b>812,922</b>     | <b>862,055</b>     |
| <b>MINORITY INTEREST IN SUBSIDIARIES</b>                                  | <b>16e</b>           | <b>1,121,285</b>   | <b>1,541,474</b>   |
| <b>STOCKHOLDERS' EQUITY</b>   | <b>16</b>            | <b>78,978,511</b>  | <b>68,205,713</b>  |
| Capital   |                      | 45,000,000         | 45,000,000         |
| Capital reserves  |                      | 812,352            | 640,515            |
| Revenue reserves  |                      | 33,503,773         | 24,520,164         |
| Asset valuation adjustment  | 4c, 4d and 7d        | 1,189,720          | (250,829)          |
| (Treasury shares)   |                      | (1,527,334)        | (1,704,137)        |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>                         |                      | <b>960,216,229</b> | <b>836,994,304</b> |

The accompanying notes are an integral part of these financial statements.

**ITAU UNIBANCO HOLDING S.A.**  
**Consolidated Statement of Income (Note 2a)**  
(In thousands of Reais)

|  | NOTE                | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|--|---------------------|------------------------|------------------------|
| <b>INCOME FROM FINANCIAL OPERATIONS</b>  |                     | <b>76,334,176</b>      | <b>75,153,793</b>      |
| Loan, lease and other credit operations  |                     | 45,900,362             | 43,818,804             |
| Securities and derivative financial instruments                                      |                     | 19,557,163             | 19,834,091             |
| Financial income from insurance, pension plan and capitalization operations          | 11c                 | 5,314,080              | 4,139,521              |
| Foreign exchange operations  |                     | 1,001,844              | 384,266                |
| Compulsory deposits  |                     | 4,560,727              | 6,977,111              |
| <b>EXPENSES OF FINANCIAL OPERATIONS</b>  |                     | <b>(37,989,523)</b>    | <b>(40,696,256)</b>    |
| Money market   |                     | (31,515,987)           | (35,202,992)           |
| Financial expenses on technical provisions for pension plan and capitalization       | 11c                 | (4,803,337)            | (3,640,425)            |
| Borrowings and onlending   |                     | (1,670,199)            | (1,852,839)            |
| <b>INCOME FROM FINANCIAL OPERATIONS BEFORE LOAN LOSSES</b>                           |                     | <b>38,344,653</b>      | <b>34,457,537</b>      |
| <b>RESULT OF ALLOWANCE FOR LOAN LOSSES</b>   | <b>8d I</b>         | <b>(14,482,032)</b>    | <b>(10,544,131)</b>    |
| Expenses for allowance for loan losses   |                     | (17,959,140)           | (14,458,717)           |
| Income from recovery of credits written off as loss                                  |                     | 3,477,108              | 3,914,586              |
| <b>GROSS INCOME FROM FINANCIAL OPERATIONS</b>  |                     | <b>23,862,621</b>      | <b>23,913,406</b>      |
| <b>OTHER OPERATING REVENUES (EXPENSES)</b>   |                     | <b>(10,278,068)</b>    | <b>(11,041,743)</b>    |
| Banking service fees   | 13d                 | 10,767,367             | 10,209,777             |
| Asset management   |                     | 2,232,894              | 1,945,688              |
| Current account services   |                     | 453,188                | 498,753                |
| Credit cards   |                     | 4,748,607              | 4,428,217              |
| Sureties and credits granted   |                     | 1,165,739              | 1,280,228              |
| Receipt services   |                     | 1,051,608              | 988,124                |
| Other  |                     | 1,115,331              | 1,068,767              |
| Income from bank charges   | 13e                 | 4,348,110              | 3,750,327              |
| Result from insurance, pension plan and capitalization operations                    | 11c                 | 2,121,522              | 1,895,564              |
| Personnel expenses   | 13f                 | (10,286,591)           | (10,048,366)           |
| Other administrative expenses  | 13g                 | (10,549,893)           | (10,266,329)           |
| Tax expenses   | 4o and 14a II       | (3,317,217)            | (3,005,351)            |
| Equity in earnings of affiliates and other investments                               | 15a III             | 189,878                | (36,666)               |
| Other operating revenues   | 13h                 | 193,633                | 303,538                |
| Other operating expenses   | 13i                 | (3,744,877)            | (3,844,237)            |
| <b>OPERATING INCOME</b>  |                     | <b>13,584,553</b>      | <b>12,871,663</b>      |
| <b>NON-OPERATING INCOME</b>  |                     | <b>(285,951)</b>       | <b>189,134</b>         |
| <b>INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING</b>                              |                     | <b>13,298,602</b>      | <b>13,060,797</b>      |
| <b>INCOME TAX AND SOCIAL CONTRIBUTION</b>  | <b>4o and 14a I</b> | <b>(2,531,032)</b>     | <b>(1,416,624)</b>     |
| Due on operations for the period   |                     | (6,769,073)            | (5,234,377)            |
| Related to temporary differences   |                     | 4,238,041              | 3,817,753              |
| <b>PROFIT SHARING – Management members - Statutory - Law No. 6,404 of 12/15/1976</b> |                     | <b>(122,972)</b>       | <b>(163,356)</b>       |
| <b>MINORITY INTEREST IN SUBSIDIARIES</b>   | <b>16e</b>          | <b>(542,453)</b>       | <b>(540,936)</b>       |
| <b>NET INCOME</b>  |                     | <b>10,102,145</b>      | <b>10,939,881</b>      |
| <b>WEIGHTED AVERAGE OF THE NUMBER OF OUTSTANDING SHARES</b>                          |                     | <b>4,517,937,352</b>   | <b>4,534,808,116</b>   |
| <b>NET INCOME PER SHARE – R\$</b>  |                     | <b>2.24</b>            | <b>2.41</b>            |
| <b>BOOK VALUE PER SHARE - R\$ (OUTSTANDING AT 09/30)</b>                             |                     | <b>17.48</b>           | <b>15.12</b>           |
| <b>EXCLUSION OF NONRECURRING EFFECTS</b>   | <b>2a and 22k</b>   | <b>438,832</b>         | <b>(45,263)</b>        |
| <b>NET INCOME WITHOUT NONRECURRING EFFECTS</b>                                       |                     | <b>10,540,977</b>      | <b>10,894,618</b>      |
| <b>NET INCOME PER SHARE – R\$</b>  |                     | <b>2.33</b>            | <b>2.41</b>            |

The accompanying notes are an integral part of these financial statements.

**ITAÚ UNIBANCO HOLDING S.A.**  
**Consolidated Statement of Cash Flows**  
(In thousands of Reais)

|  | NOTE     | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|--|----------|------------------------|------------------------|
| <b>ADJUSTED NET INCOME</b>   |          | <b>31,307,156</b>      | <b>26,188,624</b>      |
| Net income   |          | 10,102,145             | 10,939,881             |
| Adjustments to net income:   |          | 21,205,012             | 15,248,743             |
| Granted options recognized   |          | 151,500                | 121,902                |
| Adjustment to market value of securities and derivative financial instruments (assets/liabilities) |          |                        |                        |
|  | 7i       | 930,095                | 644,804                |
| Effects of changes in exchange rates on cash and cash equivalents                                  |          | (1,246,762)            | (1,927,488)            |
| Allowance for loan losses  |          | 17,959,140             | 14,458,717             |
| Interest and foreign exchange expense from operations with subordinated debt                       |          | 3,310,483              | 3,292,494              |
| Interest expense from operations with debentures   |          | 132,004                | 137,235                |
| Financial expenses on technical provisions for pension plan and capitalization                     |          | 4,803,337              | 3,640,425              |
| Depreciation and amortization  | 15b      | 1,645,983              | 1,617,310              |
| Adjustment to legal liabilities – tax and social security  |          | 634,853                | 486,145                |
| Adjustment to provision for contingent liabilities   |          | 335,811                | (201,799)              |
| Deferred taxes   |          | (4,238,041)            | (3,817,753)            |
| Equity in earnings of affiliates and other investments   | 15a III  | (189,878)              | 36,666                 |
| Interest and foreign exchange income from available-for-sale securities                            |          | (3,706,845)            | (3,052,056)            |
| Interest and foreign exchange income from held-to-maturity securities                              |          | (401,047)              | (324,038)              |
| (Gain) loss from sale of available-for-sale financial assets                                       | 7f       | 879,625                | 148,486                |
| (Gain) loss from sale of investments   |          | (235,252)              | (351,820)              |
| (Gain) loss from sale of foreclosed assets   |          | (15,774)               | 2,871                  |
| (Gain) loss from sale of fixed assets  |          | 6,641                  | (89,418)               |
| (Gain) loss from rescission of operations of intangible assets                                     |          | 1,517                  | (1,080)                |
| Minority interest  |          | 542,453                | 540,936                |
| Other  |          | (94,831)               | (113,796)              |
| <b>CHANGE IN ASSETS AND LIABILITIES</b>  |          | <b>18,534,824</b>      | <b>(28,034,551)</b>    |
| <b>(Increase) decrease in Assets</b>   |          | <b>(48,719,246)</b>    | <b>(79,361,604)</b>    |
| Interbank investments  |          | (28,416,038)           | (23,076,805)           |
| Securities and derivative financial instruments  |          | (27,246,810)           | 5,139,575              |
| Compulsory deposits with the Central Bank of Brazil  |          | (643,477)              | (11,632,607)           |
| Interbank and interbranch accounts (assets/liabilities)  |          | 35,116,322             | 1,235,701              |
| Loan, lease and other credit operations  |          | (30,427,169)           | (52,018,047)           |
| Other receivables and other assets   |          | 743,097                | 1,364,730              |
| Foreign exchange portfolio and negotiation and intermediation of securities (assets/liabilities)   |          | 2,154,829              | (374,151)              |
| <b>(Decrease) increase in Liabilities</b>  |          | <b>67,254,070</b>      | <b>51,327,053</b>      |
| Deposits   |          | (10,717,067)           | 17,987,273             |
| Deposits received under securities repurchase agreements   |          | 56,453,176             | (4,087,060)            |
| Funds for issuance of securities   |          | 3,909,068              | 15,643,148             |
| Borrowings and onlending   |          | 251,718                | 10,534,178             |
| Credit card operations (assets/liabilities)  |          | (1,256,209)            | 78,077                 |
| Technical provision for insurance, pension plan and capitalization                                 |          | 8,329,215              | 5,076,611              |
| Collection and payment of taxes and contributions  |          | 3,661,475              | 3,941,419              |
| Other liabilities  |          | 6,645,983              | 2,057,217              |
| Deferred income  |          | (23,289)               | 96,190                 |
| Payment of income tax and social contribution  |          | (5,611,052)            | (2,927,110)            |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>   |          | <b>44,230,929</b>      | <b>(4,773,037)</b>     |
| Interest on capital / dividends received from affiliated companies                                 |          | 15,577                 | 48,415                 |
| Funds received from sale of available-for-sale securities  |          | 13,507,802             | 27,235,123             |
| Funds received from redemption of held-to-maturity securities                                      |          | 342,820                | 557,674                |
| Disposal of assets not for own use   |          | 71,676                 | 88,918                 |
| Disposal of investments  |          | 386,866                | 456,638                |
| Acquisition of minority interest in Redecard S.A.  |          | (9,978,502)            | -                      |
| Sale of fixed assets   | 2c       | 214,731                | 195,881                |
| Termination of intangible asset agreements   |          | (643)                  | 31,418                 |
| Purchase of available-for-sale securities  |          | (26,975,859)           | (23,940,213)           |
| Purchase of held-to-maturity securities  |          | (205)                  | (123,000)              |
| Purchase of investments  |          | (897,123)              | (15,810)               |
| Purchase of fixed assets   | 15b      | (1,258,799)            | (1,126,106)            |
| Purchase of intangible assets  | 15b      | (1,228,698)            | (1,168,144)            |
| <b>NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES</b>  |          | <b>(25,800,357)</b>    | <b>2,240,794</b>       |
| Increase in subordinated debt  |          | 16,579,927             | 8,350,300              |
| Decrease in subordinated debt  |          | (10,321,154)           | (7,834,966)            |
| Increase in debentures   |          | 1,500,000              | -                      |
| Decrease in debentures   |          | (54,251)               | (406,879)              |
| Change in minority interest  | 16e      | 348,314                | (1,897,678)            |
| Change in minority interest - Redecard S.A.  |          | (828,650)              | -                      |
| Granting of stock options  |          | 197,888                | 233,269                |
| Purchase of treasury shares  |          | (99,045)               | (1,302,638)            |
| Dividends and interest on capital paid to minority interests                                       |          | (682,058)              | (614,687)              |
| Dividends and interest on capital paid   |          | (5,003,160)            | (4,426,060)            |
| <b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>   |          | <b>1,637,811</b>       | <b>(7,899,339)</b>     |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>  |          | <b>20,068,382</b>      | <b>(10,431,582)</b>    |
| Cash and cash equivalents at the beginning of the period   |          | 37,616,895             | 39,148,018             |
| Effects of changes in exchange rates on cash and cash equivalents                                  |          | 1,246,762              | 1,927,488              |
| Cash and cash equivalents at the end of the period   | 4a and 5 | 58,932,039             | 30,643,924             |

The accompanying notes are an integral part of these financial statements.

**ITAÚ UNIBANCO HOLDING S.A.**  
**Consolidated Statement of Added Value**

(In thousands of Reais)

|   | NOTE    | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |       |
|---|---------|------------------------|------------------------|-------|
| <b>INCOME</b>   |         | <b>78,996,825</b>      | <b>80,958,002</b>      |       |
| Financial operations  |         | 76,334,176             | 75,153,793             |       |
| Banking services  |         | 15,115,477             | 13,960,104             |       |
| Result from insurance, pension plan and capitalization operations |         | 2,121,522              | 1,895,564              |       |
| Result of loan losses   | 8d      | (14,482,032)           | (10,544,131)           |       |
| Other   |         | (92,318)               | 492,672                |       |
| <b>EXPENSES</b>   |         | <b>(41,734,400)</b>    | <b>(44,540,493)</b>    |       |
| Financial operations  |         | (37,989,523)           | (40,696,256)           |       |
| Other   |         | (3,744,877)            | (3,844,237)            |       |
| <b>INPUTS PURCHASED FROM THIRD PARTIES</b>                        |         | <b>(8,614,088)</b>     | <b>(8,539,901)</b>     |       |
| Materials, energy and others                                      | 13g     | (298,436)              | (334,720)              |       |
| Third-party services  | 13g     | (2,423,464)            | (2,363,375)            |       |
| Other   |         | (5,892,188)            | (5,841,806)            |       |
| Data processing and telecommunications                            | 13g     | (2,625,572)            | (2,603,358)            |       |
| Advertising, promotions and publication                           | 13g     | (674,094)              | (701,384)              |       |
| Installations   |         | (955,478)              | (922,834)              |       |
| Transportation  | 13g     | (376,322)              | (430,117)              |       |
| Security  | 13g     | (384,744)              | (358,527)              |       |
| Travel expenses   | 13g     | (139,182)              | (135,020)              |       |
| Other   |         | (736,796)              | (690,566)              |       |
| <b>GROSS ADDED VALUE</b>  |         | <b>28,648,337</b>      | <b>27,877,608</b>      |       |
| <b>DEPRECIATION AND AMORTIZATION</b>                              | 13g     | <b>(1,217,863)</b>     | <b>(1,045,359)</b>     |       |
| <b>NET ADDED VALUE PRODUCED BY THE COMPANY</b>                    |         | <b>27,430,474</b>      | <b>26,832,249</b>      |       |
| <b>ADDED VALUE RECEIVED FROM TRANSFER</b>                         | 15a III | <b>189,878</b>         | <b>(36,666)</b>        |       |
| <b>TOTAL ADDED VALUE TO BE DISTRIBUTED</b>                        |         | <b>27,620,352</b>      | <b>26,795,583</b>      |       |
| <b>DISTRIBUTION OF ADDED VALUE</b>                                |         | <b>27,620,352</b>      | <b>26,795,583</b>      |       |
| Personnel   |         | 9,206,415              | 9,068,946              | 33.8% |
| Compensation  |         | 7,544,363              | 7,222,522              | 27.0% |
| Benefits  |         | 1,126,465              | 1,377,921              | 5.1%  |
| FGTS – government severance pay fund                              |         | 535,587                | 468,503                | 1.7%  |
| Taxes, fees and contributions                                     |         | 7,051,397              | 5,564,751              | 20.8% |
| Federal   |         | 6,499,197              | 5,027,517              | 18.8% |
| State   |         | 18,290                 | 1,408                  | 0.0%  |
| Municipal   |         | 533,910                | 535,826                | 2.0%  |
| Return on third parties' assets - Rent                            |         | 717,942                | 681,069                | 2.5%  |
| Return on own assets  |         | 10,644,598             | 11,480,817             | 42.8% |
| Dividends and interest on capital                                 |         | 2,201,800              | 2,395,766              | 8.9%  |
| Retained earnings (loss) for the period                           |         | 7,900,345              | 8,544,115              | 31.9% |
| Minority interest in retained earnings                            |         | 542,453                | 540,936                | 2.0%  |

The accompanying notes are an integral part of these financial statements.

**ITAÚ UNIBANCO HOLDING S.A.**
**Balance Sheet**
*(In thousands of Reais)*

| ASSETS  | NOTE                | 09/30/2012         | 09/30/2011        |
|---|---------------------|--------------------|-------------------|
| <b>CURRENT ASSETS</b>                                   |                     | <b>25,146,990</b>  | <b>1,434,784</b>  |
| <b>CASH AND CASH EQUIVALENTS</b>                        |                     | <b>15,773</b>      | <b>6,750</b>      |
| <b>INTERBANK INVESTMENTS</b>                            | <b>4b and 6</b>     | <b>24,007,541</b>  | <b>39,082</b>     |
| Money market  |                     | 134,362            | 39,082            |
| Interbank deposits                                      |                     | 23,873,179         | -                 |
| <b>SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS</b>  | <b>4c, 4d and 7</b> | <b>23,455</b>      | <b>13,276</b>     |
| Own portfolio   |                     | 23,455             | 7,633             |
| Pledged in guarantee                                    |                     | -                  | 5,643             |
| <b>OTHER RECEIVABLES</b>                                |                     | <b>1,096,828</b>   | <b>1,372,890</b>  |
| Income receivable                                       | 15a I               | 24,736             | 359,021           |
| Sundry  | 13a                 | 1,072,092          | 1,013,869         |
| <b>OTHER ASSETS – Prepaid expenses</b>                  | <b>4g</b>           | <b>3,393</b>       | <b>2,786</b>      |
| <b>LONG-TERM RECEIVABLES</b>                            |                     | <b>21,226,554</b>  | <b>31,044,046</b> |
| <b>INTERBANK INVESTMENTS – Interbank deposits</b>       | <b>4b and 6</b>     | <b>14,571,634</b>  | <b>30,927,946</b> |
| <b>SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS</b>  | <b>4c, 4d and 7</b> | <b>6,462,126</b>   | <b>-</b>          |
| Own portfolio   |                     | 6,462,126          | -                 |
| <b>OTHER RECEIVABLES - Sundry</b>                       | <b>13a</b>          | <b>192,794</b>     | <b>116,100</b>    |
| <b>PERMANENT ASSETS</b>                                 |                     | <b>57,202,675</b>  | <b>55,520,568</b> |
| <b>INVESTMENTS</b>                                      |                     | <b>57,202,478</b>  | <b>55,520,307</b> |
| Investments in subsidiaries                             | 4h and 15a I        | 57,202,478         | 55,520,307        |
| <b>REAL ESTATE IN USE</b>                               | <b>4i</b>           | <b>197</b>         | <b>261</b>        |
| <b>TOTAL ASSETS</b>                                     |                     | <b>103,576,219</b> | <b>87,999,398</b> |
| <b>LIABILITIES</b>                                      |                     |                    |                   |
| <b>CURRENT LIABILITIES</b>                              |                     | <b>5,974,293</b>   | <b>1,130,348</b>  |
| <b>DEPOSITS - Interbank deposits</b>                    | <b>4b and 10b</b>   | <b>5,154,518</b>   | <b>-</b>          |
| <b>FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES</b> | <b>4b and 10d</b>   | <b>18,667</b>      | <b>18,667</b>     |
| <b>OTHER LIABILITIES</b>                                |                     | <b>801,108</b>     | <b>1,111,681</b>  |
| Social and statutory                                    | 16b II              | 518,960            | 819,522           |
| Tax and social security contributions                   | 4n, 4o and 14c      | 85,773             | 113,594           |
| Subordinated debt                                       | 10f                 | 150,988            | 94,530            |
| Sundry  | 13c                 | 45,387             | 84,035            |
| <b>LONG-TERM LIABILITIES</b>                            |                     | <b>13,441,549</b>  | <b>10,953,093</b> |
| <b>DEPOSITS - Interbank deposits</b>                    | <b>4b and 10b</b>   | <b>-</b>           | <b>4,705,826</b>  |
| <b>FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES</b> | <b>4b and 10d</b>   | <b>500,000</b>     | <b>500,000</b>    |
| <b>OTHER LIABILITIES</b>                                |                     | <b>12,941,549</b>  | <b>5,747,267</b>  |
| Tax and social security contributions                   | 4n, 4o and 14c      | 945,131            | 679,530           |
| Subordinated debt                                       | 10f                 | 11,979,856         | 5,052,295         |
| Sundry  | 13c                 | 16,562             | 15,442            |
| <b>STOCKHOLDERS' EQUITY</b>                             | <b>16</b>           | <b>84,160,377</b>  | <b>75,915,957</b> |
| Capital   |                     | 45,000,000         | 45,000,000        |
| Capital reserves  |                     | 812,352            | 640,515           |
| Revenue reserves  |                     | 38,685,639         | 32,230,408        |
| Asset valuation adjustment                              | 4c, 4d and 7d       | 1,189,720          | (250,829)         |
| (Treasury shares)                                       |                     | (1,527,334)        | (1,704,137)       |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>       |                     | <b>103,576,219</b> | <b>87,999,398</b> |

*The accompanying notes are an integral part of these financial statements.*

**ITAÚ UNIBANCO HOLDING S.A.**
**Statement of Income**
*(In thousands of Reais)*

|  | NOTE              | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|--|-------------------|------------------------|------------------------|
| <b>INCOME FROM FINANCIAL OPERATIONS</b>  |                   | <b>2,350,694</b>       | <b>1,852,055</b>       |
| Securities and derivative financial instruments                                      |                   | 2,350,694              | 1,852,055              |
| <b>EXPENSES OF FINANCIAL OPERATIONS</b>  |                   | <b>(747,201)</b>       | <b>(537,892)</b>       |
| Money market   |                   | (747,201)              | (537,892)              |
| <b>GROSS INCOME FROM FINANCIAL OPERATIONS</b>  |                   | <b>1,603,493</b>       | <b>1,314,163</b>       |
| <b>OTHER OPERATING REVENUES (EXPENSES)</b>   |                   | <b>5,836,411</b>       | <b>6,766,300</b>       |
| Personnel expenses   |                   | (153,606)              | (122,635)              |
| Other administrative expenses  |                   | (30,420)               | (34,109)               |
| Tax expenses   | 14a II            | (162,726)              | (173,102)              |
| Equity in earnings of subsidiaries   | 15a I             | 6,233,593              | 7,124,073              |
| Other operating revenues (expenses)  |                   | (50,430)               | (27,927)               |
| <b>OPERATING INCOME</b>  |                   | <b>7,439,904</b>       | <b>8,080,463</b>       |
| <b>NON-OPERATING INCOME</b>  |                   | <b>18,383</b>          | <b>25,991</b>          |
| <b>INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING</b>                              |                   | <b>7,458,287</b>       | <b>8,106,454</b>       |
| <b>INCOME TAX AND SOCIAL CONTRIBUTION</b>  | <b>4p</b>         | <b>791,970</b>         | <b>779,573</b>         |
| Due on operations for the period   |                   | 52,052                 | 4,372                  |
| Related to temporary differences   |                   | 739,918                | 775,201                |
| <b>PROFIT SHARING – Management members - Statutory - Law No. 6,404 of 12/15/1976</b> |                   | <b>(2,065)</b>         | <b>(2,146)</b>         |
| <b>NET INCOME</b>  |                   | <b>8,248,192</b>       | <b>8,883,881</b>       |
| <b>WEIGHTED AVERAGE OF THE NUMBER OF OUTSTANDING SHARES</b>                          |                   | <b>4,517,937,352</b>   | <b>4,534,808,116</b>   |
| <b>NET INCOME PER SHARE – R\$</b>  |                   | <b>1.83</b>            | <b>1.96</b>            |
| <b>BOOK VALUE PER SHARE - R\$ (OUTSTANDING AT 09/30)</b>                             |                   | <b>18.63</b>           | <b>16.82</b>           |
| <b>EXCLUSION OF NONRECURRING EFFECTS</b>   | <b>2a and 22k</b> | <b>438,832</b>         | <b>(45,263)</b>        |
| <b>NET INCOME WITHOUT NONRECURRING EFFECTS</b>                                       |                   | <b>8,687,024</b>       | <b>8,838,618</b>       |
| <b>NET INCOME PER SHARE – R\$</b>  |                   | <b>1.92</b>            | <b>1.95</b>            |

*The accompanying notes are an integral part of these financial statements.*

**ITAÚ UNIBANCO HOLDING S.A.**  
**Statement of Changes in Stockholders' Equity (Note 16)**  
*(In thousands of Reals)*

|  | Capital           | Capital reserves | Revenue reserves  | Asset valuation adjustment (Note 7d) | Retained earnings | (Treasury shares)  | Total             |
|--|-------------------|------------------|-------------------|--------------------------------------|-------------------|--------------------|-------------------|
| <b>BALANCES AT 01/01/2011</b>  | <b>45,000,000</b> | <b>594,734</b>   | <b>25,661,505</b> | <b>17,128</b>                        | -                 | <b>(628,577)</b>   | <b>70,644,790</b> |
| Purchase of treasury shares  | -                 | -                | -                 | -                                    | -                 | (1,302,638)        | (1,302,638)       |
| Granting of stock options – exercised options                            | -                 | (76,121)         | 82,312            | -                                    | -                 | 227,078            | 233,269           |
| Granting of options recognized   | -                 | 121,902          | -                 | -                                    | -                 | -                  | 121,902           |
| Change in adjustment to market value                                     | -                 | -                | -                 | (267,957)                            | -                 | -                  | (267,957)         |
| Addition to interest on capital paid on 03/17/2011 - Year 2010           | -                 | -                | (1,524)           | -                                    | -                 | -                  | (1,524)           |
| Net income   | -                 | -                | -                 | -                                    | 8,883,881         | -                  | 8,883,881         |
| Appropriations:  |                   |                  |                   |                                      |                   |                    |                   |
| Legal reserve  | -                 | -                | 444,194           | -                                    | (444,194)         | -                  | -                 |
| Statutory reserves   | -                 | -                | 6,043,921         | -                                    | (6,043,921)       | -                  | -                 |
| Dividends and interest on capital  | -                 | -                | -                 | -                                    | (2,395,766)       | -                  | (2,395,766)       |
| <b>BALANCES AT 09/30/2011</b>  | <b>45,000,000</b> | <b>640,515</b>   | <b>32,230,408</b> | <b>(250,829)</b>                     | -                 | <b>(1,704,137)</b> | <b>75,915,957</b> |
| <b>CHANGES IN THE PERIOD</b>   | <b>-</b>          | <b>45,781</b>    | <b>6,568,903</b>  | <b>(267,957)</b>                     | <b>-</b>          | <b>(1,075,560)</b> | <b>5,271,167</b>  |
| <b>BALANCES AT 01/01/2012</b>  | <b>45,000,000</b> | <b>763,413</b>   | <b>34,422,444</b> | <b>(139,142)</b>                     | -                 | <b>(1,663,562)</b> | <b>78,383,153</b> |
| Purchase of treasury shares  | -                 | -                | -                 | -                                    | -                 | (99,045)           | (99,045)          |
| Granting of stock options – exercised options                            | -                 | (102,561)        | 65,176            | -                                    | -                 | 235,273            | 197,888           |
| Granting of options recognized   | -                 | 151,500          | -                 | -                                    | -                 | -                  | 151,500           |
| Change in adjustment to market value                                     | -                 | -                | -                 | 1,328,862                            | -                 | -                  | 1,328,862         |
| Addition to interest on capital paid on 03/13/2012 - Year 2011           | -                 | -                | (1,450)           | -                                    | -                 | -                  | (1,450)           |
| Payment of interest on capital on 03/13/2012 – Declared after 12/31/2011 | -                 | -                | (1,846,923)       | -                                    | -                 | -                  | (1,846,923)       |
| Net income   | -                 | -                | -                 | -                                    | 8,248,192         | -                  | 8,248,192         |
| Appropriations:  |                   |                  |                   |                                      |                   |                    |                   |
| Legal reserve  | -                 | -                | 412,410           | -                                    | (412,410)         | -                  | -                 |
| Statutory reserves   | -                 | -                | 5,633,982         | -                                    | (5,633,982)       | -                  | -                 |
| Dividends and interest on capital  | -                 | -                | -                 | -                                    | (2,201,800)       | -                  | (2,201,800)       |
| <b>BALANCES AT 09/30/2012</b>  | <b>45,000,000</b> | <b>812,352</b>   | <b>38,685,639</b> | <b>1,189,720</b>                     | -                 | <b>(1,527,334)</b> | <b>84,160,377</b> |
| <b>CHANGES IN THE PERIOD</b>   | <b>-</b>          | <b>48,939</b>    | <b>4,263,195</b>  | <b>1,328,862</b>                     | <b>-</b>          | <b>136,228</b>     | <b>5,777,224</b>  |

The accompanying notes are an integral part of these financial statements.

**Itaú Unibanco Holding S.A.**  
**Statement of Cash Flows**  
(In thousands of Reais)

|   | NOTE     | 01/01 to<br>09/30/2012 | 01/01 a<br>09/30/2011 |
|---|----------|------------------------|-----------------------|
| <b>ADJUSTED NET INCOME</b>  |          | <b>2,293,992</b>       | <b>1,698,142</b>      |
| Net income  |          | 8,248,192              | 8,883,881             |
| Adjustments to net income:  |          | (5,954,200)            | (7,185,739)           |
| Granting of options recognized  |          | 151,500                | 121,902               |
| Interest and foreign exchange expense from operations with subordinated debt                |          | 826,593                | 562,034               |
| Deferred taxes  |          | (739,918)              | (775,201)             |
| Equity in earnings of subsidiaries  | 15a I    | (6,233,593)            | (7,124,073)           |
| Amortization of goodwill  |          | 43,308                 | 43,308                |
| (Income) loss from sale of investments  |          | -                      | (12,456)              |
| Effects of changes in exchange rates on cash and cash equivalents                           |          | (2,147)                | (1,323)               |
| Other   |          | 57                     | 70                    |
| <b>CHANGE IN ASSETS AND LIABILITIES</b>   |          | <b>567,551</b>         | <b>722,934</b>        |
| (Increase) decrease in other receivables and other assets                                   |          | 137,208                | 383,504               |
| Decrease (increase) in other liabilities  |          | 430,343                | 339,430               |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>                                  |          | <b>2,861,543</b>       | <b>2,421,076</b>      |
| Interest on capital/Dividends received  |          | 8,762,626              | 13,169,557            |
| (Increase) decrease in interbank investments  |          | (6,802,463)            | (16,751,104)          |
| (Increase) decrease in securities and derivative financial instruments (assets/liabilities) |          | (6,471,950)            | 24,308                |
| (Purchase) sale of investments  |          | (201,451)              | 3,874,270             |
| (Purchase) sale of fixed assets   |          | (11)                   | (23)                  |
| <b>NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES</b>                                 |          | <b>(4,713,249)</b>     | <b>317,008</b>        |
| Increase (decrease) in deposits   |          | 322,074                | 1,361,818             |
| Increase in subordinated debt   |          | 6,447,155              | 1,390,801             |
| Decrease in subordinated debt   |          | (340,352)              | (158,789)             |
| (Increase) decrease in funds for issuance of securities                                     |          | 13,125                 | 13,125                |
| Granting of stock options   |          | 197,888                | 233,269               |
| Purchase of treasury shares   |          | (99,045)               | (1,302,638)           |
| Dividends and interest on capital paid  |          | (5,003,160)            | (4,426,060)           |
| <b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>                                  |          | <b>1,537,685</b>       | <b>(2,888,474)</b>    |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                 |          | <b>(314,021)</b>       | <b>(150,390)</b>      |
| Cash and cash equivalents at the beginning of the period                                    |          | 462,009                | 194,899               |
| Effects of changes in exchange rates on cash and cash equivalents                           |          | 2,147                  | 1,323                 |
| Cash and cash equivalents at the end of the period  | 4a and 5 | 150,135                | 45,832                |

The accompanying notes are an integral part of these financial statements.



**ITAÚ UNIBANCO HOLDING S.A.**
**Statement of Added Value**
*(In thousands of Reais)*

|  | NOTE  | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|--|-------|------------------------|------------------------|
| <b>INCOME</b>                                  |       | <b>3,111,025</b>       | <b>2,632,680</b>       |
| Financial operations                           |       | 2,350,694              | 1,852,055              |
| Other  |       | 760,331                | 780,625                |
| <b>EXPENSES</b>                                |       | <b>(747,201)</b>       | <b>(537,892)</b>       |
| Financial operations                           |       | (747,201)              | (537,892)              |
| <b>INPUTS PURCHASED FROM THIRD PARTIES</b>     |       | <b>(30,083)</b>        | <b>(33,768)</b>        |
| Third-party services                           |       | (12,924)               | (14,525)               |
| Advertising, promotions and publication        |       | (1,726)                | (550)                  |
| Expenses for financial system services         |       | (3,175)                | (4,847)                |
| Insurance                                      |       | (3,314)                | (4,145)                |
| Other  |       | (8,944)                | (9,701)                |
| <b>GROSS ADDED VALUE</b>                       |       | <b>2,333,741</b>       | <b>2,061,020</b>       |
| <b>DEPRECIATION AND AMORTIZATION</b>           |       | <b>(57)</b>            | <b>(70)</b>            |
| <b>NET ADDED VALUE PRODUCED BY THE COMPANY</b> |       | <b>2,333,684</b>       | <b>2,060,950</b>       |
| <b>ADDED VALUE RECEIVED FROM TRANSFER</b>      | 15a I | <b>6,233,593</b>       | <b>7,124,073</b>       |
| <b>TOTAL ADDED VALUE TO BE DISTRIBUTED</b>     |       | <b>8,567,277</b>       | <b>9,185,023</b>       |
| <b>DISTRIBUTION OF ADDED VALUE</b>             |       | <b>8,567,277</b>       | <b>9,185,023</b>       |
| Personnel                                      |       | 152,617                | 121,971                |
| Compensation                                   |       | 150,643                | 119,402                |
| Benefits                                       |       | 1,549                  | 1,579                  |
| FGTS – government severance pay fund           |       | 425                    | 990                    |
| Taxes, fees and contributions                  |       | 166,188                | 178,900                |
| Federal  |       | 166,172                | 178,874                |
| Municipal                                      |       | 16                     | 26                     |
| Return on third parties' assets - Rent         |       | 280                    | 271                    |
| Return on own assets                           |       | 8,248,192              | 8,883,881              |
| Dividends and interest on capital              |       | 2,201,800              | 2,395,766              |
| Retained earnings (loss) for the period        |       | 6,046,392              | 6,488,115              |

*The accompanying notes are an integral part of these financial statements.*

**ITAÚ UNIBANCO HOLDING S.A.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FROM JANUARY 1 TO SEPTEMBER 30, 2012 AND 2011**  
(In thousands of Reais)

**NOTE 1 - OPERATIONS**

Itaú Unibanco Holding S.A. (ITAÚ UNIBANCO HOLDING) is a publicly-held company which, together with its subsidiaries and affiliated companies, operates in Brazil and abroad, with all types of banking activities, through its commercial, investment, real estate loan, finance and investment credit, and lease portfolios, including foreign exchange operations, and other complementary activities, with emphasis on Insurance, Private Pension Plans, Capitalization, Securities Brokerage and Administration of Credit Cards, Consortia, Investment Funds and Managed Portfolios.

## NOTE 2 – PRESENTATION OF THE FINANCIAL STATEMENTS

### a) Presentation of the Financial Statements

The financial statements of ITAÚ UNIBANCO HOLDING and of its subsidiaries (ITAÚ UNIBANCO HOLDING CONSOLIDATED) have been prepared in accordance with accounting principles established by the Brazilian Corporate Law, including the amendments introduced by Laws No. 11,638, of December 28, 2007, and No. 11,941, of May 27, 2009, in conformity, when applicable, with instructions issued by the Central Bank of Brazil (BACEN), the National Monetary Council (CMN), the Brazilian Securities and Exchange Commission (CVM), the Superintendence of Private Insurance (SUSEP), and the National Council of Private Insurance (CNSP), which include the use of estimates necessary to calculate accounting provisions.

In order to enable the proper analysis of the net income, the heading “Net income without nonrecurring effects” is presented below the Consolidated Statement of Income, and this effect is highlighted in a heading called “Exclusion of nonrecurring effects” (Note 22k).

As set forth in the sole paragraph of article 7 of BACEN Circular No. 3,068, of November 8, 2001, securities classified as trading securities (Note 4c) are presented in the Balance Sheet under Current Assets regardless of their maturity dates.

Lease Operations are presented, at present value, in the Balance Sheet, and the related income and expenses, which represent the financial result of these operations, are presented, grouped together, under loan, lease and other credit operations in the Statement of Income. Advances on exchange contracts are reclassified from Other Liabilities – Foreign Exchange Portfolio to credit operations. The foreign exchange result is presented on an adjusted basis, with the reclassification of expenses and income, in order to represent exclusively the impact of variations and differences of rates on the balance sheet accounts denominated in foreign currencies.

### b) Consolidation

As set forth in paragraph 1, article 2, of BACEN Circular Letter No. 2,804, of February 11, 1998, the financial statements of ITAÚ UNIBANCO HOLDING comprise the consolidation of its foreign branches and subsidiaries.

Intercompany transactions and balances and results have been eliminated on consolidation. The investments held by consolidated companies in Exclusive Investment Funds are consolidated. The investments in these fund portfolios are classified by type of transaction and were distributed by type of security, in the same categories in which these securities had been originally allocated. The effects of the Foreign exchange variation on investments abroad are classified in the heading Securities and Derivative Financial Instruments in the Statement of Income.

The difference of Net Income and Stockholders' Equity between ITAÚ UNIBANCO HOLDING and ITAÚ UNIBANCO HOLDING CONSOLIDATED (Note 16d) results from the adoption of different criteria for the amortization of goodwill originated on purchase of investments, net of the respective deferred tax assets.

In ITAÚ UNIBANCO HOLDING, the goodwill recorded in subsidiaries, mainly originated from the ITAÚ UNIBANCO merger, is being amortized based on the expected future profitability and appraisal reports or upon realization of the investment, according to the rules and guidance of CMN and BACEN.

In ITAÚ UNIBANCO HOLDING CONSOLIDATED, from January 1, 2010, the goodwill originated from the purchase of investments is no longer fully amortized in the consolidated financial statements (Note 4j). By 12/31/2009, goodwill generated had been fully amortized in the periods investments were made.

The consolidated financial statements comprise ITAÚ UNIBANCO HOLDING and its direct and indirect subsidiaries, among which we highlight:

|   | Incorporation country | Activity                | Interest in voting capital at |            | Interest in voting capital at |            |
|---|-----------------------|-------------------------|-------------------------------|------------|-------------------------------|------------|
|   |                       |                         | 09/30/2012                    | 09/30/2011 | 09/30/2012                    | 09/30/2011 |
| Banco Dibens S.A.   | Brazil                | Financial institution   | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Banco Fiat S.A.   | Brazil                | Financial institution   | 100.00%                       | 100.00%    | 99.99%                        | 99.99%     |
| Banco Itaú Argentina S.A.   | Argentina             | Financial institution   | 100.00%                       | 100.00%    | 99.99%                        | 99.99%     |
| Banco Itaú BBA S.A.   | Brazil                | Financial institution   | 99.99%                        | 99.99%     | 99.99%                        | 99.99%     |
| Banco Itaú Chile  | Chile                 | Financial institution   | 99.99%                        | 99.99%     | 99.99%                        | 99.99%     |
| Banco Itaú Europa Luxembourg S.A.   | Luxembourg            | Financial institution   | 99.99%                        | 99.99%     | 99.99%                        | 99.99%     |
| Banco Itaú BBA International, S.A.  | (1) Portugal          | Financial institution   | 99.99%                        | 99.99%     | 99.99%                        | 99.99%     |
| Banco Itaú Paraguay S.A.  | Paraguay              | Financial institution   | 99.99%                        | 99.99%     | 99.99%                        | 99.99%     |
| Banco Itaú Uruguay S.A.   | Uruguay               | Financial institution   | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Banco Itaucard S.A.   | Brazil                | Financial institution   | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Banco Itaured Financiamentos S.A.   | Brazil                | Financial institution   | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Banco Itauleasing S.A.  | Brazil                | Financial institution   | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| BIU Participações S.A.  | Brazil                | Holding company         | 66.15%                        | 66.15%     | 66.15%                        | 66.15%     |
| Cia. Itaú de Capitalização  | Brazil                | Capitalization          | 99.99%                        | 99.99%     | 99.99%                        | 99.99%     |
| Dibens Leasing S.A. - Arrendamento Mercantil                                | Brazil                | Leasing                 | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Fiat Administradora de Consórcios Ltda.                                     | Brazil                | Consortia administrator | 99.99%                        | 99.99%     | 99.99%                        | 99.99%     |
| Hipercard Banco Múltiplo S.A.   | Brazil                | Financial institution   | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú Administradora de Consórcios Ltda.                                     | Brazil                | Consortia administrator | 99.99%                        | 99.99%     | 99.99%                        | 99.99%     |
| Itaú Ásia Securities Ltd  | Hong Kong             | Broker                  | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú Bank, Ltd.   | (2) Cayman Islands    | Financial institution   | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú Companhia Securitizadora de Créditos Financeiros                       | Brazil                | Securitization          | 99.99%                        | 99.99%     | 99.98%                        | 99.99%     |
| Itaú Corretora de Valores S.A.  | Brazil                | Broker                  | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú Distribuidora de Títulos e Valores Mobiliários Ltda.                   | Brazil                | Dealer                  | 100.00%                       | 100.00%    | 99.99%                        | 99.99%     |
| Itaú Japan Asset Management Limited   | Japan                 | Asset management        | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú Middle East Limited  | Arab Emirates         | Broker                  | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú Seguros S.A.   | Brazil                | Insurance               | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú Unibanco S.A.  | Brazil                | Financial institution   | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú USA, INC.  | United States         | Broker                  | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú Vida e Previdência S.A.  | Brazil                | Pension plan            | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Itaú Unibanco Serviços e Processamento de Informações Comerciais S.A.       | (3) Brazil            | Technology services     | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Redecard S.A. (Note 2c)   | Brazil                | Acquirer                | 94.45%                        | 50.01%     | 94.45%                        | 50.01%     |
| Unibanco Cayman Bank Ltd.   | Cayman Islands        | Financial institution   | 100.00%                       | 100.00%    | 100.00%                       | 100.00%    |
| Unibanco Participações Societárias S.A. (Note 16e)                          | Brazil                | Holding company         | 99.99%                        | 100.00%    | 99.99%                        | 100.00%    |
| <b>Joint ventures</b>   |                       |                         |                               |            |                               |            |
| Banco Investcred Unibanco S.A.  | Brazil                | Financial institution   | 50.00%                        | 50.00%     | 50.00%                        | 50.00%     |
| FAI - Financeira Americanas Itaú S.A. Crédito, Financiamento e Investimento | Brazil                | Consumer finance credit | 50.00%                        | 50.00%     | 50.00%                        | 50.00%     |
| Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento              | Brazil                | Consumer finance credit | 50.00%                        | 50.00%     | 50.00%                        | 50.00%     |
| Luizacred S.A. Soc. Cred. Financiamento Investimento                        | Brazil                | Consumer finance credit | 50.00%                        | 50.00%     | 50.00%                        | 50.00%     |

(1) New company name of Banco Itaú Europa S.A.;

(2) Does not include Redeemable Preferred Shares (Note 10f);

(3) New company name of Orbital Serviços e Processamento de Informações Comerciais S.A.

## c) Business Development

### **BSF Holding S.A. (“Banco Carrefour”)**

On April 23, 2012 the Central Bank of Brazil approved the Agreement for Purchase and Sale of Share entered into on April 14, 2011 by ITAÚ UNIBANCO HOLDING and Carrefour Comércio e Indústria Ltda (Carrefour Brasil) in order to acquire 49% of BSF Holding S.A. ( Banco Carrefour”), for the amount of R\$ 816,255 million, giving rise to a goodwill of R\$ 583,081, through the transfer of shares on May 31, 2012.

### **Financeira Americanas Itaú S.A. Crédito, Financiamento e Investimento (“FAI”)**

On August 9, 2012, ITAÚ UNIBANCO HOLDING S.A. informed that it will terminate its partnership with LOJAS AMERICANAS S.A. (“LASA”), entered into in 2005, for the offering, distribution and sale, on an exclusive basis by FAI (entity jointly controlled by ITAÚ UNIBANCO HOLDING S.A. and LASA), of financial, insurance and pension plan products and services to customers of LASA and its affiliated companies.

As a consequence of said termination, ITAÚ UNIBANCO HOLDING S.A. and LASA entered into, on this date, a purchase agreement and other covenants under which LASA has agreed (i) to sell to ITAÚ UNIBANCO HOLDING S.A. the total interest it holds in the capital of FAI for the approximate amount of R\$ 83 million; and (ii) to acquire the operating rights held by FAI with respect to the offering, distribution and sale, on an exclusive basis, of financial products and services through the distribution channels of LASA and/or its affiliates, at the approximate amount of R\$ 112 million. The completion of the transaction depends on the approval of the Central Bank of Brazil.

### **Redecard**

On September 24, 2012, ITAÚ UNIBANCO HOLDING S.A. completed the auction of the Tender Public Offer (OPA) to cancel Redecard’s listed company register, pursuant to the OPA call notice published on August 23, 2012.

As a result of the auction and acquisition private, ITAÚ UNIBANCO HOLDING S.A. purchased, up to September 30, 2012, through its subsidiary Banestado Participações, Administração e Serviços Ltda., 298,989,237 common shares issued by Redecard, representing 44.4% of its capital, and as of now it holds 635,474,593 common shares, representing 94.4% of its capital. The shares were purchased for the unit price of R\$ 35.00, totaling R\$ 10,469,234 (including charges and brokerage), giving rise to a goodwill of R\$ 9,978,502.

In October 2012, ITAÚ UNIBANCO HOLDING purchased additional 23,987,343 common shares from Redecard for the amount offered in the OPA, plus SELIC variation for the period, increasing its interest in capital to 98.0%. ITAÚ UNIBANCO HOLDING expects to complete the purchase of the remaining minority interest by the end of 2012. It should be noted that the effects of these transactions will be recognized in the financial statements for the 4<sup>th</sup> quarter of 2012.

On October 18, 2012, the Securities and Exchange Commission (CVM) cancelled Redecard’s register as a publicly-held company.

### **Association Agreement with Banco BMG S.A.**

On July 9, 2012, ITAÚ UNIBANCO HOLDING entered into the Association Agreement with Banco BMG S.A. (“BMG”), aiming at the offering, distribution and commercialization of payroll advance loans. The completion of the transaction depends on the approval of BACEN.

## NOTE 3 – REQUIREMENTS OF CAPITAL AND FIXED ASSET LIMITS

### a) Basel and Fixed Asset Ratios

The main indicators at September 30, 2012, according to present regulation, are as follows:

|  | Financial conglomerate (1) | Economic-financial consolidated (2) |
|--|----------------------------|-------------------------------------|
| Referential equity (3)                     | 110,911,619                | 110,765,664                         |
| Basel ratio                                | 17.4%                      | 17.5%                               |
| Tier I                                     | 12.1%                      | 12.2%                               |
| Tier II                                    | 5.3%                       | 5.3%                                |
| Fixed assets ratio (4)                     | 45.5%                      | 22.9%                               |
| Excess capital in relation to fixed assets | 4,949,410                  | 30,052,695                          |

(1) Consolidated financial statements including financial companies only;

(2) Consolidated financial statements comprising all direct and indirect subsidiary companies, including insurance, pension plan, capitalization companies and other non-financial companies, as provided for in CMN Resolution No. 2,723 of June 1, 2000, amended by CMN Resolution No. 2,743, of June 28, 2000;

(3) The CMN, through Resolution No. 3,444, of February 28, 2007, determined the Referential Equity (PR), for purposes of calculating operating limits, as being the sum of both Tier I and Tier II levels, following the international experience, each of them comprising items from stockholders' equity, as well as subordinated debt and hybrid capital and debt instruments;

(4) The difference between the fixed asset ratio of the financial conglomerate and the economic-financial consolidated arises from the inclusion of non-financial subsidiary companies, which provide high liquidity and low level of fixed asset ratio, with a consequent decrease in the fixed asset ratio of the economic-financial consolidated amounts, enabling, when necessary, the distribution of funds to the financial companies.

Issues of subordinated debt, in the amount of R\$ 2,420,872 as of September 30, 2012, are pending approval in order to be included in the Tier II. Should we consider these issues, the Basel ratios would be affected by 0.4%.

Management considers the current Basel ratio (17.4%, based on Financial conglomerate) to be adequate, taking into account the following:

- It exceeds by 6.4 percent the minimum required by the authorities (11.0%); and
- In view of the realizable values of assets (Note 18), the additional provision (exceeding the minimum required) (Note 8c) and unrecorded deferred tax assets (Note 14b IV), the ratio would increase to 18.5%.

CMN Resolution No. 3,490, of August 29, 2007, provides for the criteria for computation of the Required Referential Equity (PRE). For calculation of the risk portions, the procedures of Circular No. 3,360, of September 12, 2007 for credit risk, of Circulars Nos. 3,361, 3,362, 3,363, 3,364, 3,366 and 3,368, of September 12, 2007, 3,388, of June 4, 2008, and 3,389, of June 25, 2008, 3,498, of June 28, 2010 and 3,568, of December 21, 2011, and Circular Letters Nos. 3,310, of April 15, 2008 and 3,498, of April, 2011 for market risk, and Circulars Nos. 3,383, of April 30, 2008 and 3,476, of December 28, 2009 and Circular Letters Nos. 3,315 and 3,316, of April 30, 2008, for operational risk were followed. For the operational risk portion, ITAÚ UNIBANCO HOLDING opted for the use of the Alternative Standardized Approach.

Circular No. 3,568, of December 21, 2011, changes the provisions of Circulars Nos. 3,361, of September 12, 2007, 3,388, of June 4, 2008, 3,389, of June 25, 2008, 3,478 of December 24, 2009 and 3,498, of June 28, 2010, which set forth the procedures for calculation of the portion related to market risk. The new calculation method will be adopted gradually from January 1, 2012, taking into account that it shall be fully employed from December 31, 2013. Should the new rules already be applicable, the ratios would be reduced by about 0.2%.

The Referential Equity used for calculation of ratios and composition of risk exposures at September 30, 2012, are as follows:

|   | Financial<br>conglomerate |               | Economic-financial<br>consolidated |               |
|---|---------------------------|---------------|------------------------------------|---------------|
| <b>Stockholders' Equity ITAÚ UNIBANCO HOLDING S.A. (Consolidated)</b>   | <b>78,978,511</b>         |               | <b>78,978,511</b>                  |               |
| Minority interest in subsidiaries   | 1,266,405                 |               | 1,121,286                          |               |
| <b>Consolidated stockholders' equity (BACEN)</b>  | <b>80,244,916</b>         |               | <b>80,099,797</b>                  |               |
| Deferred tax assets excluded from Tier I  | (594,879)                 |               | (595,434)                          |               |
| Deferred permanent assets excluded from Tier I  | (233,526)                 |               | (233,807)                          |               |
| Adjustments to market value – securities and derivative financial instruments excluded from Tier I                                      | (1,189,720)               |               | (1,190,219)                        |               |
| Preferred shares with clause of redemption excluded from Tier I   | (798,296)                 |               | (798,296)                          |               |
| <b>Tier I</b>   | <b>77,428,495</b>         |               | <b>77,282,041</b>                  |               |
| Subordinated debt   | 32,280,583                |               | 32,280,583                         |               |
| Preferred shares with clause of redemption  | 319,318                   |               | 319,318                            |               |
| Adjustments to market value -securities and derivative financial instruments  | 1,189,720                 |               | 1,190,219                          |               |
| <b>Tier II</b>  | <b>33,789,621</b>         |               | <b>33,790,120</b>                  |               |
| <b>Tier I + Tier II</b>   | <b>111,218,116</b>        |               | <b>111,072,161</b>                 |               |
| Exclusions:   |                           |               |                                    |               |
| Funding instruments issued by financial institutions  | (306,497)                 |               | (306,497)                          |               |
| <b>Referential equity</b>   | <b>110,911,619</b>        |               | <b>110,765,664</b>                 |               |
| <b>Risk exposure:</b>   |                           |               |                                    |               |
| <b>Exposure weighted by credit risk (EPR)</b>   | <b>576,846,164</b>        |               | <b>566,831,791</b>                 |               |
| <b>Portion required for credit risk coverage (PEPR)</b>   | <b>63,453,078</b>         | <b>90.6%</b>  | <b>62,351,497</b>                  | <b>89.7%</b>  |
| <b>a) Per weighting factor (FPR):</b>   |                           |               |                                    |               |
| FPR at 20%  | 263,543                   | 0.4%          | 374,683                            | 0.5%          |
| FPR at 35%  | 194,392                   | 0.3%          | 194,392                            | 0.3%          |
| FPR at 50%  | 3,653,049                 | 5.2%          | 4,737,241                          | 6.8%          |
| FPR at 75%  | 13,132,145                | 18.7%         | 12,749,711                         | 18.3%         |
| FPR at 100%   | 42,586,523                | 60.8%         | 40,440,776                         | 58.2%         |
| FPR at 150%   | 1,691,849                 | 2.4%          | 1,688,755                          | 2.4%          |
| FPR at 300%   | 1,571,620                 | 2.2%          | 1,802,682                          | 2.6%          |
| Derivatives – potential future gain   | 359,957                   | 0.5%          | 363,257                            | 0.5%          |
| <b>b) Per type:</b>   |                           |               |                                    |               |
| Securities  | 3,590,543                 | 5.1%          | 3,648,448                          | 5.2%          |
| Loan operations - Retail  | 10,385,225                | 14.8%         | 10,119,853                         | 14.6%         |
| Loan operations – Non-retail  | 23,082,685                | 33.0%         | 23,092,642                         | 33.2%         |
| Joint obligations - Retail  | 39,853                    | 0.1%          | 39,853                             | 0.1%          |
| Joint obligations – Non-Retail  | 6,303,327                 | 9.0%          | 6,268,904                          | 9.0%          |
| Loan commitments - Retail   | 2,707,067                 | 3.9%          | 2,590,005                          | 3.7%          |
| Loan commitments – Non-retail   | 1,950,738                 | 2.8%          | 1,951,263                          | 2.8%          |
| Other exposures   | 15,393,640                | 22.0%         | 14,640,529                         | 21.1%         |
| <b>Portion required for operational risk coverage (POPR)</b>  | <b>3,807,170</b>          | <b>5.4%</b>   | <b>4,356,477</b>                   | <b>6.3%</b>   |
| Retail  | 647,884                   | 0.9%          | 647,884                            | 0.9%          |
| Commercial  | 1,033,097                 | 1.5%          | 1,033,097                          | 1.5%          |
| Corporate finance   | 102,751                   | 0.1%          | 102,751                            | 0.1%          |
| Negotiation and sales   | 1,383,436                 | 2.0%          | 1,383,436                          | 2.0%          |
| Payments and settlements  | 279,503                   | 0.4%          | 279,503                            | 0.4%          |
| Financial agent services  | 147,923                   | 0.2%          | 147,923                            | 0.2%          |
| Asset management  | 199,581                   | 0.3%          | 199,581                            | 0.3%          |
| Retail brokerage  | 12,995                    | 0.0%          | 12,995                             | 0.0%          |
| Business plans  | -                         | 0.0%          | -                                  | 0.0%          |
| Conef additional  | -                         | 0.0%          | 549,307                            | 0.8%          |
| <b>Portion required for market risk coverage:</b>   | <b>2,790,741</b>          | <b>4.0%</b>   | <b>2,832,454</b>                   | <b>4.1%</b>   |
| <b>Gold, foreign currency and operations subject to foreign exchange variation (PCAM)</b>   | <b>-</b>                  | <b>0.0%</b>   | <b>-</b>                           | <b>0.0%</b>   |
| <b>Operations subject to interest rate variation (PJUR)</b>   | <b>2,447,156</b>          | <b>3.5%</b>   | <b>2,488,869</b>                   | <b>3.6%</b>   |
| Fixed rate denominated in Real (PJUR1)  | 622,614                   | 0.9%          | 622,680                            | 0.9%          |
| Foreign currency coupon (PJUR2)   | 960,423                   | 1.4%          | 954,797                            | 1.4%          |
| Price index coupon (PJUR3)  | 617,820                   | 0.9%          | 665,093                            | 1.0%          |
| Interest rate coupon (PJUR 4)   | 246,299                   | 0.4%          | 246,299                            | 0.4%          |
| <b>Operations subject to commodity price variation (PCOM)</b>   | <b>119,828</b>            | <b>0.2%</b>   | <b>119,828</b>                     | <b>0.2%</b>   |
| <b>Operations subject to stock price variation (PACS)</b>   | <b>223,757</b>            | <b>0.3%</b>   | <b>223,757</b>                     | <b>0.3%</b>   |
| <b>Required Referential Equity</b>  | <b>70,050,989</b>         | <b>100.0%</b> | <b>69,540,428</b>                  | <b>100.0%</b> |
| <b>Excess capital in relation to Required Referential Equity</b>  | <b>40,860,630</b>         | <b>58.3%</b>  | <b>41,225,236</b>                  | <b>59.3%</b>  |
| <b>Total exposure weighted by risk [EPR + (1/0.11 X (POPR + PCAM + PJUR + PCOM + PACS))]</b>  | <b>636,827,171</b>        |               | <b>632,185,707</b>                 |               |
| <b>Ratio (%)</b>  | <b>17.4</b>               |               | <b>17.5</b>                        |               |
| <b>Referential equity calculated for covering the interest rate risk of operations not classified into the trading portfolio (RBAN)</b> | <b>3,200,838</b>          |               | <b>3,558,773</b>                   |               |

During this period, the effects of the changes in legislation and balances were as follows:

| Changes in the Basel Ratio   | Financial conglomerate |                    |              | Economic-financial consolidated |                    |              |
|--|------------------------|--------------------|--------------|---------------------------------|--------------------|--------------|
|  | Referential equity     | Weighted exposure  | Effect       | Referential equity              | Weighted exposure  | Effect       |
| <b>Ratio at 12/31/2011</b>   | <b>92,560,637</b>      | <b>579,338,319</b> | <b>16.0%</b> | <b>93,111,393</b>               | <b>568,693,094</b> | <b>16.4%</b> |
| Net income for the period  | 10,096,989             | -                  | 1.7%         | 10,644,598                      | -                  | 1.9%         |
| Interest on capital and dividends  | (2,203,250)            | -                  | -0.4%        | (2,203,250)                     | -                  | -0.4%        |
| Payment of interest on capital and dividends on 03/13/2012 - Declared after 12/31/2011 | (1,846,923)            | -                  | -0.3%        | (1,846,923)                     | -                  | -0.3%        |
| Granting of options recognized   | 151,500                | -                  | 0.0%         | 151,500                         | -                  | 0.0%         |
| Granting of stock options – exercised options in the period                            | 197,888                | -                  | 0.0%         | 197,888                         | -                  | 0.0%         |
| Asset valuation adjustment   | 1,328,862              | -                  | 0.2%         | 1,328,862                       | -                  | 0.2%         |
| Subordinated debt and redeemable preferred shares                                      | 10,896,841             | -                  | 1.9%         | 10,896,841                      | -                  | 1.9%         |
| Treasury shares  | (99,045)               | -                  | 0.0%         | (99,045)                        | -                  | 0.0%         |
| Deferred assets excluded from Tier I of referential equity                             | (60,767)               | (60,767)           | 0.0%         | (61,604)                        | (61,604)           | 0.0%         |
| Other changes in referential equity  | (111,113)              | -                  | 0.0%         | (1,354,596)                     | -                  | -0.2%        |
| Changes in risk exposure   | -                      | 57,549,619         | -1.7%        | -                               | 63,554,217         | -2.0%        |
| <b>Ratio at 09/30/2012</b>   | <b>110,911,619</b>     | <b>636,827,171</b> | <b>17.4%</b> | <b>110,765,664</b>              | <b>632,185,707</b> | <b>17.5%</b> |

## b) Capital for Insurance Activity

CNSP – Conselho Nacional de Seguros Privados (National Council of Private Insurance), following the worldwide trend towards the strengthening of the insurance market, published Resolution No. 227 of December 6, 2010 (which revoked Resolutions No. 178 of December 28, 2007, and No. 200 of December 16, 2008), and Circular No. 411 of December 22, 2010. The regulations provide for the rules on regulatory capital required for authorization and operation of insurance and pension plan companies and rules for the allocation of capital from subscription risk for several insurance lines. In January 2011, CNSP Resolution No. 228 of December 6, 2010 came into effect, providing for the criteria for establishment of additional capital based on the credit risk of the supervised companies.

The individual adjusted stockholders' equity of ITAÚ UNIBANCO HOLDING companies exclusively engaged in insurance and pension plan activities is higher than the required regulatory capital. The insurance companies of ITAÚ UNIBANCO HOLDING have capital exceeding the minimum regulatory by R\$ 1,631,404 (R\$ 2,226,563 at September 30, 2011) in Itaú Seguros S.A. and R\$ 488,058 (R\$ 1,732,478 at September 30, 2011) in Itaú Vida e Previdência S.A.



## NOTE 4 – SUMMARY OF THE MAIN ACCOUNTING PRACTICES

- a) **Cash and cash equivalents** - For purposes of Consolidated Statement of Cash Flows, this item includes cash and current accounts in banks (considered in the heading cash and cash equivalents), interbank deposits and securities purchased under agreements to resell – funded position that have original maturities of up to 90 days or less.
- b) **Interbank investments, remunerated restricted credits – Brazilian Central Bank, remunerated deposits, deposits received under securities repurchase agreements, funds from acceptance and issuance of securities, borrowings and onlending, subordinated debt and other receivables and payables** – Transactions subject to monetary correction and foreign exchange variation and operations with fixed charges are recorded at present value, net of the transaction costs incurred, calculated “pro rata die” based on the effective rate of transactions, according to CVM Resolution No. 649 of December 16, 2010.
- c) **Securities** - Recorded at cost of acquisition restated by the index and/or effective interest rate and presented in the Balance Sheet, according to BACEN Circular No. 3,068, of November 8, 2001. Securities are classified into the following categories:
- Trading securities – acquired to be actively and frequently traded, and adjusted to market value, with a contra-entry to the results for the period;
  - Available-for-sale securities – securities that can be negotiated but are not acquired to be actively and frequently traded. They are adjusted to their market value with a contra-entry to an account disclosed in stockholders’ equity;
  - Held-to-maturity securities – securities, except for non-redeemable shares, for which the bank has the financial condition and intends or is required to hold them in the portfolio up to their maturity, are recorded at cost of acquisition, or market value, whenever these are transferred from another category. The securities are adjusted using the accrual method through their maturity date, not being adjusted to market value.

Gains and losses on available-for-sale securities, when realized, are recognized at the trading date in the statement of income, with a contra-entry to a specific stockholders’ equity account.

Decreases in the market value of available-for-sale and held-to-maturity securities below their related costs, resulting from non-temporary reasons, are recorded in results as realized losses.

- d) **Derivative financial instruments** - these are classified on the date of their acquisition, according to management's intention of using them either as a hedge or not, according to BACEN Circular No. 3,082, of January 30, 2002. Transactions involving financial instruments, carried out upon the client's request, for their own account, or which do not comply with the hedging criteria (mainly derivatives used to manage the overall risk exposure), are stated at market value, including realized and unrealized gains and losses, which are recorded directly in the statement of income.

The derivatives used for protection against risk exposure or to modify the characteristics of financial assets and liabilities, which have changes in market value highly associated with those of the items being protected at the beginning and throughout the duration of the contract, and which are found effective to reduce the risk related to the exposure being protected, are classified as a *hedge*, in accordance with their nature:

- *Market Risk Hedge* – financial assets and liabilities, as well as their related financial instruments, are accounted for at their market value plus realized and unrealized gains and losses, which are recorded directly in the statement of income.

- *Cash Flow Hedge* - the effective amount of the hedge of financial assets and liabilities, as well as their related financial instruments, are accounted for at their market value plus realized and unrealized gains and losses, net of tax effects, when applicable, and recorded in a specific account in stockholders' equity. The ineffective portion of the *hedge* is recorded directly in the statement of income.
- e) **Loan, Lease and Other Credit Operations (Operations with Credit Granting Characteristics)** – These transactions are recorded at present value and calculated “pro rata die” based on the variation of the contracted index and interest rate, and are recorded on the *accrual* basis until the 60th day overdue in financial companies, according to the estimate of receipt. After the 60th day, income is recognized upon the effective receipt of installments. Credit card operations include receivables arising from the purchases made by cardholders. The funds related to these amounts are recorded in Other Liabilities – Credit Card Operations, which also include funds arising from other credits related to transactions with credit card issuers.
- f) **Allowance for loan losses** - the balance of the allowance for loan losses was recorded based on a credit risk analysis, at an amount considered sufficient to cover loan losses according to the rules determined by CMN Resolution No. 2,682 of December 21, 1999, among which are:
- Provisions are recorded from the date loans are granted, based on the client's risk rating and on the periodic quality evaluation of clients and industries, and not only in the event of default;
  - Based exclusively on delinquency, write-offs of credit operations against loss may be carried out 360 days after the due date of the credit or 540 days for operations that mature after a period of 36 months.
- g) **Other assets** - these assets are mainly comprised of assets held for sale relating to real estate available for sale, own real estate not in use and real estate received as payment in kind, which are adjusted to market value through the set-up of a provision, according to current regulations, reinsurance unearned premiums (Note 4m I); and prepaid expenses, corresponding to disbursements, the benefit of which will occur in future periods.
- h) **Investments** – investments in subsidiary and affiliated companies are accounted for under the equity method. The consolidated financial statements of foreign branches and subsidiaries are adapted to comply with Brazilian accounting practices and converted into Reais. Other investments are recorded at cost and adjusted to market value by setting up a provision in accordance with current standards.
- i) **Fixed assets** - These assets are stated at cost of acquisition or construction, less accumulated depreciation, adjusted to market value until December 31, 2007, when applicable. For insurance, pension plan and capitalization operations, property and equipment are adjusted to market value supported by appraisal reports. They correspond to rights related to tangible assets intended for maintenance of the company's operations or exercised for such purpose, including assets arising from transactions that transfer to the company their benefits, risks and controls. The items acquired through Lease contracts are recorded according to CVM Resolution No. 554, of November 12, 2008, as contra-entry to Lease obligations. Depreciation is calculated using the straight-line method, based on monetarily restated cost.
- j) **Goodwill** – corresponds to the amount paid in excess for the purchase of investments and is amortized based on expected future profitability or as realized. It is annually tested for impairment.

- k) Intangible assets** – correspond to rights acquired whose subjects are intangible assets intended for maintenance of the company or which are exercised for such purpose, according to the CMN Resolution No. 3,642, of November 26, 2008. They are composed of rights acquired to credit payrolls and partnership agreements, amortized over the agreement terms, and software and customer portfolios, amortized over a term varying from five to ten years.
- l) Impairment of assets** – a loss is recognized when there is clear evidence that assets are stated at a non-recoverable value. This procedure is adopted semiannually.
- m) Insurance, pension plan and capitalization operations** - Insurance premiums, acceptance coinsurance and selling expenses are accounted for in accordance with the insurance effectiveness term, through the recognition and reversal of the provision for unearned premiums and deferred selling expenses. Interest arising from fractioning of insurance premiums is accounted for as incurred. Revenues from social security contributions, gross revenue from capitalization certificates and respective technical provisions are recognized upon receipt.

**I - Credits from operations and other assets related to insurance and reinsurance operations:**

- Insurance premiums receivable - Refer to installments of insurance premiums receivable, current and past due, in accordance with insurance policies issued;
- Reinsurance recoverable amounts – Refer to claims paid to the insured party pending recovery from Reinsurer, installments of unsettled claims and incurred but not reported claims - Reinsurance (IBNR), classified in assets in accordance with the criteria established by CNSP Resolution No. 162, of December 26, 2006, as amended by CNSP Resolution No. 195, of December 16, 2008, and SUSEP Circular No. 379, of December 19, 2008;
- Reinsurance unearned premiums – Recognized to determine the portion of reinsurance unearned premiums, calculated “pro rata die”, and for risks of policies not issued computed based on estimates, based on the actuarial technical study and in compliance with the criteria established by CNSP Resolution No. 162, of December 26, 2006, as amended by CNSP Resolution No. 195, of December 16, 2008, and SUSEP Circular No. 379, of December 19, 2008.

**II - Technical provisions of insurance, pension plan and capitalization** – technical provisions are recognized according to the technical notes approved by SUSEP and criteria established by CNSP Resolution No. 162 of December 26, 2006 and the subsequent amendments.

**II.I- Insurance:**

- **Provision for Unearned Premiums** – recognized based on premiums issued, calculated “pro rata die”, and represents the portion of premium corresponding to the policy period not yet elapsed; Provision for Unearned Premiums for Risks in Force but Not Yet Issued is recognized based on technical actuarial note, and has the objective of estimating a portion of unearned premiums related to risks assumed by insurance companies and that are in issue process;
- **Provision for Premium Deficiency** – recognized according to the Technical Actuarial Note if a premium deficiency is found;
- **Provision for unsettled claims** - recognized based on claims of loss in an amount sufficient to cover future commitments. To determine the value of accrued claims under awaiting judicial decision, the experts and legal advisors appointed assessments based on the insured amounts and technical regulations, taking into consideration the likelihood of unfavorable outcome to the insurance company.
- **Provision for claims incurred but not reported (IBNR)** – recognized for the estimated amount of claims occurred for risks assumed in the portfolio but not reported.
- **Other provisions** – recognized based on the technical provision for extension of warranty in the extended warranty line, and the calculation is made over the period from the date the insurance contract becomes effective and the risk initial coverage date, the amount to be recognized being equal to the retained commercial premium.

**II.II - Pension Plan and Individual life with living benefits** - The mathematical provisions represent amounts of obligations assumed as insurance for living benefits, retirement plans, disability, pension and annuity, and are calculated according to the method of accounting provided for in the contract.

- **Mathematical provisions for benefits to be granted and benefits granted** – correspond to commitments assumed with participants, but for which benefits are not yet due, and to those receiving the benefits, respectively;
- **Provision for insufficient contribution** – recognized in case of insufficient premiums or contributions;
- **Provision for unexpired risks** – recognized to include the estimate of outstanding risks which have not expired;
- **Provision for events incurred but not reported (IBNR)** – recognized based on the expected amounts of events occurred but not reported;
- **Provision for financial surplus** – recognized by the difference between the contributions adjusted daily by the Investment Portfolio and the accumulated fund set up;
- **Other provisions** - basically refer to the provision for administrative expenses recognized according to the Actuarial Technical Note to cover expenses arising from the payment of benefits provided for in the plan, in view of the events occurred and to be occurred. It also includes the heading redemptions and/or other unsettled amounts that refer to amounts not yet paid through the balance sheet date.

### II.III - Capitalization:

- **Mathematical provision for redemptions** – represents capitalization certificates received to be redeemed;
- **Provision for Raffles** – Comprises Provision for raffles unrealized and payable. The unrealized provision for raffles is calculated according to the methodology established in the Technical Actuarial Note. The provision for raffles payable relates to certificates winners in raffles and not paid yet.
- **Other provisions** – Comprises Provision for raffle contingencies and administrative provision. The provision for raffle contingencies is recognized according to the methodology established in the Technical Actuarial Note to cover the provision for raffles in the event of insufficient funds and also for distribution of bonus. The administrative provision is recognized to cover administrative expenses of the plan, and it is calculated under the method described in the Technical Actuarial Note.

n) **Contingent assets and liabilities and legal liabilities – tax and social security** - assessed, recognized and disclosed according to the provisions set forth in CMN Resolution No. 3,823 of December 16, 2009, and BACEN Circular Letter No. 3,429 of February 11, 2010.

#### I - Contingent assets and liabilities

Refer to potential rights and obligations arising from past events, the occurrence of which is dependent upon future events.

- Contingent assets - not recognized, except upon evidence ensuring a high reliability level of realization, usually represented by claims awarded a final and unappealable judgment and confirmation of the recoverability of the claim through receipt of amounts or offset against another liability;
- Contingent liabilities - basically arise from administrative proceedings and lawsuits, inherent in the normal course of business, filed by third parties, former employees and governmental bodies, in connection with civil, labor, tax and social security lawsuits and other risks. These contingencies are calculated based on conservative practices, being usually recorded based on the opinion of legal advisors and considering the probability that financial resources shall be required for settling the obligation, the amount of which may be estimated with sufficient certainty. Contingencies are classified either as probable, for which provisions are recognized; possible, which are disclosed but not recognized; and remote, for which recognition or disclosure are not required. Any contingent amounts are measured through the use of models and criteria which allow their adequate measurement, in spite of the uncertainty of their term and amounts.

Escrow deposits are restated in accordance with the current legislation.

Contingencies guaranteed by indemnity clauses in privatization processes and with liquidity are only recognized upon judicial notification with simultaneous recognition of receivables, without any effect on results.

## II - Legal liabilities – tax and social security

Represented by amounts payable related to tax liabilities, the legality or constitutionality of which are subject to judicial defense, recognized at the full amount under discussion.

Liabilities and related escrow deposits are adjusted in accordance with the current legislation.

- p) Taxes** - these provisions are calculated according to current legislation at the rates shown below, using the related calculation bases.

|                         |        |
|-------------------------|--------|
| Income tax              | 15.00% |
| Additional income tax   | 10.00% |
| Social contribution (1) | 15.00% |
| PIS (2)                 | 0.65%  |
| COFINS (2)              | 4.00%  |
| ISS up to               | 5.00%  |

(1) For ITAU UNIBANCO HOLDING and its financial subsidiaries and equivalent companies, the rate corresponds to 15%. For non-financial and pension plan subsidiaries, the rate is 9%.

(2) For non-financial subsidiaries that fall into the non-cumulative calculation system, the PIS rate is 1.65% and COFINS rate is 7.6%.

The changes introduced by Laws No. 11,638 and No. 11,941 (articles 37 and 38), which modified the criterion for recognizing revenues, costs and expenses, computed to determine the net income for the year, did not produce effects for purposes of determining the taxable income of companies that opt for the Transition Tax Regime (RTT), so for tax purposes the rules effective on December 31, 2007 were followed. The tax effect arising from the adoption of such rules is recorded, for accounting purposes, in the corresponding deferred assets and liabilities.

- p) Deferred income** – this refers to: (i) unexpired interest received in advance that is recognized in income as earned, and (ii) the negative goodwill on acquisition of investments arising from expected future losses, which has not been absorbed in the consolidation process.

## NOTE 5 - CASH AND CASH EQUIVALENTS

For purposes of Statement of Cash Flows, cash and cash equivalents of ITAÚ UNIBANCO HOLDING CONSOLIDATED are composed of the following:

|   | <b>09/30/2012</b> | <b>09/30/2011</b> |
|---|-------------------|-------------------|
| Cash and cash equivalents   | 13,103,962        | 11,509,343        |
| Interbank deposits  | 7,133,667         | 13,817,194        |
| Securities purchased under agreements to resell – Funded position | 38,694,410        | 5,317,387         |
| <b>TOTAL</b>  | <b>58,932,039</b> | <b>30,643,924</b> |

In ITAÚ UNIBANCO HOLDING it is composed of the following:

|   | <b>09/30/2012</b> | <b>09/30/2011</b> |
|---|-------------------|-------------------|
| Cash and cash equivalents   | 15,773            | 6,750             |
| Securities purchased under agreements to resell – Funded position | 134,362           | 39,082            |
| <b>TOTAL</b>  | <b>150,135</b>    | <b>45,832</b>     |

**NOTE 6 - INTERBANK INVESTMENTS**

|  | 09/30/2012         |                   |                  |                  | 09/30/2011         |             |                   |             |
|--|--------------------|-------------------|------------------|------------------|--------------------|-------------|-------------------|-------------|
|  | 0 - 30             | 31 - 180          | 181 - 365        | Over 365         | Total              | %           | Total             | %           |
| <b>Money market</b>  | <b>109,874,462</b> | <b>32,757,303</b> | -                | 5                | <b>142,631,770</b> | <b>87.3</b> | <b>74,361,032</b> | <b>74.7</b> |
| Funded position (*)  | 46,641,958         | 12,733,056        | -                | 5                | 59,375,019         | 36.3        | 24,960,505        | 25.1        |
| Financed position  | 61,830,443         | 4,656,724         | -                | -                | 66,487,167         | 40.7        | 37,147,125        | 37.3        |
| With free movement   | 143,010            | 4,656,724         | -                | -                | 4,799,734          | 2.9         | 22,741,728        | 22.8        |
| Without free movement  | 61,687,433         | -                 | -                | -                | 61,687,433         | 37.8        | 14,405,397        | 14.5        |
| Short position   | 1,402,061          | 15,367,523        | -                | -                | 16,769,584         | 10.3        | 12,253,402        | 12.3        |
| <b>Money market – Assets Guaranteeing Technical Provisions - SUSEP</b> | <b>2,550,201</b>   | -                 | -                | -                | <b>2,550,201</b>   | <b>1.6</b>  | <b>3,326,861</b>  | <b>3.3</b>  |
| <b>Interbank deposits</b>  | <b>8,288,668</b>   | <b>3,762,883</b>  | <b>5,661,556</b> | <b>447,213</b>   | <b>18,160,320</b>  | <b>11.1</b> | <b>21,830,736</b> | <b>22.0</b> |
| <b>TOTAL</b>   | <b>120,713,331</b> | <b>36,520,186</b> | <b>5,661,556</b> | <b>447,218</b>   | <b>163,342,291</b> |             | <b>99,518,629</b> |             |
| % per maturity term  | 73.8               | 22.4              | 3.5              | 0.3              |                    |             |                   |             |
| <b>TOTAL – 09/30/2011</b>  | <b>44,642,982</b>  | <b>49,981,376</b> | <b>3,790,236</b> | <b>1,104,035</b> | <b>99,518,629</b>  |             |                   |             |
| % per maturity term  | 44.9               | 50.2              | 3.8              | 1.1              |                    |             |                   |             |

(\*) Includes R\$ 8,868,444 (R\$ 14,108,226 at 09/30/2011) related to money market with free movement, in which securities are basically restricted to guarantee transactions at the BM&FBovespa S.A. - Bolsa de Valores, Mercadorias e Futuros (Securities, Commodities and Futures Exchange) and the Central Bank of Brazil (BACEN).

In ITAÚ UNIBANCO HOLDING the portfolio is composed of Money market – Funded position falling due in up to 30 days amounting to R\$ 134,362 (R\$ 39,082 at 09/30/2011) and Interbank deposits with maturity of 31 to 180 days amounting to R\$ 23,703,002, 181 to 365 days amounting to R\$ 170,177, and over 365 days amounting to R\$ 14,571,634 (R\$ 30,927,946 at 09/30/2011).

NOTE 7 – SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS AND LIABILITIES)

See below the composition by Securities and Derivatives type, maturity and portfolio already adjusted to their respective market values.

a) Summary per maturity

|   | 09/30/2012         |  |                      |                    |              |                   |                  |                    |                    |                    |                    | 09/30/2011          |
|---|--------------------|--|----------------------|--------------------|--------------|-------------------|------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|   | Cost               | Provision for adjustment to market value reflected in: |                      | Market value       | %            | 0 - 30            | 31 - 90          | 91 - 180           | 181 - 365          | 366 - 720          | Over 720 days      | Market value        |
|   |                    | Results  | Stockholders' equity |                    |              |                   |                  |                    |                    |                    |                    |                     |
| <b>GOVERNMENT SECURITIES - DOMESTIC</b>                               | <b>99,858,644</b>  | <b>592,109</b>   | <b>1,370,864</b>     | <b>101,821,617</b> | <b>43.4</b>  | <b>369,667</b>    | <b>10,601</b>    | <b>1,937,961</b>   | <b>9,063,746</b>   | <b>20,808,199</b>  | <b>69,631,443</b>  | <b>79,607,628</b>   |
| Financial Treasury Bills  | 29,427,749         | (5,644)  | (182)                | 29,421,923         | 12.5         | -                 | -                | 381,421            | 2,716,343          | 8,437,742          | 17,886,417         | 32,043,608          |
| National Treasury Bills   | 21,992,789         | 72,293   | -                    | 22,065,082         | 9.4          | 97,150            | -                | 659,092            | 2,797,744          | 10,656,417         | 7,854,679          | 16,744,076          |
| National Treasury Notes   | 32,228,722         | 472,249  | 608,404              | 33,309,375         | 14.2         | 6,539             | 9,357            | 706,164            | 3,402,474          | 1,579,725          | 27,605,116         | 23,725,588          |
| National Treasury/Securitization                                      | 308,450            | 599  | 10,353               | 319,402            | 0.1          | 13                | 1,244            | 89                 | 4,347              | 2,963              | 310,746            | 299,882             |
| Brazilian External Debt Bonds   | 15,795,876         | 52,612   | 752,214              | 16,600,702         | 7.1          | 161,327           | -                | 191,195            | 142,343            | 131,352            | 15,974,485         | 6,721,173           |
| Investments in non-exclusive funds                                    | 104,638            | -  | -                    | 104,638            | 0.1          | 104,638           | -                | -                  | -                  | -                  | -                  | 72,585              |
| Other   | 420                | -  | 75                   | 495                | 0.0          | -                 | -                | -                  | 495                | -                  | -                  | 716                 |
| <b>GOVERNMENT SECURITIES - ABROAD</b>                                 | <b>7,886,889</b>   | <b>14,646</b>  | <b>(24,188)</b>      | <b>7,877,347</b>   | <b>3.3</b>   | <b>820,541</b>    | <b>537,763</b>   | <b>3,986,244</b>   | <b>993,939</b>     | <b>135,467</b>     | <b>1,403,393</b>   | <b>6,384,929</b>    |
| Argentina   | 138,739            | 2,157  | -                    | 140,896            | 0.1          | -                 | 2,726            | 1,668              | 109,170            | 1,882              | 25,450             | 155,881             |
| Denmark   | 1,721,478          | -  | -                    | 1,721,478          | 0.7          | -                 | -                | 1,445,772          | 275,706            | -                  | -                  | 3,275,980           |
| Spain   | -                  | -  | -                    | -                  | -            | -                 | -                | -                  | -                  | -                  | -                  | 409,885             |
| Korea   | 1,672,080          | -  | -                    | 1,672,080          | 0.7          | -                 | -                | 1,246,030          | 426,050            | -                  | -                  | 294,211             |
| Chile   | 1,941,216          | 183  | 128                  | 1,941,527          | 0.8          | 330,155           | 462,978          | 1,095,213          | 4,985              | 19,152             | 29,044             | 850,660             |
| Paraguay  | 315,748            | -  | (28,443)             | 287,305            | 0.1          | 96,856            | 48,953           | 59,194             | 4,460              | 22,283             | 55,559             | 489,721             |
| Uruguay   | 357,734            | 65   | 2,727                | 360,526            | 0.2          | 6,243             | 22,091           | 53,861             | 133,079            | 91,727             | 53,525             | 297,335             |
| United States   | 816,176            | 11,393   | 250                  | 827,819            | 0.4          | 387,287           | 1,015            | 84,249             | -                  | 203                | 355,065            | 289,102             |
| France  | 618,179            | 251  | -                    | 618,430            | 0.3          | -                 | -                | 52                 | -                  | 220                | 618,158            | 248,302             |
| Mexico  | 170,010            | 444  | -                    | 170,454            | 0.1          | -                 | -                | -                  | -                  | -                  | 170,454            | -                   |
| Belgium   | 67,670             | -  | 468                  | 68,138             | 0.0          | -                 | -                | -                  | 27,182             | -                  | 40,956             | -                   |
| Colombia  | 26,393             | -  | 635                  | 27,028             | 0.0          | -                 | -                | -                  | 13,307             | -                  | 13,721             | -                   |
| Other   | 41,466             | 153  | 47                   | 41,666             | 0.0          | -                 | -                | 205                | -                  | -                  | 41,461             | 73,852              |
| <b>CORPORATE SECURITIES</b>   | <b>42,787,159</b>  | <b>83,975</b>  | <b>1,084,709</b>     | <b>43,955,843</b>  | <b>18.8</b>  | <b>6,423,591</b>  | <b>1,754,110</b> | <b>2,619,697</b>   | <b>3,043,328</b>   | <b>6,681,498</b>   | <b>23,433,619</b>  | <b>31,640,795</b>   |
| Eurobonds and others  | 6,733,913          | 23,909   | 229,576              | 6,987,398          | 3.0          | 259,459           | 856,554          | 285,910            | 703,719            | 353,054            | 4,528,702          | 5,217,480           |
| Bank deposit certificates   | 809,309            | 2  | (300)                | 809,011            | 0.3          | 18,070            | 51,249           | 314,675            | 201,351            | 18,880             | 204,786            | 1,755,191           |
| Shares  | 3,268,876          | 18,395   | (101,832)            | 3,185,439          | 1.4          | 3,185,439         | -                | -                  | -                  | -                  | -                  | 2,943,560           |
| Debentures  | 11,795,706         | 6,196  | 172,093              | 11,973,995         | 5.1          | -                 | 5,006            | 420,521            | 673,718            | 2,272,285          | 8,602,465          | 8,908,294           |
| Promissory notes  | 1,680,989          | (1)  | 31                   | 1,681,019          | 0.7          | 378,541           | 729,027          | 573,451            | -                  | -                  | -                  | 804,281             |
| Fund quotas   | 2,349,188          | 33,618   | 4,592                | 2,387,398          | 1.0          | 2,383,166         | -                | -                  | -                  | -                  | 4,232              | 1,770,562           |
| Fixed income  | 1,023,534          | (687)  | (41)                 | 1,022,806          | 0.4          | 1,018,574         | -                | -                  | -                  | -                  | 4,232              | 589,558             |
| Credit rights   | 1,123,205          | -  | -                    | 1,123,205          | 0.5          | 1,123,205         | -                | -                  | -                  | -                  | -                  | 925,737             |
| Variable income   | 202,449            | 34,305   | 4,633                | 241,387            | 0.1          | 241,387           | -                | -                  | -                  | -                  | -                  | 255,267             |
| Securitized real estate loans   | 7,933,370          | 1,602  | 759,629              | 8,694,601          | 3.7          | 50,224            | 58,092           | 105,700            | 587,324            | 622,497            | 7,270,764          | 7,890,073           |
| Financial bills   | 7,189,866          | 254  | (659)                | 7,189,461          | 3.1          | -                 | -                | 652,000            | 779,843            | 3,393,407          | 2,364,211          | 2,041,077           |
| Other   | 1,025,942          | -  | 21,579               | 1,047,521          | 0.5          | 148,692           | 54,182           | 267,440            | 97,373             | 21,375             | 458,459            | 310,277             |
| <b>PGBL/VGBL FUND QUOTAS (1)</b>                                      | <b>69,856,629</b>  | <b>-</b>   | <b>-</b>             | <b>69,856,629</b>  | <b>30.1</b>  | <b>69,856,629</b> | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>54,090,499</b>   |
| <b>SUBTOTAL - SECURITIES</b>  | <b>220,389,321</b> | <b>690,730</b>   | <b>2,431,385</b>     | <b>223,511,436</b> | <b>95.3</b>  | <b>77,470,428</b> | <b>2,302,474</b> | <b>8,543,902</b>   | <b>13,101,013</b>  | <b>27,625,164</b>  | <b>94,468,455</b>  | <b>171,723,851</b>  |
| Trading securities  | 156,144,500        | 690,730  | -                    | 156,835,230        | 66.8         | 72,903,654        | 339,744          | 2,845,008          | 7,768,649          | 21,106,806         | 51,871,369         | 127,134,343         |
| Available-for-sale securities   | 61,081,416         | -  | 2,431,385            | 63,512,801         | 27.1         | 4,565,108         | 1,962,358        | 5,696,073          | 5,190,248          | 6,472,215          | 39,626,799         | 41,530,188          |
| Held-to-maturity securities (2)                                       | 3,163,405          | -  | -                    | 3,163,405          | 1.4          | 1,666             | 372              | 2,821              | 142,116            | 46,143             | 2,970,287          | 3,059,320           |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS</b>                               | <b>9,252,503</b>   | <b>1,792,451</b>                                       | <b>-</b>             | <b>11,044,954</b>  | <b>4.7</b>   | <b>1,063,938</b>  | <b>1,791,957</b> | <b>2,304,428</b>   | <b>1,129,476</b>   | <b>923,419</b>     | <b>3,831,736</b>   | <b>13,860,353</b>   |
| <b>TOTAL SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)</b> | <b>229,641,824</b> | <b>2,483,181</b>                                       | <b>2,431,385</b>     | <b>234,556,390</b> | <b>100.0</b> | <b>78,534,366</b> | <b>4,094,431</b> | <b>10,848,330</b>  | <b>14,230,489</b>  | <b>28,548,583</b>  | <b>98,300,191</b>  | <b>185,584,204</b>  |
|   |                    |  |                      |                    |              | 33.5              | 1.7              | 4.6                | 6.1                | 12.2               | 41.9               |                     |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)</b>                 | <b>(6,970,890)</b> | <b>(2,122,635)</b>                                     | <b>(31,861)</b>      | <b>(9,125,386)</b> | <b>100.0</b> | <b>(564,463)</b>  | <b>(764,552)</b> | <b>(2,215,991)</b> | <b>(1,491,692)</b> | <b>(1,046,744)</b> | <b>(3,041,944)</b> | <b>(11,210,542)</b> |

(1) The PGBL and VGBL plans securities portfolios, the ownership and embedded risks of which are the customer's responsibility, are recorded as securities – trading securities, with a contra-entry to long-term liabilities in Pension Plan Technical Provisions account, as determined by SUSEP.

(2) Unrecorded positive adjustment to market value in the amount of R\$ 1,192,772 (R\$ 594,679 at 09/30/2011), according to Note 7e.



b) Summary by portfolio

|  | 09/30/2012        |                       |                            |                |                   |                                  |   |                    |
|--|-------------------|-----------------------|----------------------------|----------------|-------------------|----------------------------------|---|--------------------|
|  | Restricted to     |                       |                            |                |                   | Derivative financial instruments | Assets guaranteeing technical provisions (Note 11b) | Total              |
|  | Own portfolio     | Repurchase agreements | Pledging of guarantees (*) | Free portfolio | Central Bank      |                                  |   |                    |
| <b>GOVERNMENT SECURITIES - DOMESTIC</b>  | <b>41,271,329</b> | <b>38,013,935</b>     | <b>4,254,947</b>           | <b>88,986</b>  | <b>12,591,352</b> | -                                | <b>5,601,068</b>                                    | <b>101,821,617</b> |
| Financial Treasury Bills   | 10,948,437        | 3,863,086             | 3,973,927                  | -              | 10,044,992        | -                                | 591,481   | 29,421,923         |
| National Treasury Bills  | 15,063,400        | 6,798,807             | 25,220                     | 88,986         | -                 | -                                | 88,669  | 22,065,082         |
| National Treasury Notes  | 7,795,193         | 17,791,104            | 255,800                    | -              | 2,546,360         | -                                | 4,920,918   | 33,309,375         |
| National Treasury/Securitization   | 319,402           | -                     | -                          | -              | -                 | -                                | -   | 319,402            |
| Brazilian External Debt Bonds  | 7,039,764         | 9,560,938             | -                          | -              | -                 | -                                | -   | 16,600,702         |
| Investments in non-exclusive funds   | 104,638           | -                     | -                          | -              | -                 | -                                | -   | 104,638            |
| Other  | 495               | -                     | -                          | -              | -                 | -                                | -   | 495                |
| <b>GOVERNMENT SECURITIES - ABROAD</b>  | <b>5,627,488</b>  | <b>165,040</b>        | <b>2,070,388</b>           | -              | -                 | -                                | <b>14,431</b>                                       | <b>7,877,347</b>   |
| Argentina  | 21,737            | 119,159               | -                          | -              | -                 | -                                | -   | 140,896            |
| Denmark  | 762,417           | -                     | 959,061                    | -              | -                 | -                                | -   | 1,721,478          |
| Korea  | 668,070           | -                     | 1,004,010                  | -              | -                 | -                                | -   | 1,672,080          |
| Chile  | 1,908,744         | 16,437                | 1,915                      | -              | -                 | -                                | 14,431  | 1,941,527          |
| Paraguay   | 287,305           | -                     | -                          | -              | -                 | -                                | -   | 287,305            |
| Uruguay  | 339,017           | -                     | 21,509                     | -              | -                 | -                                | -   | 360,526            |
| United States  | 744,131           | -                     | 83,688                     | -              | -                 | -                                | -   | 827,819            |
| Mexico   | 588,986           | 29,444                | -                          | -              | -                 | -                                | -   | 618,430            |
| Colombia   | 170,454           | -                     | -                          | -              | -                 | -                                | -   | 170,454            |
| Belgium  | 68,138            | -                     | -                          | -              | -                 | -                                | -   | 68,138             |
| France   | 27,028            | -                     | -                          | -              | -                 | -                                | -   | 27,028             |
| Other  | 41,461            | -                     | 205                        | -              | -                 | -                                | -   | 41,666             |
| <b>CORPORATE SECURITIES</b>  | <b>36,480,186</b> | <b>1,966,799</b>      | <b>347,719</b>             | -              | -                 | -                                | <b>5,161,139</b>                                    | <b>43,955,843</b>  |
| Eurobonds and other  | 5,160,698         | 1,821,215             | 5,485                      | -              | -                 | -                                | -   | 6,987,398          |
| Bank deposit certificates  | 319,017           | 145,214               | -                          | -              | -                 | -                                | 344,780   | 809,011            |
| Shares   | 3,185,439         | -                     | -                          | -              | -                 | -                                | -   | 3,185,439          |
| Debentures   | 10,666,594        | 370                   | 342,122                    | -              | -                 | -                                | 964,909   | 11,973,995         |
| Promissory notes   | 1,400,475         | -                     | -                          | -              | -                 | -                                | 280,544   | 1,681,019          |
| Fund quotas  | 1,731,359         | -                     | 112                        | -              | -                 | -                                | 655,927   | 2,387,398          |
| Fixed income   | 476,947           | -                     | 112                        | -              | -                 | -                                | 545,747   | 1,022,806          |
| Credit rights  | 1,013,025         | -                     | -                          | -              | -                 | -                                | 110,180   | 1,123,205          |
| Variable income  | 241,387           | -                     | -                          | -              | -                 | -                                | -   | 241,387            |
| Securitized real estate loans  | 8,681,718         | -                     | -                          | -              | -                 | -                                | 12,883  | 8,694,601          |
| Financial bills  | 4,287,365         | -                     | -                          | -              | -                 | -                                | 2,902,096   | 7,189,461          |
| Other  | 1,047,521         | -                     | -                          | -              | -                 | -                                | -   | 1,047,521          |
| <b>PGBL/VGBL FUND QUOTAS</b>   | -                 | -                     | -                          | -              | -                 | -                                | <b>69,856,629</b>                                   | <b>69,856,629</b>  |
| <b>SUBTOTAL - SECURITIES</b>   | <b>83,379,003</b> | <b>40,145,774</b>     | <b>6,673,054</b>           | <b>88,986</b>  | <b>12,591,352</b> | -                                | <b>80,633,267</b>                                   | <b>223,511,436</b> |
| Trading securities   | 38,073,737        | 27,573,867            | 2,744,634                  | 88,986         | 12,220,577        | -                                | 76,133,429  | 156,835,230        |
| Available-for-sale securities  | 45,258,892        | 12,412,290            | 3,914,769                  | -              | 370,775           | -                                | 1,556,075   | 63,512,801         |
| Held-to-maturity securities  | 46,374            | 159,617               | 13,651                     | -              | -                 | -                                | 2,943,763   | 3,163,405          |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS</b>  | -                 | -                     | -                          | -              | -                 | <b>11,044,954</b>                | -   | <b>11,044,954</b>  |
| <b>TOTAL SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)</b>              | <b>83,379,003</b> | <b>40,145,774</b>     | <b>6,673,054</b>           | <b>88,986</b>  | <b>12,591,352</b> | <b>11,044,954</b>                | <b>80,633,267</b>                                   | <b>234,556,390</b> |
| <b>TOTAL SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS) – 09/30/2011</b> | <b>60,986,915</b> | <b>35,152,081</b>     | <b>9,314,486</b>           | <b>99,567</b>  | <b>3,067,191</b>  | <b>13,860,353</b>                | <b>63,103,611</b>                                   | <b>185,584,204</b> |

(\*) Represent securities deposited with Contingent Liabilities (Note 12b), Stock Exchanges and the Clearing House for the Custody and Financial Settlement of Securities.

c) Trading securities

See below the composition of the portfolio of trading securities by type, stated at cost and market value and by maturity term.

|   | 09/30/2012         |   |                    |              |                   |                  |                  |                   |                   |                   | 09/30/2011         |
|---|--------------------|---|--------------------|--------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------|--------------------|
|   | Cost               | Adjustment to market value (in results) | Market value       | %            | 0 - 30            | 31 - 90          | 91 - 180         | 181 - 365         | 366 - 720         | Over 720 days     | Market value       |
| <b>GOVERNMENT SECURITIES - DOMESTIC</b> | <b>75,379,988</b>  | <b>592,109</b>                          | <b>75,972,097</b>  | <b>48.5</b>  | <b>369,593</b>    | <b>10,384</b>    | <b>1,730,887</b> | <b>6,795,705</b>  | <b>19,989,284</b> | <b>47,076,244</b> | <b>63,469,986</b>  |
| Financial Treasury Bills                | 26,414,178         | (5,644)                                 | 26,408,534         | 16.8         | -                 | -                | 251,171          | 1,059,497         | 7,700,645         | 17,397,221        | 27,699,786         |
| National Treasury Bills                 | 21,992,789         | 72,293                                  | 22,065,082         | 14.1         | 97,150            | -                | 659,092          | 2,797,744         | 10,656,417        | 7,854,679         | 15,760,349         |
| National Treasury Notes                 | 24,810,086         | 472,249                                 | 25,282,335         | 16.1         | 6,465             | 9,140            | 654,270          | 2,913,139         | 1,571,425         | 20,127,896        | 17,861,465         |
| National Treasury/Securitization        | 14,272             | 599                                     | 14,871             | 0.0          | 13                | 1,244            | 89               | 4,347             | 2,963             | 6,215             | 38,959             |
| Brazilian External Debt Bonds           | 2,044,025          | 52,612                                  | 2,096,637          | 1.3          | 161,327           | -                | 166,265          | 20,978            | 57,834            | 1,690,233         | 2,036,842          |
| Investments in non-exclusive funds      | 104,638            | -                                       | 104,638            | 0.1          | 104,638           | -                | -                | -                 | -                 | -                 | 72,585             |
| <b>GOVERNMENT SECURITIES - ABROAD</b>   | <b>1,447,871</b>   | <b>14,646</b>                           | <b>1,462,517</b>   | <b>0.9</b>   | <b>33,623</b>     | <b>50,122</b>    | <b>59,907</b>    | <b>126,605</b>    | <b>6,659</b>      | <b>1,185,601</b>  | <b>565,491</b>     |
| Argentina                               | 138,739            | 2,157                                   | 140,896            | 0.1          | -                 | 2,726            | 1,668            | 109,170           | 1,882             | 25,450            | 155,881            |
| Chile                                   | 136,143            | 183                                     | 136,326            | 0.1          | 27,495            | 40,432           | 52,966           | -                 | -                 | 15,433            | 9,591              |
| Uruguay                                 | 38,806             | 65                                      | 38,871             | 0.0          | 6,128             | 5,949            | 4,660            | 17,435            | 4,557             | 142               | 20,677             |
| United States                           | 304,931            | 11,393                                  | 316,324            | 0.2          | -                 | 1,015            | 561              | -                 | -                 | 314,748           | 289,102            |
| Mexico                                  | 618,179            | 251                                     | 618,430            | 0.4          | -                 | -                | 52               | -                 | 220               | 618,158           | 72,644             |
| Colombia                                | 170,010            | 444                                     | 170,454            | 0.1          | -                 | -                | -                | -                 | -                 | 170,454           | -                  |
| Other                                   | 41,063             | 153                                     | 41,216             | 0.0          | -                 | -                | -                | -                 | -                 | 41,216            | 17,596             |
| <b>CORPORATE SECURITIES</b>             | <b>8,627,416</b>   | <b>83,975</b>                           | <b>8,711,391</b>   | <b>5.5</b>   | <b>1,811,213</b>  | <b>279,238</b>   | <b>1,054,214</b> | <b>846,339</b>    | <b>1,110,863</b>  | <b>3,609,524</b>  | <b>9,008,367</b>   |
| Eurobonds and other                     | 1,611,055          | 23,909                                  | 1,634,964          | 1.0          | 20,226            | 17,762           | 135,486          | 53,820            | 72,781            | 1,334,889         | 1,432,306          |
| Bank deposit certificates               | 360,232            | 2                                       | 360,234            | 0.2          | -                 | 7,473            | 181,917          | -                 | -                 | 170,844           | 1,399,564          |
| Shares                                  | 1,069,956          | 18,395                                  | 1,088,351          | 0.7          | 1,088,351         | -                | -                | -                 | -                 | -                 | 705,142            |
| Debentures                              | 1,357,155          | 6,196                                   | 1,363,351          | 0.9          | -                 | -                | 54,369           | 12,676            | 367,363           | 928,943           | 1,730,961          |
| Promissory notes                        | 305,215            | (1)                                     | 305,214            | 0.2          | 20,769            | 254,003          | 30,442           | -                 | -                 | -                 | 51,430             |
| Fund quotas                             | 648,249            | 33,618                                  | 681,867            | 0.4          | 681,867           | -                | -                | -                 | -                 | -                 | 989,669            |
| Fixed income                            | 162,918            | (687)                                   | 162,231            | 0.1          | 162,231           | -                | -                | -                 | -                 | -                 | 572,832            |
| Credit rights                           | 315,597            | -                                       | 315,597            | 0.2          | 315,597           | -                | -                | -                 | -                 | -                 | 204,476            |
| Variable income                         | 169,734            | 34,305                                  | 204,039            | 0.1          | 204,039           | -                | -                | -                 | -                 | -                 | 212,361            |
| Securitized real estate loans           | 23,261             | 1,602                                   | 24,863             | 0.0          | -                 | -                | -                | -                 | 1,204             | 23,659            | 658,218            |
| Financial bills                         | 3,252,293          | 254                                     | 3,252,547          | 2.1          | -                 | -                | 652,000          | 779,843           | 669,515           | 1,151,189         | 2,041,077          |
| <b>PGBL/VGBL FUND QUOTAS</b>            | <b>70,689,225</b>  | <b>-</b>                                | <b>70,689,225</b>  | <b>45.1</b>  | <b>70,689,225</b> | <b>-</b>         | <b>-</b>         | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>54,090,499</b>  |
| <b>Total</b>                            | <b>156,144,500</b> | <b>690,730</b>                          | <b>156,835,230</b> | <b>100.0</b> | <b>72,903,654</b> | <b>339,744</b>   | <b>2,845,008</b> | <b>7,768,649</b>  | <b>21,106,806</b> | <b>51,871,369</b> | <b>127,134,343</b> |
| % per maturity term                     |                    |   |                    |              | 46.5              | 0.2              | 1.8              | 5.0               | 13.5              | 33.0              |                    |
| <b>Total 09/30/2011</b>                 | <b>126,647,112</b> | <b>487,231</b>                          | <b>127,134,343</b> | <b>100.0</b> | <b>57,558,730</b> | <b>1,085,420</b> | <b>2,991,328</b> | <b>12,649,029</b> | <b>10,859,613</b> | <b>41,990,223</b> |                    |
| % per maturity term                     |                    |   |                    |              | 45.3              | 0.9              | 2.4              | 9.9               | 8.5               | 33.0              |                    |

At September 30, 2012, ITAÚ UNIBANCO HOLDING's portfolio is composed of Corporate Securities – Bank deposit certificates amounting to R\$ 6,485,581, which R\$ 23,455 with maturity of 31 to 180 days and R\$ 6,462,126 with maturity over 720 days (R\$ 6,332 at 09/30/2011).

d) Available-for-sale securities

See below the composition of the portfolio of available-for-sale securities by type, stated at cost and market value and by maturity term.

|  | 09/30/2012        |   |                   |              |                  |                  |                  |                  |                  |                   | 09/30/2011        |
|--|-------------------|---|-------------------|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
|  | Cost              | Adjustments to market value (in stockholders' equity) | Market value      | %            | 0 - 30           | 31 - 90          | 91 - 180         | 181 - 365        | 366 - 720        | Over 720 days     | Market value      |
| <b>GOVERNMENT SECURITIES - DOMESTIC</b>  | <b>21,389,261</b> | <b>1,370,864</b>                                      | <b>22,760,125</b> | <b>35.8</b>  | <b>74</b>        | <b>217</b>       | <b>207,074</b>   | <b>2,129,690</b> | <b>818,816</b>   | <b>19,604,254</b> | <b>13,177,739</b> |
| Financial Treasury Bills   | 3,013,571         | (182)   | 3,013,389         | 4.7          | -                | -                | 130,250          | 1,656,945        | 736,998          | 489,196           | 4,343,822         |
| National Treasury Bills  | -                 | -   | -                 | 0.0          | -                | -                | -                | -                | -                | -                 | 983,727           |
| National Treasury Notes  | 4,449,151         | 608,404   | 5,057,555         | 8.0          | 74               | 217              | 51,894           | 470,795          | 8,300            | 4,526,275         | 3,097,584         |
| National Treasury/Securitization   | 294,178           | 10,353  | 304,531           | 0.5          | -                | -                | -                | -                | -                | 304,531           | 260,923           |
| Brazilian External Debt Bonds  | 13,631,941        | 752,214   | 14,384,155        | 22.7         | -                | -                | 24,930           | 1,455            | 73,518           | 14,284,252        | 4,490,967         |
| Other  | 420               | 75  | 495               | 0.0          | -                | -                | -                | 495              | -                | -                 | 716               |
| <b>GOVERNMENT SECURITIES - ABROAD</b>  | <b>6,419,471</b>  | <b>(24,188)</b>                                       | <b>6,395,283</b>  | <b>10.1</b>  | <b>786,918</b>   | <b>487,641</b>   | <b>3,926,132</b> | <b>867,334</b>   | <b>128,808</b>   | <b>198,450</b>    | <b>5,819,429</b>  |
| Denmark  | 1,721,478         | -   | 1,721,478         | 2.71         | -                | -                | 1,445,772        | 275,706          | -                | -                 | 3,275,980         |
| Spain  | -                 | -   | -                 | 0.0          | -                | -                | -                | -                | -                | -                 | 409,885           |
| Korea  | 1,672,080         | -   | 1,672,080         | 2.63         | -                | -                | 1,246,030        | 426,050          | -                | -                 | 294,211           |
| Chile  | 1,805,073         | 128   | 1,805,201         | 2.8          | 302,660          | 422,546          | 1,042,247        | 4,985            | 19,152           | 13,611            | 841,069           |
| Paraguay   | 315,748           | (28,443)  | 287,305           | 0.5          | 96,856           | 48,953           | 59,194           | 4,460            | 22,283           | 55,559            | 489,721           |
| Uruguay  | 299,596           | 2,727   | 302,323           | 0.5          | 115              | 16,142           | 49,201           | 115,644          | 87,170           | 34,051            | 276,658           |
| United States  | 511,245           | 250   | 511,495           | 0.8          | 387,287          | -                | 83,688           | -                | 203              | 40,317            | -                 |
| Mexico   | -                 | -   | -                 | 0.0          | -                | -                | -                | -                | -                | -                 | 175,658           |
| Belgium  | 67,670            | 468   | 68,138            | 0.11         | -                | -                | -                | 27,182           | -                | 40,956            | -                 |
| France   | 26,393            | 635   | 27,028            | 0.04         | -                | -                | -                | 13,307           | -                | 13,721            | -                 |
| Other  | 188               | 47  | 235               | 0.0          | -                | -                | -                | -                | -                | 235               | 56,247            |
| <b>CORPORATE SECURITIES</b>  | <b>33,272,684</b> | <b>1,084,709</b>                                      | <b>34,357,393</b> | <b>54.1</b>  | <b>3,778,116</b> | <b>1,474,500</b> | <b>1,562,867</b> | <b>2,193,224</b> | <b>5,524,591</b> | <b>19,824,095</b> | <b>22,533,020</b> |
| Eurobonds and other  | 5,071,383         | 229,576   | 5,300,959         | 8.4          | 237,567          | 838,792          | 150,424          | 646,134          | 234,229          | 3,193,813         | 3,720,228         |
| Bank deposit certificate   | 449,077           | (300)   | 448,777           | 0.7          | 18,070           | 43,776           | 132,758          | 201,351          | 18,880           | 33,942            | 355,627           |
| Shares   | 2,198,920         | (101,832)   | 2,097,088         | 3.3          | 2,097,088        | -                | -                | -                | -                | -                 | 2,238,418         |
| Debentures   | 10,438,179        | 172,093   | 10,610,272        | 16.7         | -                | 4,634            | 366,152          | 661,042          | 1,904,922        | 7,673,522         | 7,147,534         |
| Promissory notes   | 1,375,774         | 31  | 1,375,805         | 2.2          | 357,772          | 475,024          | 543,009          | -                | -                | -                 | 752,851           |
| Fund quotas  | 868,343           | 4,592   | 872,935           | 1.4          | 868,703          | -                | -                | -                | -                | 4,232             | 780,893           |
| Fixed income   | 28,020            | (41)  | 27,979            | 0.0          | 23,747           | -                | -                | -                | -                | 4,232             | 16,726            |
| Credit rights  | 807,608           | -   | 807,608           | 1.3          | 807,608          | -                | -                | -                | -                | -                 | 721,261           |
| Variable income  | 32,715            | 4,633   | 37,348            | 0.1          | 37,348           | -                | -                | -                | -                | -                 | 42,906            |
| Securitized real estate loans  | 7,907,493         | 759,629   | 8,667,122         | 13.7         | 50,224           | 58,092           | 103,084          | 587,324          | 621,293          | 7,247,105         | 7,227,192         |
| Financial Bills  | 3,937,573         | (659)   | 3,936,914         | 6.2          | -                | -                | -                | -                | 2,723,892        | 1,213,022         | -                 |
| Other  | 1,025,942         | 21,579  | 1,047,521         | 1.65         | 148,692          | 54,182           | 267,440          | 97,373           | 21,375           | 458,459           | 310,277           |
| <b>TOTAL</b>   | <b>61,081,416</b> | <b>2,431,385</b>                                      | <b>63,512,801</b> | <b>100.0</b> | <b>4,565,108</b> | <b>1,962,358</b> | <b>5,696,073</b> | <b>5,190,248</b> | <b>6,472,215</b> | <b>39,626,799</b> | <b>41,530,188</b> |
| Adjustments of securities reclassified in prior years to the held-to-maturity category |                   | 10,042  |                   |              | 7.2              | 3.1              | 9.0              | 8.2              | 10.2             | 62.4              |                   |
| Accounting adjustment - Hedge - Circular No. 3,082                                     |                   | (424,811)   |                   |              |                  |                  |                  |                  |                  |                   |                   |
| Deferred taxes   |                   | (827,295)   |                   |              |                  |                  |                  |                  |                  |                   |                   |
| Adjustments of securities of unconsolidated affiliates                                 |                   | 399   |                   |              |                  |                  |                  |                  |                  |                   |                   |
| <b>ADJUSTMENT TO MARKET VALUE – SECURITIES – 09/30/2012</b>                            |                   | <b>1,189,720</b>                                      |                   |              |                  |                  |                  |                  |                  |                   |                   |
| <b>TOTAL 09/30/2011</b>  | <b>41,001,074</b> | <b>529,114</b>  | <b>41,530,188</b> | <b>-</b>     | <b>3,479,688</b> | <b>3,745,257</b> | <b>3,664,548</b> | <b>2,756,193</b> | <b>6,896,204</b> | <b>20,988,298</b> |                   |
| Adjustments of securities reclassified in prior years to the held-to-maturity category |                   | 11,017  |                   |              | 8.4              | 9.0              | 8.8              | 6.6              | 16.6             | 50.5              |                   |
| Accounting adjustment - Hedge - Circular No. 3,082                                     |                   | (350,179)   |                   |              |                  |                  |                  |                  |                  |                   |                   |
| Deferred taxes   |                   | (89,417)  |                   |              |                  |                  |                  |                  |                  |                   |                   |
| Minority interest in subsidiaries  |                   | (98,263)  |                   |              |                  |                  |                  |                  |                  |                   |                   |
| Adjustments of securities of unconsolidated affiliates                                 |                   | (253,101)   |                   |              |                  |                  |                  |                  |                  |                   |                   |
| <b>ADJUSTMENT TO MARKET VALUE – SECURITIES – 09/30/2012</b>                            |                   | <b>(250,829)</b>                                      |                   |              |                  |                  |                  |                  |                  |                   |                   |

At September 30, 2011, ITAÚ UNIBANCO HOLDING's portfolio was composed of Government Securities in the amount of R\$ 6,944 and at September 30, 2012 there are no outstanding operations.

e) Held-to-maturity securities

See below the composition of the portfolio of held-to-maturity securities by type, stated at cost and by maturity term. Included in the carrying value at September 30, 2012, not considered in results, are the amounts of R\$ 10,042 (R\$ 11,017 at 09/30/2011) relating to the market adjustment of the reclassified securities at December 31, 2003. Securities classified under this type, if stated at market value, would present a positive adjustment of R\$ 1,192,772 (R\$ 594,679 at 09/30/2011).

|   | 09/30/2012       |              |              |            |               |                |                |                  | 09/30/2011       |
|---|------------------|--------------|--------------|------------|---------------|----------------|----------------|------------------|------------------|
|   | Carrying value   | %            | 0 - 30       | 31 - 90    | 91 - 180      | 181 - 365      | 366 - 720      | Over 720 days    | Carrying value   |
| <b>GOVERNMENT SECURITIES - DOMESTIC</b> | <b>3,089,395</b> | <b>97.7</b>  | -            | -          | -             | <b>138,450</b> | -              | <b>2,950,945</b> | <b>2,959,903</b> |
| National Treasury Notes (*)             | 2,969,485        | 93.9         | -            | -          | -             | 18,540         | -              | 2,950,945        | 2,766,539        |
| Brazilian External Debt Bonds           | 119,910          | 3.8          | -            | -          | -             | 119,910        | -              | -                | 193,364          |
| <b>GOVERNMENT SECURITIES - ABROAD</b>   | <b>19,547</b>    | <b>0.6</b>   | -            | -          | <b>205</b>    | -              | -              | <b>19,342</b>    | <b>9</b>         |
| Uruguay                                 | 19,332           | 0.6          | -            | -          | -             | -              | -              | 19,332           | -                |
| Other                                   | 215              | 0.0          | -            | -          | 205           | -              | -              | 10               | 9                |
| <b>CORPORATE SECURITIES</b>             | <b>54,463</b>    | <b>1.7</b>   | <b>1,666</b> | <b>372</b> | <b>2,616</b>  | <b>3,666</b>   | <b>46,143</b>  | -                | <b>99,408</b>    |
| Eurobonds and other                     | 51,475           | 1.6          | 1,666        | -          | -             | 3,666          | 46,143         | -                | 64,946           |
| Debentures (*)                          | 372              | 0.0          | -            | 372        | -             | -              | -              | -                | 29,799           |
| Securitized real estate loans (*)       | 2,616            | 0.1          | -            | -          | 2,616         | -              | -              | -                | 4,663            |
| <b>Total</b>                            | <b>3,163,405</b> | <b>100.0</b> | <b>1,666</b> | <b>372</b> | <b>2,821</b>  | <b>142,116</b> | <b>46,143</b>  | <b>2,970,287</b> | <b>3,059,320</b> |
| % per maturity term                     |                  |              | 0.0          | 0.01       | 0.1           | 4.5            | 1.5            | 93.9             |                  |
| <b>Total 09/30/2011</b>                 | <b>3,059,320</b> | <b>100.0</b> | -            | -          | <b>83,544</b> | <b>27,940</b>  | <b>152,711</b> | <b>2,795,125</b> |                  |
| % per maturity term                     |                  |              | -            | -          | 2.7           | 0.9            | 5.0            | 91.4             |                  |

(\*) Includes investments of Itaú Vida e Previdência S.A. in the amount of R\$ 2,129,305 (R\$ 2,004,943 at 09/30/2011).

f) Realized and unrealized gain of securities portfolio

|  | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|--|------------------------|------------------------|
| Gain (loss) - Trading securities                 | 1,324,846              | (1,414,149)            |
| Gain (loss) - Available-for-sale securities      | 879,625                | 148,486                |
| <b>Total realized gain</b>                       | <b>2,204,471</b>       | <b>(1,265,663)</b>     |
| Adjustment to market value of trading securities | 664,032                | 234,886                |
| <b>Total</b>                                     | <b>2,868,503</b>       | <b>(1,030,777)</b>     |

g) Reclassification of securities (article 5 of BACEN Circular No. 3,068, of 11/08/2001)

Management sets forth guidelines to classify securities. The classification of the current portfolio of securities, as well as the securities purchased in the period, is periodically and systematically evaluated based on such guidelines.

As set forth in Article 5 of BACEN Circular No. 3,068, of November 8, 2008, the revaluation regarding the classification of securities can only be made upon preparation of trial balances for six-month periods. In addition, the transfer from "held-to-maturity" to the other categories can only occur in view of an isolated, unusual, nonrecurring and unexpected event, which has occurred after the classification date.

No reclassifications or changes to the existing guidelines have been made in the period.

## **h) Derivative Financial Instruments**

The globalization of the markets in recent years has resulted in a high level of sophistication in the financial products used. As a result of this process, there has been an increasing demand for derivative financial instruments to manage market risks, mainly arising from fluctuations in interest and exchange rates, commodities and other asset prices. Accordingly, ITAU UNIBANCO HOLDING and its subsidiaries operate in the derivative markets for meeting the growing needs of their clients, as well as carrying out their risk management policy. Such policy is based on the use of derivative instruments to minimize the risks resulting from commercial and financial operations.

The derivative financial instruments' business with clients is carried out after the approval of credit limits. The process of limit approval takes into consideration potential stress scenarios.

Knowing the client, the sector in which it operates and its risk appetite profile, in addition to providing information on the risks involved in the transaction and the negotiated conditions, ensures transparency in the relationship between the parties and the supply of a product that better meets the needs of the client.

The derivative transactions carried out by ITAU UNIBANCO HOLDING and its subsidiaries with clients are neutralized in order to eliminate market risks.

Most derivative contracts traded by the institution with clients in Brazil are swap, forward, option and futures contracts, which are registered at the BM&FBOVESPA or at the CETIP S.A. OTC Clearing House (CETIP). Overseas transactions are carried out with futures, forwards (onshore), options and swaps with registration mainly in the Chicago, New York and London Exchanges. It should be emphasized that there are over-the-counter operations, but their risks are low as compared to the institutions' total. Noteworthy is also the fact that there are no structured operations based on subprime assets and all operations are based on risk factors traded at stock exchanges.

The main risk factors of the derivatives, assumed at September 30, 2012, were related to the foreign exchange rate, interest rate, commodities, U.S. dollar coupon, Reference Rate coupon, Libor and variable income. The management of these and other market risk factors is supported by sophisticated statistical and deterministic models. Based on this management model, the institution, with the use of transactions involving derivatives, has been able to optimize the risk-return ratios, even under highly volatile situations.

Most derivatives included in the institution's portfolio are traded at stock exchanges. The prices disclosed by stock exchanges are used for these derivatives, except in cases in which the low representativeness of price due to liquidity of a specific contract is identified. Derivatives typically precified like this are futures contracts. Likewise, there are other instruments whose quotations (fair prices) are directly disclosed by independent institutions and which are precified based on this direct information. A great part of the Brazilian government securities, highly-liquid international (public and private) securities and shares fit into this situation.

For derivatives whose prices are not directly disclosed by stock exchanges, fair prices are obtained by pricing models which use market information, deducted based on prices disclosed for higher liquidity assets. Interest and market volatility curves which provide entry data for the models are extracted from those prices. Over-the-counter derivatives, forward contracts and securities without much liquidity are in this situation.

The total value of margins pledged in guarantee was R\$ 3,416,789 (R\$ 6,514,839 at September 30, 2011) and was basically composed of government securities.

## I - Derivatives by index

|  | Memorandum account   |                      | Balance sheet  | Adjustment to market                         | Market value       |                    |
|--|----------------------|----------------------|--|--|--------------------|--------------------|
|  | Notional amount      |                      | account receivable /<br>(received) (payable)<br>paid | value (in results /<br>stockholders' equity) |                    |                    |
|  | 09/30/2012           | 09/30/2011           | 09/30/2012   | 09/30/2012                                   | 09/30/2012         | 09/30/2011         |
| <b>Futures contracts</b>                     | <b>430,314,716</b>   | <b>286,657,893</b>   | <b>(23,658)</b>                                      | <b>(72,013)</b>                              | <b>(95,671)</b>    | <b>(417,581)</b>   |
| <b>Purchase commitments</b>                  | <b>195,443,460</b>   | <b>73,037,478</b>    | <b>(16,176)</b>                                      | <b>461</b>                                   | <b>(15,715)</b>    | <b>169,159</b>     |
| Foreign currency                             | 9,049,308            | 6,168,464            | 6,393  | 437  | 6,830              | 11,796             |
| Interbank market                             | 163,059,568          | 46,656,671           | (16,326)   | 386  | (15,940)           | 41,132             |
| Indices                                      | 19,035,959           | 17,298,263           | (5,988)  | (418)  | (6,406)            | 141,559            |
| Securities                                   | 3,860,877            | 2,734,464            | -  | 56   | 56                 | (6,085)            |
| Commodities                                  | 433,258              | -                    | (255)  | -  | (255)              | -                  |
| Other  | 4,490                | 179,616              | -  | -  | -                  | (19,243)           |
| <b>Commitments to sell</b>                   | <b>234,871,256</b>   | <b>213,620,415</b>   | <b>(7,482)</b>                                       | <b>(72,474)</b>                              | <b>(79,956)</b>    | <b>(586,740)</b>   |
| Foreign currency                             | 51,634,452           | 32,146,532           | 2,204  | (73,322)                                     | (71,118)           | (122,361)          |
| Interbank market                             | 147,528,216          | 146,394,930          | 4,167  | 399  | 4,566              | (28,241)           |
| Indices                                      | 29,203,325           | 29,742,091           | (12,390)   | 577  | (11,813)           | (454,744)          |
| Fixed rates                                  | 5,984,049            | 4,382,173            | -  | (128)  | (128)              | (10)               |
| Commodities                                  | 518,330              | -                    | (1,463)  | -  | (1,463)            | -                  |
| Other  | 2,884                | 954,689              | -  | -  | -                  | 18,616             |
| <b>Swap contracts</b>                        |                      |                      | <b>(395,504)</b>                                     | <b>(530,666)</b>                             | <b>(926,170)</b>   | <b>(87,130)</b>    |
| <b>Asset position</b>                        | <b>123,300,649</b>   | <b>86,547,799</b>    | <b>2,093,302</b>                                     | <b>1,404,002</b>                             | <b>3,497,304</b>   | <b>3,346,799</b>   |
| Foreign currency                             | 13,245,593           | 8,814,365            | 622,143  | 98,905                                       | 721,048            | 722,621            |
| Interbank market                             | 43,896,180           | 38,743,234           | 323,850  | 70,279                                       | 394,129            | 862,567            |
| Fixed rates                                  | 33,772,668           | 14,410,300           | 389,710  | 330,927                                      | 720,637            | 510,799            |
| Floating rate                                | 4,060,415            | 2,054,494            | 10,983   | 2,979  | 13,962             | 2,547              |
| Indices                                      | 27,745,017           | 22,027,135           | 699,098  | 878,170                                      | 1,577,268          | 1,197,207          |
| Securities                                   | 576,751              | 68,297               | 47,437   | 19,470                                       | 66,907             | 23,194             |
| Commodities                                  | 3,980                | -                    | 41   | 2  | 43                 | -                  |
| Other  | 45                   | 429,974              | 40   | 3,270  | 3,310              | 27,864             |
| <b>Liability position</b>                    | <b>123,696,153</b>   | <b>86,449,155</b>    | <b>(2,488,806)</b>                                   | <b>(1,934,668)</b>                           | <b>(4,423,474)</b> | <b>(3,433,929)</b> |
| Foreign currency                             | 18,499,605           | 11,121,620           | (950,431)  | (167,349)                                    | (1,117,780)        | (1,038,566)        |
| Interbank market                             | 26,893,936           | 22,607,354           | (86,772)   | (4,800)                                      | (91,572)           | (113,861)          |
| Fixed rates                                  | 36,746,908           | 17,109,592           | (425,992)  | (541,172)                                    | (967,164)          | (642,713)          |
| Floating rate                                | 6,174,979            | 5,165,634            | (64,949)   | (1,466)                                      | (66,415)           | (119,153)          |
| Indices                                      | 34,788,265           | 28,995,231           | (859,913)  | (1,240,769)                                  | (2,100,682)        | (1,496,882)        |
| Securities                                   | 510,580              | 38,030               | (100,285)  | 21,096                                       | (79,189)           | -                  |
| Commodities                                  | 52,776               | -                    | (464)  | (208)  | (672)              | -                  |
| Other  | 29,104               | 1,411,694            | -  | -  | -                  | (22,754)           |
| <b>Option contracts</b>                      | <b>1,402,563,048</b> | <b>1,638,428,821</b> | <b>580,271</b>                                       | <b>5,647</b>                                 | <b>585,918</b>     | <b>705,926</b>     |
| <b>Purchase commitments - long position</b>  | <b>376,144,694</b>   | <b>479,738,503</b>   | <b>441,065</b>                                       | <b>(132,133)</b>                             | <b>308,932</b>     | <b>1,153,542</b>   |
| Foreign currency                             | 18,257,149           | 15,052,951           | 242,497  | (96,019)                                     | 146,478            | 1,015,558          |
| Interbank market                             | 60,637,492           | 39,892,289           | 49,624   | (43,689)                                     | 5,935              | 5,197              |
| Floating rate                                | 271,663              | 298,642              | 1,615  | (1,578)                                      | 37                 | 342                |
| Indices                                      | 295,681,221          | 421,835,630          | 121,836  | (37,485)                                     | 84,351             | 70,254             |
| Securities                                   | 644,996              | 1,870,464            | 9,005  | 44,362                                       | 53,367             | 51,925             |
| Commodities                                  | 577,074              | -                    | 14,205   | 681  | 14,886             | -                  |
| Other  | 75,099               | 788,527              | 2,283  | 1,595  | 3,878              | 10,266             |
| <b>Commitments to sell - long position</b>   | <b>373,375,184</b>   | <b>430,846,896</b>   | <b>1,768,526</b>                                     | <b>265,524</b>                               | <b>2,034,050</b>   | <b>3,338,325</b>   |
| Foreign currency                             | 8,365,688            | 6,020,312            | (110,756)  | (6,734)                                      | 104,022            | 235,275            |
| Interbank market                             | 43,647,368           | 28,848,104           | 123,055  | 19,383                                       | 142,438            | 541,516            |
| Fixed rates                                  | -                    | 1,847                | -  | -  | -                  | 1,019              |
| Floating rate                                | 951,336              | 248,249              | 1,320  | (109)  | 1,211              | 473                |
| Indices                                      | 315,525,306          | 383,546,099          | 580,413  | 149,676                                      | 730,089            | 1,086,779          |
| Securities                                   | 3,208,066            | 3,846,409            | 923,319  | 111,815                                      | 1,035,134          | 1,434,657          |
| Commodities                                  | 1,523,149            | -                    | 18,805   | (11,242)                                     | 7,563              | -                  |
| Other  | 154,271              | 8,335,876            | 10,858   | 2,735  | 13,593             | 38,606             |
| <b>Purchase commitments - short position</b> | <b>188,042,007</b>   | <b>338,996,888</b>   | <b>(591,690)</b>                                     | <b>175,341</b>                               | <b>(416,349)</b>   | <b>(972,470)</b>   |
| Foreign currency                             | 8,827,921            | 8,699,943            | (265,100)  | 68,894                                       | (196,206)          | (790,560)          |
| Interbank market                             | 32,185,649           | 21,480,383           | (37,218)   | 24,860                                       | (12,358)           | (18,130)           |
| Indices                                      | 146,217,473          | 306,634,263          | (269,154)  | 133,757                                      | (135,397)          | (112,711)          |
| Securities                                   | 581,395              | 1,642,133            | (8,757)  | (47,595)                                     | (56,352)           | (45,351)           |
| Commodities                                  | 154,470              | -                    | (9,178)  | (2,980)                                      | (12,158)           | -                  |
| Other  | 75,099               | 540,166              | (2,283)  | (1,595)                                      | (3,878)            | (5,718)            |
| <b>Commitments to sell - short position</b>  | <b>465,001,163</b>   | <b>388,846,534</b>   | <b>(1,037,630)</b>                                   | <b>(303,085)</b>                             | <b>(1,340,715)</b> | <b>(2,813,471)</b> |
| Foreign currency                             | 6,655,222            | 9,916,498            | (149,846)  | 75,726                                       | (74,120)           | (449,825)          |
| Interbank market                             | 94,627,703           | 31,783,736           | (115,818)  | (93,697)                                     | (209,516)          | (620,210)          |
| Fixed rates                                  | -                    | 1,847                | -  | -  | -                  | (1,019)            |
| Floating rate                                | -                    | -                    | (136)  | 285  | 149                | -                  |
| Indices                                      | 361,744,748          | 344,320,848          | (564,759)  | (230,732)                                    | (795,491)          | (1,074,027)        |
| Securities                                   | 1,632,838            | 2,628,139            | (183,537)  | (56,772)                                     | (240,309)          | (658,037)          |
| Commodities                                  | 186,482              | -                    | (12,919)   | 5,083  | (7,836)            | -                  |
| Other  | 154,170              | 195,466              | (10,615)   | (2,978)                                      | (13,593)           | (10,353)           |
| <b>Forward contracts</b>                     | <b>14,800,773</b>    | <b>20,365,774</b>    | <b>1,258,916</b>                                     | <b>(5,545)</b>                               | <b>1,253,371</b>   | <b>826,014</b>     |
| <b>Purchases receivable</b>                  | <b>5,214,283</b>     | <b>10,816,794</b>    | <b>991,018</b>                                       | <b>(20,686)</b>                              | <b>970,332</b>     | <b>2,419,568</b>   |
| Foreign currency                             | 4,483,203            | 9,163,199            | 283,248  | (20,732)                                     | 262,516            | 962,369            |
| Interbank market                             | -                    | 168,320              | -  | -  | -                  | -                  |
| Fixed rates                                  | 277,822              | 769,001              | 277,792  | -  | 277,792            | 768,519            |
| Floating rate                                | 429,495              | 688,783              | 429,195  | -  | 429,195            | 687,713            |
| Securities                                   | 8                    | -                    | 8  | -  | 8                  | -                  |
| Commodities                                  | 23,710               | -                    | 731  | 47   | 778                | -                  |
| Other  | 45                   | 27,491               | 44   | (1)  | 43                 | 967                |
| <b>Purchases payable</b>                     | <b>2,864,403</b>     | <b>1,769,789</b>     | <b>(747,480)</b>                                     | <b>775</b>                                   | <b>(746,705)</b>   | <b>(1,565,247)</b> |
| Foreign currency                             | 2,786,712            | 1,215,308            | (34,432)   | 293  | (34,139)           | (87,269)           |
| Interbank market                             | -                    | 417,452              | -  | -  | -                  | (25)               |
| Fixed rates                                  | -                    | -                    | (277,792)  | -  | (277,792)          | (768,519)          |
| Floating rate                                | -                    | -                    | (429,195)  | -  | (429,195)          | (687,713)          |
| Securities                                   | -                    | -                    | (8)  | -  | (8)                | -                  |
| Commodities                                  | 77,691               | -                    | (6,053)  | 482  | (5,571)            | -                  |
| Other  | -                    | 137,029              | -  | -  | -                  | (21,721)           |
| <b>Sales receivable</b>                      | <b>4,067,968</b>     | <b>1,370,417</b>     | <b>1,612,292</b>                                     | <b>3,853</b>                                 | <b>1,616,145</b>   | <b>901,461</b>     |
| Foreign currency                             | 2,420,794            | 303,998              | 19,767   | 2,552  | 2,319              | 9,592              |
| Interbank market                             | 8,558                | 94,353               | 8,533  | (45)   | 8,488              | 320                |
| Fixed rates                                  | 284,881              | 66,306               | 285,029  | (496)  | 284,533            | 66,012             |
| Floating rate                                | 260,059              | 258,626              | 260,043  | (82)   | 259,961            | 258,252            |
| Indices                                      | 2,176                | -                    | 2,147  | -  | 2,147              | -                  |
| Securities                                   | 1,044,492            | -                    | 1,035,514  | (391)  | 1,035,123          | -                  |
| Commodities                                  | 47,008               | -                    | 1,259  | 2,315  | 3,574              | -                  |
| Other  | -                    | 647,134              | -  | -  | -                  | 567,285            |
| <b>Sales deliverable</b>                     | <b>2,654,119</b>     | <b>6,408,774</b>     | <b>(596,914)</b>                                     | <b>10,513</b>                                | <b>(586,401)</b>   | <b>(929,768)</b>   |
| Foreign currency                             | 2,578,707            | 6,052,716            | (83,673)   | 9,771  | (73,902)           | (611,666)          |
| Interbank market                             | -                    | 324,375              | -  | -  | -                  | -                  |
| Fixed rates                                  | -                    | -                    | (250,558)  | 197  | (250,361)          | (48,066)           |
| Floating rate                                | -                    | -                    | (260,043)  | 82   | (259,961)          | (258,252)          |
| Securities                                   | -                    | -                    | (68)   | 1  | (67)               | -                  |
| Commodities                                  | 75,412               | -                    | (2,572)  | 462  | (2,110)            | -                  |
| Other  | -                    | 31,683               | -  | -  | -                  | (11,784)           |

|  | Memorandum account /<br>Notional amount |                    | Balance sheet  | Adjustments to market                        | Market value       |                     |
|--|---|--------------------|--|--|--------------------|---------------------|
|  |   |                    | account receivable /<br>(received) (payable) /<br>paid | value (in results /<br>stockholders' equity) |                    |                     |
|  | 09/30/2012                              | 09/30/2011         | 09/30/2012   | 09/30/2012                                   | 09/30/2012         | 09/30/2011          |
| <b>Credit derivatives</b>                                      | <b>7,101,978</b>                        | <b>4,101,028</b>   | <b>102,814</b>   | <b>62,615</b>                                | <b>165,429</b>     | <b>897,556</b>      |
| <b>Asset position</b>  | <b>2,396,780</b>                        | <b>3,023,379</b>   | <b>191,826</b>   | <b>62,968</b>                                | <b>254,794</b>     | <b>935,549</b>      |
| Foreign currency   | -                                       | 65,683             | -  | -  | -                  | 852                 |
| Fixed rate   | 1,176,022                               | 2,660,410          | 191,624  | 44,981                                       | 236,605            | 928,838             |
| Floating rate  | -                                       | -                  | -  | -  | -                  | (3,206)             |
| Securities   | 914,404                                 | 297,286            | 113  | 15,403                                       | 15,516             | 9,065               |
| Other  | 306,354                                 | -                  | 89   | 2,584  | 2,673              | -                   |
| <b>Liability position</b>                                      | <b>4,705,198</b>                        | <b>1,077,649</b>   | <b>(89,012)</b>  | <b>(353)</b>                                 | <b>(89,365)</b>    | <b>(37,993)</b>     |
| Foreign currency   | -                                       | 65,766             | -  | -  | -                  | (815)               |
| Fixed rate   | 3,512,938                               | 715,242            | (88,794)   | 17,603                                       | (71,191)           | (28,108)            |
| Securities   | 882,581                                 | 296,641            | (128)  | (15,208)                                     | (15,336)           | (9,070)             |
| Other  | 309,679                                 | -                  | (90)   | (2,748)                                      | (2,838)            | -                   |
| <b>Forwards operations</b>                                     | <b>35,958,421</b>                       | <b>29,264,080</b>  | <b>(24,930)</b>  | <b>76,577</b>                                | <b>51,647</b>      | <b>275,452</b>      |
| <b>Asset position</b>  | <b>18,693,858</b>                       | <b>16,615,463</b>  | <b>338,886</b>   | <b>49,509</b>                                | <b>388,395</b>     | <b>1,053,446</b>    |
| Foreign currency   | 18,269,420                              | 16,210,205         | 330,280  | 49,509                                       | 379,789            | 840,044             |
| Interbank market   | -                                       | 18,005             | -  | -  | -                  | 142                 |
| Fixed rate   | -                                       | -                  | -  | -  | -                  | 206,984             |
| Floating rate  | 407,136                                 | 371,807            | 7,587  | -  | 7,587              | 6,276               |
| Indices  | 17,302                                  | -                  | 1,019  | -  | 1,019              | -                   |
| Other  | -                                       | 15,446             | -  | -  | -                  | -                   |
| <b>Liability position</b>                                      | <b>17,264,563</b>                       | <b>12,648,617</b>  | <b>(363,816)</b>                                       | <b>27,068</b>                                | <b>(336,748)</b>   | <b>(777,994)</b>    |
| Foreign currency   | 17,249,108                              | 12,367,924         | (363,342)  | 27,068                                       | (336,274)          | (567,882)           |
| Interbank market   | 13,985                                  | 12,591             | (472)  | -  | (472)              | (448)               |
| Fixed rate   | -                                       | 199,489            | -  | -  | -                  | (208,447)           |
| Floating rate  | -                                       | 68,613             | -  | -  | -                  | (1,217)             |
| Indices  | 1,470                                   | -                  | (2)  | -  | (2)                | -                   |
| <b>Swap with target flow</b>                                   | <b>1,084,705</b>                        | <b>-</b>           | <b>(1,123)</b>   | <b>(31,978)</b>                              | <b>(33,101)</b>    | <b>-</b>            |
| <b>Asset position - Interbank market</b>                       | <b>541,791</b>                          | <b>-</b>           | <b>-</b>   | <b>-</b>                                     | <b>-</b>           | <b>-</b>            |
| Interbank market   | 530,730                                 | -                  | -  | -  | -                  | -                   |
| Fixed rate   | 11,061                                  | -                  | -  | -  | -                  | -                   |
| <b>Liability position - Interbank market</b>                   | <b>542,914</b>                          | <b>-</b>           | <b>(1,123)</b>   | <b>(31,978)</b>                              | <b>(33,101)</b>    | <b>-</b>            |
| Foreign currency   | 465,652                                 | -                  | (775)  | (30,241)                                     | (31,016)           | -                   |
| Interbank market   | 66,192                                  | -                  | (339)  | (1,598)                                      | (1,937)            | -                   |
| Fixed rate   | 11,070                                  | -                  | (9)  | (139)  | (148)              | -                   |
| <b>Target flow of swap - Asset position - Foreign currency</b> | <b>549,661</b>                          | <b>-</b>           | <b>-</b>   | <b>38,012</b>                                | <b>38,012</b>      | <b>-</b>            |
| <b>Other derivative financial instruments</b>                  | <b>6,056,896</b>                        | <b>6,415,486</b>   | <b>784,827</b>   | <b>95,306</b>                                | <b>880,133</b>     | <b>449,572</b>      |
| <b>Asset position</b>  | <b>5,576,209</b>                        | <b>3,697,317</b>   | <b>1,815,588</b>                                       | <b>121,402</b>                               | <b>1,936,990</b>   | <b>711,663</b>      |
| Foreign currency   | 709,889                                 | 411,836            | 82,985   | 136,449                                      | 219,434            | 313,877             |
| Fixed rate   | 1,662,797                               | 268,888            | 1,179,636  | (2,025)                                      | 1,177,611          | 23,846              |
| Floating rate  | 283,725                                 | -                  | 253,781  | -  | 253,781            | -                   |
| Indices  | -                                       | -                  | -  | 126  | 126                | -                   |
| Securities   | 2,919,798                               | -                  | 299,186  | (13,148)                                     | 286,038            | -                   |
| Other  | -                                       | 3,016,593          | -  | -  | -                  | 373,940             |
| <b>Liability position</b>                                      | <b>480,687</b>                          | <b>2,718,169</b>   | <b>(1,030,761)</b>                                     | <b>(26,096)</b>                              | <b>(1,056,857)</b> | <b>(262,091)</b>    |
| Foreign currency   | 319,013                                 | 310,281            | (83,242)   | (26,040)                                     | (109,282)          | (86,250)            |
| Fixed rate   | -                                       | 2,300,012          | (613,348)  | 2,381  | (610,967)          | (129,500)           |
| Floating rate  | -                                       | -                  | (284,377)  | (2,437)                                      | (286,814)          | -                   |
| Securities   | 161,674                                 | -                  | (49,794)   | -  | (49,794)           | -                   |
| Other  | -                                       | 107,876            | -  | -  | -                  | (46,341)            |
|  |   | <b>ASSET</b>       | <b>9,252,503</b>                                       | <b>1,792,451</b>                             | <b>11,044,954</b>  | <b>13,860,353</b>   |
|  |   | <b>LIABILITIES</b> | <b>(6,970,890)</b>                                     | <b>(2,154,496)</b>                           | <b>(9,125,386)</b> | <b>(11,210,542)</b> |
|  |   | <b>TOTAL</b>       | <b>2,281,613</b>                                       | <b>(362,045)</b>                             | <b>1,919,568</b>   | <b>2,649,811</b>    |
| <b>Derivative contracts mature as follows (in days):</b>       |   |                    |  |  |                    |                     |
| <b>Memorandum account/notional amount</b>                      | <b>0 - 30</b>                           | <b>31 - 180</b>    | <b>181 - 365</b>                                       | <b>Over 365</b>                              | <b>06/30/2012</b>  | <b>09/30/2011</b>   |
| <b>Futures</b>   | 33,145,954                              | 176,825,572        | 104,533,635  | 115,809,555                                  | 430,314,716        | 286,657,893         |
| <b>Swaps</b>   | 5,176,346                               | 31,330,105         | 26,420,142   | 58,280,754                                   | 121,207,347        | 83,996,773          |
| <b>Options</b>   | 95,240,293                              | 1,000,880,314      | 243,225,686  | 63,216,755                                   | 1,402,563,048      | 1,638,428,821       |
| <b>Forwards (onshore)</b>                                      | 3,243,598                               | 6,462,573          | 2,913,553  | 2,181,049                                    | 14,800,773         | 20,365,774          |
| <b>Credit derivatives</b>                                      | -                                       | 1,538,882          | 598,681  | 4,964,415                                    | 7,101,978          | 4,101,028           |
| <b>Forwards (offshore)</b>                                     | 9,135,208                               | 19,885,647         | 4,018,600  | 2,918,966                                    | 35,958,421         | 29,264,080          |
| <b>Swaps with target flow</b>                                  | -                                       | -                  | 11,061   | 530,730                                      | 541,791            | -                   |
| <b>Target flow of swap</b>                                     | -                                       | -                  | 11,035   | 538,626                                      | 549,661            | -                   |
| <b>Other</b>   | 143,065                                 | 2,659,068          | 351,800  | 2,902,963                                    | 6,056,896          | 6,415,486           |

## II - Derivatives by counterparty

See below the composition of the Derivative Financial Instruments portfolio (assets and liabilities) by type of instrument, stated at cost, market value, and maturity term.

|   | 09/30/2012        |   |                   |              |                  |                  |                  |                  |                  |                  | 09/30/2011        |
|---|-------------------|---|-------------------|--------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|   | Cost              | Adjustments to market value (in results / stockholders' equity) | Market value      | %            | 0 - 30           | 31 - 90          | 91 - 180         | 181 - 365        | 366 - 720        | Over 720 days    | Market value      |
| <b>ASSET</b>                              |                   |   |                   |              |                  |                  |                  |                  |                  |                  |                   |
| <b>Option premiums</b>                    | <b>2,209,591</b>  | <b>133,391</b>  | <b>2,342,982</b>  | <b>21.3</b>  | <b>107,744</b>   | <b>132,080</b>   | <b>900,969</b>   | <b>238,765</b>   | <b>122,329</b>   | <b>841,095</b>   | <b>4,491,869</b>  |
| BM&F Bovespa                              | 929,967           | 48,588  | 978,555           | 8.9          | 33,121           | 75,987           | 709,836          | 100,797          | 58,814           | -                | 2,759,659         |
| Financial institutions                    | 248,251           | (5,449)   | 242,802           | 2.2          | 61,153           | 45,176           | 62,242           | 49,320           | 19,704           | 5,207            | 461,202           |
| Companies                                 | 1,031,373         | 90,252  | 1,121,625         | 10.2         | 13,470           | 10,917           | 128,891          | 88,648           | 43,811           | 835,888          | 1,271,006         |
| Individuals                               | -                 | -   | -                 | -            | -                | -                | -                | -                | -                | -                | 2                 |
| <b>Forwards (onshore)</b>                 | <b>2,603,310</b>  | <b>(16,833)</b>   | <b>2,586,477</b>  | <b>23.4</b>  | <b>663,425</b>   | <b>684,372</b>   | <b>161,883</b>   | <b>339,968</b>   | <b>53,467</b>    | <b>683,362</b>   | <b>3,321,031</b>  |
| BM&F Bovespa                              | 1,046,500         | (437)   | 1,046,063         | 9.5          | 362,948          | 611,059          | 70,184           | 1,813            | 59               | -                | 554,504           |
| Financial institutions                    | 299,776           | (1,531)   | 298,245           | 2.7          | 260,075          | 771              | 37,211           | 180              | 8                | -                | 211,839           |
| Companies                                 | 1,256,304         | (15,117)  | 1,241,187         | 11.2         | 40,402           | 72,542           | 54,467           | 337,975          | 53,078           | 682,723          | 2,554,688         |
| Individuals                               | 730               | 252   | 982               | 0.0          | -                | -                | 21               | -                | 322              | 639              | -                 |
| <b>Swaps - Adjustment receivable</b>      | <b>2,093,302</b>  | <b>1,404,002</b>  | <b>3,497,304</b>  | <b>31.5</b>  | <b>82,910</b>    | <b>263,469</b>   | <b>381,279</b>   | <b>400,152</b>   | <b>627,295</b>   | <b>1,742,199</b> | <b>3,346,799</b>  |
| BM&F Bovespa                              | 223,891           | 226,920   | 450,811           | 4.1          | 12,796           | 14,063           | 15,020           | 22,224           | 130,184          | 256,524          | 415,362           |
| Financial institutions                    | 199,087           | 232,642   | 431,729           | 3.9          | 11,176           | 64,334           | 157,797          | 33,831           | 25,690           | 138,901          | 327,066           |
| Companies                                 | 1,633,689         | 939,085   | 2,572,774         | 23.1         | 58,493           | 177,849          | 203,922          | 338,935          | 462,577          | 1,330,998        | 2,580,490         |
| Individuals                               | 36,635            | 5,355   | 41,990            | 0.4          | 445              | 7,223            | 4,540            | 5,162            | 8,844            | 15,776           | 23,881            |
| <b>Credit derivatives</b>                 | <b>191,826</b>    | <b>62,968</b>   | <b>254,794</b>    | <b>2.3</b>   | <b>-</b>         | <b>1,869</b>     | <b>1,011</b>     | <b>673</b>       | <b>26,306</b>    | <b>224,935</b>   | <b>935,549</b>    |
| Financial institutions                    | 41,082            | 2,672   | 43,754            | 0.4          | -                | 1,837            | 984              | 618              | 1,182            | 39,133           | 541,938           |
| Companies                                 | 150,744           | 60,296  | 211,040           | 1.9          | -                | 32               | 27               | 55               | 25,124           | 185,802          | 393,611           |
| <b>Forwards (offshore)</b>                | <b>338,886</b>    | <b>49,509</b>   | <b>388,395</b>    | <b>3.5</b>   | <b>67,525</b>    | <b>74,511</b>    | <b>68,199</b>    | <b>63,604</b>    | <b>66,006</b>    | <b>48,550</b>    | <b>1,053,442</b>  |
| Financial institutions                    | 217,472           | (2)   | 217,470           | 2.0          | 49,407           | 40,600           | 41,598           | 23,186           | 38,797           | 23,882           | 900,116           |
| Companies                                 | 121,306           | 49,364  | 170,670           | 1.5          | 18,117           | 33,718           | 26,587           | 40,371           | 27,209           | 24,668           | 150,571           |
| Individuals                               | 108               | 147   | 255               | 0.0          | 1                | 193              | 14               | 47               | -                | -                | 2,755             |
| <b>Swaps with target flow - Companies</b> | <b>-</b>          | <b>38,012</b>   | <b>38,012</b>     | <b>0.3</b>   | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>203</b>       | <b>412</b>       | <b>37,397</b>    | <b>-</b>          |
| <b>Other - Financial institutions</b>     | <b>1,815,588</b>  | <b>121,402</b>  | <b>1,936,990</b>  | <b>17.7</b>  | <b>142,334</b>   | <b>635,656</b>   | <b>791,087</b>   | <b>86,111</b>    | <b>27,604</b>    | <b>254,198</b>   | <b>711,663</b>    |
| BM&F Bovespa                              | -                 | 83,198  | 83,198            | 0.8          | 83,072           | 90               | 36               | -                | -                | -                | 223,903           |
| Financial institutions                    | 1,353,812         | (11,395)  | 1,342,417         | 12.2         | 59,094           | 606,110          | 471,687          | 66,441           | 8,347            | 130,738          | 345,304           |
| Companies                                 | 461,776           | 49,599  | 511,375           | 4.7          | 168              | 29,456           | 319,364          | 19,670           | 19,257           | 123,460          | 142,456           |
| <b>Total</b>                              | <b>9,252,503</b>  | <b>1,792,451</b>  | <b>11,044,954</b> | <b>100.0</b> | <b>1,063,938</b> | <b>1,791,957</b> | <b>2,304,428</b> | <b>1,129,476</b> | <b>923,419</b>   | <b>3,831,736</b> | <b>13,860,353</b> |
| % per maturity term                       |                   |   |                   |              | 9.6              | 16.2             | 20.9             | 10.2             | 8.4              | 34.7             |                   |
| <b>Total at 09/30/2011</b>                | <b>11,486,782</b> | <b>2,373,571</b>  | <b>13,860,353</b> | <b>100.0</b> | <b>1,410,820</b> | <b>2,273,624</b> | <b>3,091,019</b> | <b>2,497,855</b> | <b>1,062,155</b> | <b>3,524,880</b> |                   |
| % per maturity term                       |                   |   |                   |              | 10.2             | 16.4             | 22.3             | 18.0             | 7.7              | 25.4             |                   |



|   | 09/30/2012         |   |                     |              |                    |                    |                    |                    |                    |                    | 09/30/2011          |
|---|--------------------|---|---------------------|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
|   | Cost               | Adjustments to market value (in results / stockholders' equity) | Market value        | %            | 0 - 30             | 31 - 90            | 91 - 180           | 181 - 365          | 366 - 720          | Over 720 days      | Market value        |
| <b>LIABILITIES</b>                        |                    |   |                     |              |                    |                    |                    |                    |                    |                    |                     |
| <b>Futures</b>                            | <b>(23,658)</b>    | <b>(72,013)</b>   | <b>(95,671)</b>     | <b>1.0</b>   | <b>(19,410)</b>    | <b>(6,113)</b>     | <b>(23)</b>        | <b>(14,423)</b>    | <b>(19,201)</b>    | <b>(36,501)</b>    | <b>(417,581)</b>    |
| BM&F Bovespa                              | (23,658)           | (71,919)  | (95,577)            | 1.0          | (19,410)           | (6,064)            | -                  | (14,423)           | (19,182)           | (36,498)           | (412,777)           |
| Financial institutions                    | -                  | (65)  | (65)                | -            | -                  | (20)               | (23)               | -                  | (19)               | (3)                | (3,209)             |
| Companies                                 | -                  | (29)  | (29)                | -            | -                  | (29)               | -                  | -                  | -                  | -                  | (1,595)             |
| <b>Option premiums</b>                    | <b>(1,629,320)</b> | <b>(127,744)</b>  | <b>(1,757,064)</b>  | <b>19.2</b>  | <b>(97,761)</b>    | <b>(143,016)</b>   | <b>(1,074,911)</b> | <b>(272,054)</b>   | <b>(119,631)</b>   | <b>(49,691)</b>    | <b>(3,785,941)</b>  |
| BM&F Bovespa                              | (1,021,746)        | (139,511)   | (1,161,257)         | 12.7         | (48,919)           | (109,216)          | (887,030)          | (64,439)           | (51,653)           | -                  | (2,600,918)         |
| Financial institutions                    | (469,007)          | 12,672  | (456,335)           | 5.0          | (44,367)           | (25,873)           | (144,652)          | (155,526)          | (45,222)           | (40,695)           | (995,718)           |
| Companies                                 | (138,567)          | (905)   | (139,472)           | 1.5          | (4,475)            | (7,927)            | (43,229)           | (52,089)           | (22,756)           | (8,996)            | (189,299)           |
| Individuals                               | -                  | -   | 0                   | -            | -                  | -                  | -                  | -                  | -                  | -                  | (6)                 |
| <b>Forwards (onshore)</b>                 | <b>(1,344,394)</b> | <b>11,288</b>   | <b>(1,333,106)</b>  | <b>14.6</b>  | <b>(281,615)</b>   | <b>(33,059)</b>    | <b>(14,289)</b>    | <b>(314,126)</b>   | <b>(10,107)</b>    | <b>(679,910)</b>   | <b>(2,495,014)</b>  |
| BM&F Bovespa                              | -                  | -   | 0                   | -            | -                  | -                  | -                  | -                  | -                  | -                  | (25)                |
| Financial institutions                    | (262,150)          | 475   | (261,675)           | 2.9          | (260,269)          | (18)               | (9)                | (1,033)            | (283)              | (63)               | (222,141)           |
| Companies                                 | (1,082,244)        | 10,813  | (1,071,431)         | 11.7         | (21,346)           | (33,041)           | (14,280)           | (313,093)          | (9,824)            | (679,847)          | (2,272,848)         |
| <b>Swaps - difference payable</b>         | <b>(2,488,806)</b> | <b>(1,934,668)</b>  | <b>(4,423,474)</b>  | <b>48.4</b>  | <b>(77,387)</b>    | <b>(184,762)</b>   | <b>(436,793)</b>   | <b>(769,509)</b>   | <b>(807,853)</b>   | <b>(2,147,170)</b> | <b>(3,433,928)</b>  |
| BM&F Bovespa                              | (349,112)          | (385,016)   | (734,128)           | 8.0          | (626)              | (17,353)           | (12,738)           | (151,420)          | (143,501)          | (408,490)          | (619,943)           |
| Financial institutions                    | (622,030)          | (512,665)   | (1,134,695)         | 12.4         | (49,149)           | (80,022)           | (224,539)          | (189,614)          | (119,911)          | (471,460)          | (768,657)           |
| Companies                                 | (1,479,765)        | (1,027,479)   | (2,507,244)         | 27.5         | (25,999)           | (76,985)           | (180,691)          | (420,692)          | (537,186)          | (1,265,691)        | (2,005,491)         |
| Individuals                               | (37,899)           | (9,508)   | (47,407)            | 0.5          | (1,613)            | (10,402)           | (18,825)           | (7,783)            | (7,255)            | (1,529)            | (39,837)            |
| <b>Credit derivatives</b>                 | <b>(89,012)</b>    | <b>(353)</b>  | <b>(89,365)</b>     | <b>1.0</b>   | <b>-</b>           | <b>(11,204)</b>    | <b>(1,165)</b>     | <b>(588)</b>       | <b>(5,726)</b>     | <b>(70,682)</b>    | <b>(37,993)</b>     |
| Financial institutions                    | (88,707)           | 4,724   | (83,983)            | 0.9          | -                  | (10,736)           | (230)              | -                  | (4,544)            | (68,473)           | (15,812)            |
| Companies                                 | (305)              | (5,077)   | (5,382)             | 0.1          | -                  | (468)              | (935)              | (588)              | (1,182)            | (2,209)            | (22,181)            |
| <b>Forwards (offshore)</b>                | <b>(363,816)</b>   | <b>27,068</b>   | <b>(336,748)</b>    | <b>3.7</b>   | <b>(88,196)</b>    | <b>(89,611)</b>    | <b>(77,962)</b>    | <b>(30,634)</b>    | <b>(47,418)</b>    | <b>(2,927)</b>     | <b>(777,994)</b>    |
| Financial institutions                    | (258,563)          | 5,865   | (252,698)           | 2.8          | (66,405)           | (62,363)           | (64,994)           | (17,912)           | (40,858)           | (166)              | (643,906)           |
| Companies                                 | (105,077)          | 21,236  | (83,841)            | 0.9          | (21,757)           | (27,073)           | (12,968)           | (12,722)           | (6,560)            | (2,761)            | (133,215)           |
| Individuals                               | (176)              | (33)  | (209)               | -            | (34)               | (175)              | -                  | -                  | -                  | -                  | (873)               |
| <b>Swaps with target flow - Companies</b> | <b>(1,123)</b>     | <b>(31,978)</b>   | <b>(33,101)</b>     | <b>0.4</b>   | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>(148)</b>       | <b>(240)</b>       | <b>(32,713)</b>    | <b>-</b>            |
| <b>Other</b>                              | <b>(1,030,761)</b> | <b>(26,096)</b>   | <b>(1,056,857)</b>  | <b>11.7</b>  | <b>(94)</b>        | <b>(296,787)</b>   | <b>(610,848)</b>   | <b>(90,210)</b>    | <b>(36,568)</b>    | <b>(22,350)</b>    | <b>(262,091)</b>    |
| Financial institutions                    | (684,664)          | (1,191)   | (685,855)           | 7.5          | -                  | (286,815)          | (304,725)          | (83,043)           | -                  | (11,272)           | (208,162)           |
| Companies                                 | (346,097)          | (24,905)  | (371,002)           | 4.2          | (94)               | (9,972)            | (306,123)          | (7,167)            | (36,568)           | (11,078)           | (53,929)            |
| <b>Total</b>                              | <b>(6,970,890)</b> | <b>(2,154,496)</b>  | <b>(9,125,386)</b>  | <b>100.0</b> | <b>(564,463)</b>   | <b>(764,552)</b>   | <b>(2,215,991)</b> | <b>(1,491,692)</b> | <b>(1,046,744)</b> | <b>(3,041,944)</b> | <b>(11,210,542)</b> |
| % per maturity term                       |                    |   |                     |              | 6.2                | 8.4                | 24.3               | 16.3               | 11.5               | 33.3               |                     |
| <b>Total at 09/30/2011</b>                | <b>(8,658,545)</b> | <b>(2,551,997)</b>  | <b>(11,210,542)</b> | <b>100.0</b> | <b>(1,002,342)</b> | <b>(1,942,047)</b> | <b>(2,389,485)</b> | <b>(2,451,057)</b> | <b>(887,650)</b>   | <b>(2,537,961)</b> |                     |
| % per maturity term                       |                    |   |                     |              | 9.0                | 17.3               | 21.3               | 21.9               | 7.9                | 22.6               |                     |

### III - Derivatives by notional amount

See below the composition of the Derivative Financial Instruments portfolio by type of instrument, stated at their notional amounts, per trading location (organized or over-the-counter market) and counterparties.

|                                 | 09/30/2012         |                    |                      |                       |                    |                        |                          |                        |                  |
|---------------------------------|--------------------|--------------------|----------------------|-----------------------|--------------------|------------------------|--------------------------|------------------------|------------------|
|                                 | Futures            | Swaps              | Options              | Forwards<br>(onshore) | Credit derivatives | Forwards<br>(offshore) | Swap with<br>target flow | Target flow of<br>swap | Other            |
| <b>BM&amp;F/Bovespa</b>         | <b>355,028,951</b> | <b>8,893,557</b>   | <b>1,355,950,765</b> | <b>1,055,540</b>      | -                  | -                      | -                        | -                      | -                |
| <b>Overt-the-counter market</b> | <b>75,285,765</b>  | <b>112,313,790</b> | <b>46,612,283</b>    | <b>13,745,233</b>     | <b>7,101,978</b>   | <b>35,958,421</b>      | <b>541,791</b>           | <b>549,661</b>         | <b>6,056,896</b> |
| Financial institutions          | 21,496,702         | 50,279,335         | 36,379,394           | 876,347               | 4,888,470          | 28,944,175             | -                        | -                      | 4,206,881        |
| Companies                       | 53,789,063         | 53,115,092         | 10,232,889           | 12,854,301            | 2,213,508          | 6,984,597              | 541,791                  | 549,661                | 1,850,015        |
| Individuals                     | -                  | 8,919,363          | -                    | 14,585                | -                  | 29,649                 | -                        | -                      | -                |
| <b>Total</b>                    | <b>430,314,716</b> | <b>121,207,347</b> | <b>1,402,563,048</b> | <b>14,800,773</b>     | <b>7,101,978</b>   | <b>35,958,421</b>      | <b>541,791</b>           | <b>549,661</b>         | <b>6,056,896</b> |
| <b>Total 09/30/2011</b>         | <b>286,657,893</b> | <b>83,996,773</b>  | <b>1,638,428,821</b> | <b>20,365,774</b>     | <b>4,101,028</b>   | <b>29,264,080</b>      | -                        | -                      | <b>6,415,486</b> |

#### IV - Credit derivatives

See below the composition of Credit Derivatives (assets and liabilities) portfolio stated at notional amount, and effect on calculation of Required Referential Equity.

|  | Notional amount    |                    |
|--|--------------------|--------------------|
|  | 09/30/2012         | 09/30/2011         |
| <b>Transferred</b>                                   | <b>2,396,780</b>   | <b>3,023,379</b>   |
| Credit swaps whose underlying assets are:            |                    |                    |
| Securities   | 2,386,970          | 2,154,036          |
| Total return rate swaps whose underlying assets are: |                    |                    |
| Securities   | 9,810              | 869,343            |
| <b>Received</b>                                      | <b>(4,705,198)</b> | <b>(1,077,649)</b> |
| Credit swaps whose underlying assets are:            |                    |                    |
| Securities   | (4,705,198)        | (1,068,690)        |
| Total return rate swaps whose underlying assets are: |                    |                    |
| Securities   | -                  | (8,959)            |
| <b>Total</b>   | <b>(2,308,418)</b> | <b>1,945,730</b>   |
| <b>Effect on the Referential Equity (Note 3)</b>     | <b>(98,235)</b>    | <b>(72,196)</b>    |

During the period, there was no occurrence of credit event related to those set forth in agreements.

## V - Accounting hedge

- a) Cash flow - the purpose of the *hedge* relationship of ITAÚ UNIBANCO HOLDING is to protect the cash flows of payment of debt interest (CDB / Redeemable preferred shares) related to its variable interest rate risk (CDI / LIBOR), making the cash flow constant (fixed rate) and regardless of the variations of DI Cetip Over and LIBOR.

To protect the future cash flows of debt against exposure to variable interest rate (CDI), at September 30, 2012, ITAÚ UNIBANCO HOLDING negotiated DI Futures agreements at BM&FBOVESPA with maturity between 2012 and 2017 in the amount of R\$ 47,998,049 (R\$ 41,104,979 at September 30, 2011). To protect the future cash flows of debt against exposure to variable interest rate (LIBOR), at September 30, 2012 ITAÚ UNIBANCO HOLDING negotiated swap contracts with maturity in 2015 in the amount of R\$ 798,172 (R\$ 728,913 at September 30, 2011). These derivative financial instruments gave rise to adjustment to market value net of tax effects recorded in stockholders' equity of R\$ (262,103) (R\$ (193,824) at September 30, 2011), of which R\$ (241,075) (R\$ (165,714) at September 30, 2011) refers to CDB and R\$ (21,028) (R\$ (28,110) at September 30, 2011) refers to Redeemable Preferred shares. The hedged items total R\$ 47,019,638 (R\$ 41,452,788 at September 30, 2011), of which R\$ 46,221,466 (R\$ 40,723,875 at September 30, 2011) are CDB with maturities between 2012 and 2017 and R\$ 798,172 (R\$ 728,913 at September 30, 2011) are swaps of Redeemable Preferred Shares with maturity in 2015.

The gains or losses related to the accounting hedge of cash flows that we expect to recognize in Results in the following 12 months amount to R\$ (485,579) (R\$ (5,505) at September 30, 2011).

The effectiveness computed for hedge portfolio was in conformity with the provisions of BACEN Circular No. 3,082 of January 30, 2002.

- b) Market Risk – The hedging strategy against market risk of ITAÚ UNIBANCO HOLDING consists in hedging the exposure to variation in market risk, receipt of interest, which are attributable to changes in interest rates related to recognized assets.

To hedge the variation in market risk in the receipt of interest, ITAÚ UNIBANCO HOLDING uses interest rate swap contracts, in the amount of R\$ 477,305. These Derivative Financial Instruments gave rise to an adjustment to market value of R\$ (2,814).

Hedge assets are prefixed items, in the amount of R\$ 477,305, expressed in UF (Chilean Unit of Account - CLF), issued in Chile, with maturities between 2012 and 2041. Such items gave rise to an adjustment to market value of R\$ (2,783) which represents the effective hedge portion recognized in income.

ITAÚ UNIBANCO HOLDING uses the market risk hedge as follows:

- To hedge against market risk variation in the receipt of interest resulting from variations in the fair value of ICPR rate (Real Promédio Camera Index).

The effectiveness computed for hedge portfolio is in conformity with the provisions of BACEN Circular No. 3.082 of January 30, 2002.

Hedge relationships were designated in 2012 and swaps will mature in 2027. Receipts (payments) of interest flows are expected to occur and will affect the statement of income in monthly periods.

- c) Related operations - the swap operations contracted in a negotiation associated with the funding and/or investment in the amount of R\$ 35,239 (R\$ 45,645 at September 30, 2011) are recorded at amounts restated in accordance with variations occurred in respective ratios ("curve") and are not valued at their market value, as permitted by BACEN Circular No. 3,150, of September 11, 2002.

**VI - Realized and unrealized gain of the derivative financial instruments portfolio**

|  | <b>01/01 to<br/>09/30/2012</b> | <b>01/01 to<br/>09/30/2011</b> |
|--|--------------------------------|--------------------------------|
| Swap   | (729,966)                      | 1,544,667                      |
| Forwards (onshore)                               | 53,872                         | (109,658)                      |
| Futures  | (818,550)                      | (1,424,724)                    |
| Options  | 611,046                        | 395,463                        |
| Credit derivatives                               | 140,001                        | 117,439                        |
| Other  | 55,258                         | (941,369)                      |
| Foreign exchange variation on investments abroad | 1,519,278                      | 2,528,218                      |
| <b>Total</b>                                     | <b>830,939</b>                 | <b>2,110,036</b>               |

i) Changes in adjustment to market value for the period

|   | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|---|------------------------|------------------------|
| <b>Opening balance</b>                              | <b>(160,343)</b>       | <b>1,408,206</b>       |
| Adjustments with impact on:                         |                        |                        |
| <b>Results</b>                                      | <b>930,095</b>         | <b>(652,026)</b>       |
| Trading securities                                  | 664,032                | 234,886                |
| Derivative financial instruments                    | 266,063                | (886,912)              |
| <b>Stockholders' equity</b>                         | <b>1,565,505</b>       | <b>(224,877)</b>       |
| Available-for-sale                                  | 1,712,787              | 74,258                 |
| Accounting Hedge – Derivative Financial Instruments | (147,282)              | (299,135)              |
| Futures   | (145,559)              | (268,532)              |
| Swap  | (1,723)                | (30,603)               |
| <b>Closing balance</b>                              | <b>2,335,257</b>       | <b>531,303</b>         |
| <b>Adjustment to market value</b>                   | <b>2,335,257</b>       | <b>531,303</b>         |
| Trading securities                                  | 690,730                | 487,231                |
| Available-for-sale securities                       | 2,431,386              | 529,114                |
| Derivative financial instruments                    | (786,859)              | (485,042)              |
| Trading securities                                  | (362,048)              | (134,863)              |
| Accounting hedge                                    | (424,811)              | (350,179)              |
| Futures   | (392,950)              | (299,393)              |
| Swap  | (31,861)               | (50,786)               |

For better understanding, the following table shows the unrealized gains of available-for-sale securities and held-to-maturity securities:

|  | 09/30/2012       | 09/30/2011       |
|--|------------------|------------------|
| Adjustment of available-for-sale securities – stockholders' equity | 2,431,386        | 529,114          |
| Adjustment to held-to-maturity securities (*)                      | 1,202,814        | 605,696          |
| <b>Total unrealized gain</b>                                       | <b>3,634,200</b> | <b>1,134,810</b> |

(\*) Includes the amount of R\$ 10,042 (R\$ 11,017 at 09/30/2011) regarding the adjustment to market value of securities reclassified up to December 31, 2003, not recognized in net income.

## j) Sensitivity analysis (TRADING AND BANKING PORTFOLIOS)

In compliance with CVM Instruction No. 475 of December 17, 2008, ITAÚ UNIBANCO HOLDING carried out a sensitivity analysis by market risk factors considered relevant to which it was exposed. Each market risk factor was subject to a sensitivity level, with shock applications of 25% and 50%, both for growth and fall. The biggest losses arising, by risk factor, in each scenario, were stated with impact on result, net of tax effects, by providing a vision of the ITAÚ UNIBANCO HOLDING exposure under exceptional scenarios.

Measurement of market risk segregates operations in trading portfolio and banking portfolio, pursuant to the criteria set forth in the New Capital Accord – Basel II and in the instructions CMN Resolution No. 3,464 of June 26, 2007 and BACEN Circular No. 3,354 of June 27, 2007.

The trading portfolio consists of all transactions, including derivatives, which are held with the intention of trading in the short term or of hedging other financial instruments of this portfolio, and that are not subject to limitations on their marketability. These are transactions designated for obtaining benefits from price movements, actual or expected in the short term or conduction of arbitrage.

The banking portfolio comprises transactions that do not fit into the trading portfolio. Consists in operations designated for active management of financial risks and held not for trading in the short term. Its composition may include derivatives.

The sensitivity analyses shown in this report are an evaluation of an instant position of the portfolio exposure and, therefore, do not consider the management's quick response capacity (treasury and control areas), which triggers risk mitigating measures, whenever a situation of high loss or risk is identified by minimizing the sensitivity towards significant losses. In addition, we point out that the presented results do not necessarily translate into accounting results, because the study's sole purpose is to disclose the exposure to risks and the respective protective actions, taking into account the fair value of financial instruments, irrespective of the accounting practices adopted by the ITAÚ UNIBANCO HOLDING.

Amounts in reais thousands

| Trading portfolio | Exposures                        | 09/30/2012 (*) |                  |                  |
|-------------------|----------------------------------|----------------|------------------|------------------|
|                   |                                  | Scenarios      |                  |                  |
| Risk factors      | Risk of variation in:            | I              | II               | III              |
| Fixed rate        | Fixed rates in reais             | (71)           | (1,734)          | (3,373)          |
| Foreign exchange  | Rates of foreign currency coupon | (191)          | (4,898)          | (9,750)          |
| Foreign currency  | Exchange variation               | 51             | (1,264)          | (2,527)          |
| Price indices     | Rates of price index coupon      | (641)          | (15,890)         | (31,527)         |
| Reference rate    | Rate of TR coupon                | 370            | (9,326)          | (18,815)         |
| Shares            | Share price                      | 4,850          | (121,247)        | (242,494)        |
|                   | <b>Total without correlation</b> | <b>4,367</b>   | <b>(154,358)</b> | <b>(308,486)</b> |
|                   | <b>Total with correlation</b>    | <b>3,512</b>   | <b>(124,127)</b> | <b>(248,068)</b> |

(\*) Amounts net of tax effects.

Amount in reais thousands

| Trading and Banking portfolios | Exposures                        | 09/30/2012 (*) |                  |                    |
|--------------------------------|----------------------------------|----------------|------------------|--------------------|
|                                |                                  | Scenarios      |                  |                    |
| Risk factors                   | Risk of variation in:            | I              | II               | III                |
| Fixed rate                     | Fixed rates in reais             | (1,456)        | (36,252)         | (72,224)           |
| Foreign exchange               | Rates of foreign currency coupon | (1,065)        | (26,295)         | (51,897)           |
| Foreign currency               | Exchange variation               | 2,925          | (73,130)         | (146,260)          |
| Price indices                  | Rates of price index coupon      | (3,375)        | (82,430)         | (160,998)          |
| Reference rate                 | Rate of TR coupon                | (5,425)        | (132,481)        | (258,608)          |
| Shares                         | Share price                      | 6,674          | (166,852)        | (333,704)          |
|                                | <b>Total without correlation</b> | <b>(1,722)</b> | <b>(517,441)</b> | <b>(1,023,689)</b> |
|                                | <b>Total with correlation</b>    | <b>(1,384)</b> | <b>(416,097)</b> | <b>(823,195)</b>   |

(\*) Amounts net of tax effects.

The following scenarios are used to measure the sensitivity:

Scenario I: Addition of 1 base point to the fixed-rate curve, currency coupon, inflation and commodities and interest rate indices, and 1 percentage point in currency and share prices, which is based on market information (BM&FBOVESPA, Andima, etc);

Scenario II: Shocks at 25 base points in fixed-rate curves, currency coupon, inflation and interest rate indices, and 25 percentage points in currency and share prices, both for growth and fall, considering the largest resulting losses per risk factor;

Scenario III: Shocks at 50 base points in fixed-rate curves, currency coupon, inflation and interest rate indices, and 50 percentage points in currency and share prices, both for growth and fall, considering the largest resulting losses per risk factor.

Derivative financial instruments engaged by ITAÚ UNIBANCO HOLDING are shown in the item Derivative Financial Instruments in this note.

NOTE 8 - LOAN, LEASE AND OTHER CREDIT OPERATIONS

a) Composition of the portfolio with credit granting characteristics

I – By type of operations and risk level

| Risk levels  | 09/30/2012         |                    |                   |                   |                   |                  |                  |                  |                   | 09/30/2011         |                    |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|
|  | AA                 | A                  | B                 | C                 | D                 | E                | F                | G                | H                 | Total              | Total              |
| <b>Loan operations</b>                                       | <b>115,807,155</b> | <b>97,826,156</b>  | <b>33,845,631</b> | <b>17,236,850</b> | <b>10,334,917</b> | <b>3,284,760</b> | <b>2,600,024</b> | <b>2,283,984</b> | <b>11,423,557</b> | <b>294,643,034</b> | <b>264,360,543</b> |
| Loans and discounted trade receivables                       | 50,141,093         | 48,475,563         | 22,812,121        | 12,547,305        | 8,590,067         | 2,451,927        | 2,040,081        | 1,829,758        | 9,613,505         | 158,501,420        | 142,905,371        |
| Financing  | 43,164,169         | 39,292,686         | 9,643,086         | 4,143,783         | 1,428,381         | 714,422          | 538,025          | 434,773          | 1,740,713         | 101,100,038        | 93,637,847         |
| Farming and agribusiness financing                           | 4,090,520          | 689,128            | 652,142           | 57,267            | 193,214           | 87,926           | 364              | 236              | 24,168            | 5,794,965          | 5,838,036          |
| Real estate financing  | 18,411,373         | 9,368,779          | 738,282           | 488,495           | 123,255           | 30,485           | 21,554           | 19,217           | 45,171            | 29,246,611         | 21,979,289         |
| <b>Lease operations</b>                                      | <b>4,297,118</b>   | <b>8,417,451</b>   | <b>2,797,090</b>  | <b>1,316,074</b>  | <b>744,573</b>    | <b>324,368</b>   | <b>253,370</b>   | <b>205,208</b>   | <b>779,043</b>    | <b>19,134,295</b>  | <b>29,686,816</b>  |
| <b>Credit card operations</b>                                | <b>-</b>           | <b>30,276,309</b>  | <b>1,608,056</b>  | <b>2,058,664</b>  | <b>744,079</b>    | <b>439,767</b>   | <b>351,557</b>   | <b>353,793</b>   | <b>2,639,359</b>  | <b>38,471,584</b>  | <b>37,044,013</b>  |
| <b>Advance on exchange contracts (1)</b>                     | <b>3,467,671</b>   | <b>1,072,973</b>   | <b>806,319</b>    | <b>118,122</b>    | <b>26,254</b>     | <b>20,747</b>    | <b>477</b>       | <b>-</b>         | <b>7,766</b>      | <b>5,520,329</b>   | <b>4,066,389</b>   |
| <b>Other sundry receivables (2)</b>                          | <b>243</b>         | <b>1,925,307</b>   | <b>5,566</b>      | <b>18,227</b>     | <b>12,671</b>     | <b>3,694</b>     | <b>23,876</b>    | <b>2,753</b>     | <b>48,713</b>     | <b>2,041,050</b>   | <b>120,925</b>     |
| <b>Total operations with credit granting characteristics</b> | <b>123,572,187</b> | <b>139,518,196</b> | <b>39,062,662</b> | <b>20,747,937</b> | <b>11,862,494</b> | <b>4,073,336</b> | <b>3,229,304</b> | <b>2,845,738</b> | <b>14,898,438</b> | <b>359,810,292</b> | <b>335,278,686</b> |
| <b>Endorsements and sureties (3)</b>                         |                    |                    |                   |                   |                   |                  |                  |                  |                   | <b>57,792,446</b>  | <b>46,957,352</b>  |
| <b>Total with endorsements and sureties</b>                  | <b>123,572,187</b> | <b>139,518,196</b> | <b>39,062,662</b> | <b>20,747,937</b> | <b>11,862,494</b> | <b>4,073,336</b> | <b>3,229,304</b> | <b>2,845,738</b> | <b>14,898,438</b> | <b>417,602,738</b> | <b>382,236,038</b> |
| <b>TOTAL – 09/30/2011</b>                                    | <b>109,579,244</b> | <b>142,660,512</b> | <b>30,544,393</b> | <b>16,967,558</b> | <b>13,840,416</b> | <b>3,775,708</b> | <b>3,087,516</b> | <b>2,505,035</b> | <b>12,318,304</b> | <b>335,278,686</b> |                    |

(1) Includes Advances on Exchange Contracts and Income Receivable from Advances Granted, reclassified from Liabilities – Foreign Exchange Portfolio/Other Receivables (Note 2a);

(2) Includes Securities and Credits Receivable, Debtors for Purchase of Assets and Endorsements and Sureties paid;

(3) Recorded in Memorandum Accounts.



II – By maturity and risk level

|                                 | 09/30/2012                        |                    |                   |                   |                    |                    |                    |                    |                     | 09/30/2011          |                     |
|---------------------------------|-----------------------------------|--------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
|                                 | AA                                | A                  | B                 | C                 | D                  | E                  | F                  | G                  | H                   | Total               | Total               |
|                                 | <b>OVERDUE OPERATIONS (1) (2)</b> |                    |                   |                   |                    |                    |                    |                    |                     |                     |                     |
| <b>Falling due installments</b> | -                                 | -                  | <b>3,306,758</b>  | <b>3,600,414</b>  | <b>2,945,441</b>   | <b>1,808,417</b>   | <b>1,377,798</b>   | <b>1,254,000</b>   | <b>5,711,944</b>    | <b>20,004,772</b>   | <b>16,164,876</b>   |
| 01 to 30                        | -                                 | -                  | 221,437           | 232,912           | 161,623            | 81,420             | 60,338             | 57,054             | 439,776             | 1,254,560           | 1,167,020           |
| 31 to 60                        | -                                 | -                  | 113,282           | 122,735           | 102,992            | 63,768             | 48,723             | 47,451             | 232,574             | 731,525             | 656,637             |
| 61 to 90                        | -                                 | -                  | 112,859           | 125,970           | 107,336            | 64,720             | 50,583             | 47,199             | 242,094             | 750,761             | 665,408             |
| 91 to 180                       | -                                 | -                  | 323,012           | 371,270           | 310,329            | 189,362            | 148,006            | 136,427            | 678,825             | 2,157,231           | 1,816,932           |
| 181 to 365                      | -                                 | -                  | 574,073           | 667,349           | 577,793            | 349,102            | 268,235            | 259,691            | 1,193,430           | 3,889,673           | 3,219,190           |
| Over 365                        | -                                 | -                  | 1,962,095         | 2,080,178         | 1,685,368          | 1,060,045          | 801,913            | 706,178            | 2,925,245           | 11,221,022          | 8,639,689           |
| <b>Overdue installments</b>     | -                                 | -                  | <b>660,302</b>    | <b>860,200</b>    | <b>1,076,961</b>   | <b>922,249</b>     | <b>853,169</b>     | <b>996,447</b>     | <b>6,517,300</b>    | <b>11,886,628</b>   | <b>11,777,935</b>   |
| 01 to 14                        | -                                 | -                  | 92,869            | 26,911            | 70,980             | 38,821             | 27,369             | 24,711             | 124,243             | 405,904             | 312,898             |
| 15 to 30                        | -                                 | -                  | 589,957           | 128,628           | 153,109            | 57,280             | 36,044             | 31,155             | 157,193             | 1,153,366           | 1,206,356           |
| 31 to 60                        | -                                 | -                  | 43,434            | 592,009           | 290,107            | 155,964            | 93,631             | 78,833             | 306,392             | 1,560,370           | 1,393,603           |
| 61 to 90                        | -                                 | -                  | -                 | 33,846            | 510,608            | 162,772            | 126,535            | 97,943             | 363,779             | 1,295,483           | 1,153,377           |
| 91 to 180                       | -                                 | -                  | -                 | 12,848            | 52,157             | 478,215            | 522,437            | 712,606            | 1,322,644           | 3,100,907           | 3,398,764           |
| 181 to 365                      | -                                 | -                  | -                 | -                 | -                  | 29,197             | 47,153             | 51,199             | 4,119,014           | 4,246,563           | 4,096,154           |
| Over 365                        | -                                 | -                  | -                 | -                 | -                  | -                  | -                  | -                  | 124,035             | 124,035             | 216,783             |
| <b>SUBTOTAL</b>                 | -                                 | -                  | <b>3,967,060</b>  | <b>4,460,614</b>  | <b>4,022,402</b>   | <b>2,730,666</b>   | <b>2,230,967</b>   | <b>2,250,447</b>   | <b>12,229,244</b>   | <b>31,891,400</b>   | <b>27,942,811</b>   |
| <b>SPECIFIC ALLOWANCE</b>       | -                                 | -                  | <b>(39,670)</b>   | <b>(133,818)</b>  | <b>(402,240)</b>   | <b>(819,200)</b>   | <b>(1,115,484)</b> | <b>(1,575,313)</b> | <b>(12,229,244)</b> | <b>(16,314,969)</b> | <b>(13,776,165)</b> |
| <b>SUBTOTAL – 09/30/2011</b>    | -                                 | -                  | <b>4,086,093</b>  | <b>3,759,328</b>  | <b>3,457,325</b>   | <b>2,415,869</b>   | <b>2,150,524</b>   | <b>1,989,674</b>   | <b>10,083,998</b>   | <b>27,942,811</b>   |                     |
| <b>NON-OVERDUE OPERATIONS</b>   |                                   |                    |                   |                   |                    |                    |                    |                    |                     |                     |                     |
| <b>Falling due installments</b> | <b>122,662,105</b>                | <b>138,354,789</b> | <b>34,650,974</b> | <b>15,996,876</b> | <b>7,671,614</b>   | <b>1,313,800</b>   | <b>983,201</b>     | <b>585,114</b>     | <b>2,600,555</b>    | <b>324,819,028</b>  | <b>305,660,362</b>  |
| 01 to 30                        | 10,232,924                        | 24,254,792         | 7,077,097         | 4,010,212         | 1,575,705          | 170,180            | 121,388            | 67,527             | 543,988             | 48,053,813          | 46,189,167          |
| 31 to 60                        | 10,234,148                        | 12,147,390         | 3,682,667         | 1,701,796         | 685,939            | 63,387             | 32,295             | 26,070             | 213,931             | 28,787,623          | 25,866,946          |
| 61 to 90                        | 6,572,780                         | 8,375,050          | 2,331,409         | 942,574           | 329,592            | 115,113            | 24,950             | 21,002             | 128,436             | 18,840,906          | 18,884,513          |
| 91 to 180                       | 12,887,964                        | 16,567,062         | 4,300,710         | 1,759,201         | 771,225            | 115,383            | 57,549             | 76,639             | 257,658             | 36,793,391          | 33,400,549          |
| 181 to 365                      | 19,988,601                        | 20,155,684         | 5,072,726         | 2,506,113         | 1,210,765          | 168,426            | 103,050            | 86,106             | 328,530             | 49,620,001          | 45,482,578          |
| Over 365                        | 62,745,688                        | 56,854,811         | 12,186,365        | 5,076,980         | 3,098,388          | 681,311            | 643,969            | 307,770            | 1,128,012           | 142,723,294         | 135,836,609         |
| <b>Overdue up to 14 days</b>    | <b>910,082</b>                    | <b>1,163,407</b>   | <b>444,628</b>    | <b>290,447</b>    | <b>168,478</b>     | <b>28,870</b>      | <b>15,136</b>      | <b>10,177</b>      | <b>68,639</b>       | <b>3,099,864</b>    | <b>1,675,513</b>    |
| <b>SUBTOTAL</b>                 | <b>123,572,187</b>                | <b>139,518,196</b> | <b>35,095,602</b> | <b>16,287,323</b> | <b>7,840,092</b>   | <b>1,342,670</b>   | <b>998,337</b>     | <b>595,291</b>     | <b>2,669,194</b>    | <b>327,918,892</b>  | <b>307,335,875</b>  |
| <b>GENERIC ALLOWANCE</b>        | -                                 | <b>(697,591)</b>   | <b>(350,956)</b>  | <b>(488,619)</b>  | <b>(784,009)</b>   | <b>(402,801)</b>   | <b>(499,169)</b>   | <b>(416,704)</b>   | <b>(2,669,194)</b>  | <b>(6,309,043)</b>  | <b>(5,883,948)</b>  |
| <b>SUBTOTAL – 09/30/2011</b>    | <b>109,579,244</b>                | <b>142,660,512</b> | <b>26,458,300</b> | <b>13,208,230</b> | <b>10,383,091</b>  | <b>1,359,839</b>   | <b>936,992</b>     | <b>515,361</b>     | <b>2,234,306</b>    | <b>307,335,875</b>  |                     |
| <b>GRAND TOTAL</b>              | <b>123,572,187</b>                | <b>139,518,196</b> | <b>39,062,662</b> | <b>20,747,937</b> | <b>11,862,494</b>  | <b>4,073,336</b>   | <b>3,229,304</b>   | <b>2,845,738</b>   | <b>14,898,438</b>   | <b>359,810,292</b>  | <b>335,278,686</b>  |
| <b>EXISTING ALLOWANCE</b>       | -                                 | <b>(697,591)</b>   | <b>(390,626)</b>  | <b>(996,305)</b>  | <b>(3,557,562)</b> | <b>(2,036,261)</b> | <b>(2,260,190)</b> | <b>(2,845,454)</b> | <b>(14,898,438)</b> | <b>(27,682,427)</b> | <b>(24,718,528)</b> |
| Minimum allowance required (3)  | -                                 | (697,591)          | (390,626)         | (622,438)         | (1,186,249)        | (1,222,001)        | (1,614,652)        | (1,992,017)        | (14,898,438)        | (22,624,012)        | (19,660,113)        |
| Additional allowance (4)        | -                                 | -                  | -                 | (373,867)         | (2,371,313)        | (814,260)          | (645,538)          | (853,437)          | -                   | (5,058,415)         | (5,058,415)         |
| <b>GRAND TOTAL 09/30/2011</b>   | <b>109,579,244</b>                | <b>142,660,512</b> | <b>30,544,393</b> | <b>16,967,558</b> | <b>13,840,416</b>  | <b>3,775,708</b>   | <b>3,087,516</b>   | <b>2,505,035</b>   | <b>12,318,304</b>   | <b>335,278,686</b>  |                     |
| <b>EXISTING ALLOWANCE</b>       | -                                 | <b>(713,302)</b>   | <b>(305,443)</b>  | <b>(677,523)</b>  | <b>(4,150,741)</b> | <b>(1,887,477)</b> | <b>(2,160,953)</b> | <b>(2,504,785)</b> | <b>(12,318,304)</b> | <b>(24,718,528)</b> |                     |
| Minimum allowance required (3)  | -                                 | (713,302)          | (305,443)         | (509,026)         | (1,384,042)        | (1,132,713)        | (1,543,758)        | (1,753,525)        | (12,318,304)        | (19,660,113)        |                     |
| Additional allowance (4)        | -                                 | -                  | -                 | (168,497)         | (2,766,699)        | (754,764)          | (617,195)          | (751,260)          | -                   | (5,058,415)         |                     |

(1) Operations with overdue installments for more than 14 days or under responsibility of bankruptcy or in process of bankruptcy companies;

(2) The balance of non-accrual operations amounts to R\$ 22,200,624 (R\$ 18,849,520 at 09/30/2011);

(3) The policy of not using "AA" ratings for individuals was maintained. As a consequence, all loan operations with clients classified in these segments are charged by recording a provision upon the granting of loan;

(4) According to BACEN's request, it is classified into risk level to show the additional amounts calculated to maintain the strength necessary for absorbing possible increases in default expected in history of scenarios of losses incurred.

### III – By business sector

|   | 09/30/2012         | %             | 09/30/2011         | %             |
|---|--------------------|---------------|--------------------|---------------|
| <b>PUBLIC SECTOR</b>                        | <b>926,771</b>     | <b>0.3%</b>   | <b>1,741,160</b>   | <b>0.5%</b>   |
| Energy                                      | 269,838            | 0.1%          | 457,506            | 0.1%          |
| Petrochemical and chemical                  | 446,109            | 0.1%          | 272,089            | 0.1%          |
| Sundry                                      | 210,824            | 0.1%          | 1,011,565          | 0.3%          |
| <b>PRIVATE SECTOR</b>                       | <b>358,883,521</b> | <b>99.7%</b>  | <b>333,537,526</b> | <b>99.5%</b>  |
| <b>COMPANIES</b>                            | <b>200,834,820</b> | <b>55.8%</b>  | <b>184,583,344</b> | <b>55.1%</b>  |
| Sugar and alcohol                           | 7,655,762          | 2.1%          | 6,944,958          | 2.1%          |
| Agribusiness and fertilizers                | 11,233,122         | 3.1%          | 11,388,042         | 3.4%          |
| Food and beverage                           | 9,980,001          | 2.8%          | 9,771,547          | 2.9%          |
| Banks and other financial institutions      | 4,352,083          | 1.2%          | 5,355,089          | 1.6%          |
| Capital assets                              | 7,200,822          | 2.0%          | 6,664,806          | 2.0%          |
| Pulp and paper                              | 2,884,579          | 0.8%          | 2,072,237          | 0.6%          |
| Publishing and printing                     | 1,643,991          | 0.5%          | 1,607,793          | 0.5%          |
| Electronic and IT                           | 5,057,889          | 1.4%          | 4,757,385          | 1.4%          |
| Packaging                                   | 1,825,825          | 0.5%          | 1,697,957          | 0.5%          |
| Energy and sewage                           | 5,517,196          | 1.5%          | 5,854,335          | 1.7%          |
| Education                                   | 1,144,439          | 0.3%          | 1,088,102          | 0.3%          |
| Pharmaceuticals and cosmetics               | 3,907,760          | 1.1%          | 3,522,317          | 1.1%          |
| Real estate agents                          | 13,141,711         | 3.7%          | 11,032,566         | 3.3%          |
| Entertainment and tourism                   | 3,356,340          | 0.9%          | 3,171,751          | 0.9%          |
| Wood and furniture                          | 3,168,817          | 0.9%          | 2,895,173          | 0.9%          |
| Construction material                       | 5,073,193          | 1.4%          | 5,323,564          | 1.6%          |
| Steel and metallurgy                        | 8,074,963          | 2.2%          | 7,365,750          | 2.2%          |
| Media                                       | 845,037            | 0.2%          | 1,178,116          | 0.4%          |
| Mining                                      | 2,835,491          | 0.8%          | 1,930,014          | 0.6%          |
| Infrastructure work                         | 4,811,868          | 1.3%          | 4,792,144          | 1.4%          |
| Oil and gas                                 | 2,962,724          | 0.8%          | 2,762,977          | 0.8%          |
| Petrochemical and chemical                  | 5,889,323          | 1.6%          | 5,944,812          | 1.8%          |
| Health care                                 | 1,744,683          | 0.5%          | 1,751,842          | 0.5%          |
| Insurance and reinsurance and pension plans | 5,727              | 0.0%          | 6,095              | 0.0%          |
| Telecommunications                          | 1,094,526          | 0.3%          | 1,117,281          | 0.3%          |
| Third sector                                | 112,769            | 0.0%          | 109,862            | 0.0%          |
| Trading                                     | 2,318,729          | 0.6%          | 2,106,479          | 0.6%          |
| Transportation                              | 16,581,251         | 4.6%          | 15,132,702         | 4.5%          |
| Domestic appliances                         | 2,671,066          | 0.7%          | 2,013,806          | 0.6%          |
| Vehicles and autoparts                      | 12,759,065         | 3.5%          | 12,162,552         | 3.6%          |
| Clothing and shoes                          | 5,167,014          | 1.4%          | 5,543,145          | 1.7%          |
| Commerce - Sundry                           | 14,337,047         | 4.0%          | 14,064,491         | 4.2%          |
| Industry - Sundry                           | 4,848,372          | 1.3%          | 2,915,936          | 0.9%          |
| Sundry services                             | 16,995,210         | 4.7%          | 13,905,278         | 4.1%          |
| Sundry                                      | 9,636,425          | 2.7%          | 6,632,440          | 2.0%          |
| <b>INDIVIDUALS</b>                          | <b>158,048,701</b> | <b>43.9%</b>  | <b>148,954,182</b> | <b>44.4%</b>  |
| Credit cards                                | 37,508,670         | 10.4%         | 36,551,880         | 10.9%         |
| Real estate financing                       | 21,362,662         | 5.9%          | 15,714,668         | 4.7%          |
| Consumer loans/overdraft                    | 45,130,996         | 12.5%         | 36,679,462         | 10.9%         |
| Vehicles                                    | 54,046,373         | 15.0%         | 60,008,172         | 17.9%         |
| <b>GRAND TOTAL</b>                          | <b>359,810,292</b> | <b>100.0%</b> | <b>335,278,686</b> | <b>100.0%</b> |

The balances as of September 30, 2011 were reclassified in order to align the sector exposure criteria for disclosure purposes on internal and publicly-available reports. The main impacts are highlighted below:

| <b>Prior disclosure</b>               | <b>Current disclosure</b>     | <b>09/30/2011</b> |
|---------------------------------------|-------------------------------|-------------------|
| Agribusiness                          | Sugar and alcohol             | 7,628,227         |
| Agribusiness                          | Sundry                        | 2,526,112         |
| Agribusiness                          | Agribusiness and fertilizers  | 4,485,855         |
| Heavy construction (constructors)     | Infrastructure work           | 5,056,692         |
| Distribution of fuels                 | Oil and gas                   | 3,346,703         |
| Electrical and electronic             | Domestic appliances           | 2,994,676         |
| Fertilizers and insecticides          | Agribusiness and fertilizers  | 1,880,556         |
| Holding company                       | Sundry                        | 3,940,518         |
| Import and export                     | Tradings                      | 2,182,374         |
| Hospital care materials and equipment | Pharmaceuticals and cosmetics | 1,049,926         |
| Media                                 | Publishing and printing       | 1,717,450         |
| Other - Industry                      | Packaging                     | 1,847,129         |
| Other services                        | Education                     | 1,308,855         |
| Service companies                     | Entertainment and tourism     | 3,373,203         |
| Service companies                     | Sundry services               | 2,247,483         |
| Chemical and petrochemical            | Oil and gas                   | 1,076,744         |
| Supermarkets                          | Commerce - Sundry             | 2,194,749         |

b) Credit concentration

| Loan, lease and other credit operations (*) | 09/30/2012 |            | 09/30/2011 |            |
|---|------------|------------|------------|------------|
|   | Risk       | % of Total | Risk       | % of Total |
| Largest debtor                              | 4,332,994  | 1.0        | 2,719,973  | 0.7        |
| 10 largest debtors                          | 26,374,842 | 6.3        | 20,279,406 | 5.3        |
| 20 largest debtors                          | 42,361,640 | 10.1       | 33,844,521 | 8.9        |
| 50 largest debtors                          | 66,155,639 | 15.8       | 55,362,851 | 14.5       |
| 100 largest debtors                         | 86,982,805 | 20.8       | 73,252,442 | 19.2       |

| Loan, lease and other credit operations and securities of companies and financial institutions (*) | 09/30/2012  |            | 09/30/2011  |            |
|--|-------------|------------|-------------|------------|
|  | Risk        | % of Total | Risk        | % of Total |
| Largest debtor   | 4,962,447   | 1.1        | 5,513,780   | 1.3        |
| 10 largest debtors   | 36,220,393  | 7.7        | 31,495,562  | 7.4        |
| 20 largest debtors   | 58,564,465  | 12.4       | 50,146,147  | 11.7       |
| 50 largest debtors   | 91,801,941  | 19.4       | 79,071,076  | 18.5       |
| 100 largest debtors  | 119,037,368 | 25.2       | 103,282,020 | 24.1       |

(\*) The amounts include endorsements and sureties.

c) Changes in allowance for loan losses

|                                     | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|-------------------------------------|------------------------|------------------------|
| <b>Opening balance</b>              | <b>(25,771,727)</b>    | <b>(22,018,217)</b>    |
| Net increase for the period         | (17,959,140)           | (14,458,717)           |
| Write-Off                           | 16,048,440             | 11,758,406             |
| <b>Closing balance</b>              | <b>(27,682,427)</b>    | <b>(24,718,528)</b>    |
| Required by Resolution No. 2,682/99 | (22,624,012)           | (19,660,113)           |
| Specific allowance (1)              | (16,314,969)           | (13,776,165)           |
| Generic allowance (2)               | (6,309,043)            | (5,883,948)            |
| Additional allowance (3)            | (5,058,415)            | (5,058,415)            |

(1) Operations with overdue installments for more than 14 days or under responsibility of bankruptcy or in process of bankruptcy companies;

(2) For operations not covered in the previous item due to the classification of the client or operation;

(3) As from the first quarter of 2011, refers to the provision in excess of the minimum required percentage by CMN Resolution No. 2,682 of December 21, 1999, based on the expected loss methodology adopted in the institution's credit risk management, which also considers the potential losses in revolving credit.

At September 30, 2012, the balance of the allowance in relation to the loan portfolio is equivalent to 7.7% (7.4% at 09/30/2011).

**d) Recovery and renegotiation of credits**

**I - Composition of the result of allowance for loan losses**

|   | <b>01/01 to<br/>09/30/2012</b> | <b>01/01 to<br/>09/30/2011</b> |
|---|--------------------------------|--------------------------------|
| Expenses for allowance for loan losses              | (17,959,140)                   | (14,458,717)                   |
| Income from recovery of credits written off as loss | 3,477,108                      | 3,914,586                      |
| <b>Result of allowance for loan losses</b>          | <b>(14,482,032)</b>            | <b>(10,544,131)</b>            |

**II - Renegotiated credits**

|                           | <b>09/30/2012</b> | <b>09/30/2011</b> |
|---------------------------|-------------------|-------------------|
| Renegotiated credits      | 19,523,667        | 13,085,142        |
| Allowance for loan losses | (8,673,811)       | (5,522,952)       |
| (%)                       | 44.4              | 42.2              |

**e) Restricted operations on assets**

We present below information related to the restricted operations on assets, in accordance with CMN Resolution No. 2,921, of January 17, 2002.

|   | 09/30/2012 |          |               |         | 01/01 to          |
|---|------------|----------|---------------|---------|-------------------|
|   | 0 - 30     | 31 - 180 | Over 365 days | Total   | 09/30/2012        |
|   |            |          |               |         | Income (expenses) |
| Restricted operations on assets               |            |          |               |         |                   |
| Loan operations                               | 741        | 99       | 118,790       | 119,630 | 15,548            |
| Liabilities - restricted operations on assets |            |          |               |         |                   |
| Foreign borrowings through securities         | 741        | 99       | 118,790       | 119,630 | (15,548)          |
| <b>Net revenue from restricted operations</b> |            |          |               |         | -                 |

At September 30, 2012, there were no balances in default.

## f) Operations of sale or transfers and acquisitions of financial assets

- I. Credit assignments (transfers of receivables) carried out through December 2011 were recorded in accordance with current regulation together with income recognition at the time of the assignment, regardless of the risks and benefits being retained or not.

In compliance with CMN Resolution No. 3,809, of October 28, 2009, the amount of operations assigned with joint obligation, at September 30, 2012 where the entity significantly retained the related risks and benefits is R\$ 449,063 (R\$ 30,661 at 09/30/2011), composed of real estate financing of R\$ 429,700 (R\$ 8,602 at 09/30/2011) and farming financing of R\$ 19,363 (R\$ 22,059 at 09/30/2011).

- II. Beginning January 2012, as provided for by CMN Resolution No. 3,533/08 and supplementary regulation, accounting records take into consideration the retention or non-retention of risks and benefits on sale or transfers of financial assets.

ITAÚ UNIBANCO HOLDING carried out operations for sale or transfer of financial assets in which there was a retention of credit risks of financial assets transferred, through the acquisition of subordinated quotas of credit right funds. Therefore, such credits continue to be recorded as credit operations and are represented by the following information at September 30, 2012:

| Nature of operation               | Asset      |            | Liabilities |            |
|-----------------------------------|------------|------------|-------------|------------|
|                                   | Book value | Fair value | Book value  | Fair value |
| Large companies – Working capital | 54,657     | 59,118     | 54,657      | 59,118     |

Sales or transfers of financial assets without risk and benefit retention amount to R\$ 1,066,590 with effect on results of R\$ (636).

In the period, loan portfolios with assignor's risk retention the, in the amount of R\$ 1,823,049, totaling R\$ 3,273,092 at September 30, 2012, were also purchased.

**NOTE 9 - FOREIGN EXCHANGE PORTFOLIO**

|  | <b>09/30/2012</b> | <b>09/30/2011</b> |
|--|-------------------|-------------------|
| <b>ASSETS - OTHER RECEIVABLES</b>                              | <b>40,949,887</b> | <b>40,273,816</b> |
| Exchange purchase pending settlement – foreign currency        | 22,941,184        | 21,883,533        |
| Exchange sale rights – local currency                          | 18,489,047        | 18,623,314        |
| (Advances received) – local currency                           | (480,344)         | (233,031)         |
| <b>LIABILITIES – OTHER LIABILITIES (Note 2a)</b>               | <b>41,124,676</b> | <b>39,758,637</b> |
| Exchange sales pending settlement – foreign currency           | 18,472,885        | 18,406,320        |
| Liabilities from purchase of foreign currency – local currency | 22,646,922        | 21,348,264        |
| Other  | 4,869             | 4,053             |
| <b>MEMORANDUM ACCOUNTS</b>                                     | <b>1,405,574</b>  | <b>612,592</b>    |
| Outstanding import credits – foreign currency                  | 1,337,564         | 587,469           |
| Confirmed export credits – foreign currency                    | 68,010            | 25,123            |



## NOTE 10 – FUNDING AND BORROWINGS AND ONLENDING

### a) Summary

|  | 09/30/2012         |                   |                   |                    |                    |      | 09/30/2011         |      |
|--|--------------------|-------------------|-------------------|--------------------|--------------------|------|--------------------|------|
|  | 0-30               | 31-180            | 181-365           | Over 365 days      | Total              | %    | Total              | %    |
| Deposits   | 127,105,134        | 20,818,387        | 11,718,292        | 72,277,542         | 231,919,355        | 36.2 | 220,675,331        | 39.9 |
| Deposits received under securities repurchase agreements | 108,261,853        | 10,884,385        | 14,977,778        | 111,147,697        | 245,271,713        | 38.3 | 195,569,293        | 35.3 |
| Funds from acceptance and issuance of securities         | 3,711,197          | 18,897,422        | 10,245,237        | 24,190,179         | 57,044,035         | 8.9  | 40,965,222         | 7.4  |
| Borrowings and onlending                                 | 2,581,440          | 12,750,347        | 14,961,024        | 26,560,967         | 56,853,778         | 8.9  | 57,872,143         | 10.5 |
| Subordinated debt (*)                                    | 1,166,915          | 3,383,474         | 81,323            | 44,710,324         | 49,342,036         | 7.7  | 38,366,648         | 6.9  |
| <b>TOTAL</b>   | <b>242,826,539</b> | <b>66,734,015</b> | <b>51,983,654</b> | <b>278,886,709</b> | <b>640,430,917</b> |      | <b>553,448,637</b> |      |
| % per maturity term                                      | 37.9               | 10.4              | 8.1               | 43.5               |                    |      |                    |      |
| <b>TOTAL – 09/30/2011</b>                                | <b>195,604,392</b> | <b>66,527,263</b> | <b>52,993,984</b> | <b>238,322,998</b> | <b>553,448,637</b> |      |                    |      |
| % per maturity term                                      | 35.3               | 12.0              | 9.6               | 43.1               |                    |      |                    |      |

(\*) Includes R\$ 798,296 (R\$ 728,949 at 09/30/2011) of Redeemable Preferred Shares classified under Minority Interest in Balance Sheet.

### b) Deposits

|                           | 09/30/2012         |                   |                   |                   |                    |      | 09/30/2011         |      |
|---------------------------|--------------------|-------------------|-------------------|-------------------|--------------------|------|--------------------|------|
|                           | 0-30               | 31-180            | 181-365           | Over 365 days     | Total              | %    | Total              | %    |
| Demand deposits           | 29,817,694         | -                 | -                 | -                 | 29,817,694         | 12.9 | 26,069,204         | 11.8 |
| Savings accounts          | 77,413,953         | -                 | -                 | -                 | 77,413,953         | 33.4 | 63,334,088         | 28.7 |
| Interbank                 | 3,271,012          | 4,384,747         | 1,606,010         | 254,083           | 9,515,852          | 4.0  | 2,157,338          | 1.0  |
| Time deposits             | 16,602,475         | 16,433,640        | 10,112,282        | 72,023,459        | 115,171,856        | 49.7 | 129,114,701        | 58.5 |
| <b>TOTAL</b>              | <b>127,105,134</b> | <b>20,818,387</b> | <b>11,718,292</b> | <b>72,277,542</b> | <b>231,919,355</b> |      | <b>220,675,331</b> |      |
| % per maturity term       | 54.8               | 9.0               | 5.1               | 31.1              |                    |      |                    |      |
| <b>TOTAL – 09/30/2011</b> | <b>118,615,296</b> | <b>25,545,979</b> | <b>10,914,648</b> | <b>65,599,408</b> | <b>220,675,331</b> |      |                    |      |
| % per maturity term       | 53.8               | 11.6              | 4.9               | 29.7              |                    |      |                    |      |

ITAÚ UNIBANCO HOLDING's portfolio is composed of interbank deposits in the amount of R\$ 5,154,518 (R\$ 4,705,826 at 09/30/2011 with maturity over 365 days) with maturity of 31 to 180 days.

c) Deposits received under securities repurchase agreements

|                              | 09/30/2012         |                   |                   |                    |                    | 09/30/2011  |                    |             |
|------------------------------|--------------------|-------------------|-------------------|--------------------|--------------------|-------------|--------------------|-------------|
|                              | 0 - 30             | 31 - 180          | 181 - 365         | Over 365 days      | Total              | %           | Total              | %           |
| <b>Own portfolio</b>         | <b>41,699,118</b>  | <b>10,884,385</b> | <b>14,818,288</b> | <b>94,345,489</b>  | <b>161,747,280</b> | <b>65.9</b> | <b>146,117,935</b> | <b>74.7</b> |
| Government securities        | 27,837,501         | 419,067           | 18,891            | 7,963              | 28,283,422         | 11.5        | 27,903,483         | 14.3        |
| Own issue                    | 2,297,935          | 10,461,837        | 14,679,670        | 94,337,526         | 121,776,968        | 49.6        | 110,565,185        | 56.5        |
| Foreign                      | 11,563,682         | 3,481             | 119,727           | -                  | 11,686,890         | 4.8         | 7,649,267          | 3.9         |
| <b>Third-party portfolio</b> | <b>66,487,407</b>  | -                 | -                 | -                  | <b>66,487,407</b>  | <b>27.2</b> | <b>36,047,478</b>  | <b>18.4</b> |
| <b>Free portfolio</b>        | <b>75,328</b>      | -                 | <b>159,490</b>    | <b>16,802,208</b>  | <b>17,037,026</b>  | <b>6.9</b>  | <b>13,403,880</b>  | <b>6.9</b>  |
| <b>TOTAL</b>                 | <b>108,261,853</b> | <b>10,884,385</b> | <b>14,977,778</b> | <b>111,147,697</b> | <b>245,271,713</b> |             | <b>195,569,293</b> |             |
| % per maturity term          | 44.1               | 4.4               | 6.1               | 45.4               |                    |             |                    |             |
| <b>TOTAL – 09/30/2011</b>    | <b>71,981,422</b>  | <b>12,968,985</b> | <b>14,058,938</b> | <b>96,559,948</b>  | <b>195,569,293</b> |             |                    |             |
| % per maturity term          | 36.8               | 6.6               | 7.2               | 49.4               |                    |             |                    |             |

d) Funds from acceptance and issuance of securities

|   | 09/30/2012       |                   |                   |                   |                   |             | 09/30/2011        |             |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------|-------------------|-------------|
|   | 0-30             | 31-180            | 181-365           | Over 365 days     | Total             | %           | Total             | %           |
| <b>FUNDS FROM BILLS:</b>                              | <b>2,033,517</b> | <b>13,980,964</b> | <b>6,994,230</b>  | <b>16,814,606</b> | <b>39,823,317</b> | <b>69.8</b> | <b>25,500,661</b> | <b>62.2</b> |
| of real estate loans                                  | 18,761           | 3,412,203         | 3,124,849         | 12,700,349        | 19,256,162        | 33.7        | 8,261,981         | 20.1        |
| Financial   | 1,702,257        | 9,303,933         | 2,989,384         | 1,448,873         | 15,444,447        | 27.1        | 13,752,700        | 33.6        |
| Bill of credit related to agribusiness                | 302,996          | 1,260,026         | 852,380           | 2,465,217         | 4,880,619         | 8.6         | 3,231,362         | 7.9         |
| Mortgage notes  | 9,503            | 4,802             | 27,617            | 200,167           | 242,089           | 0.4         | 254,618           | 0.6         |
| <b>DEBENTURES</b>                                     | <b>1,574,639</b> | <b>520,914</b>    | <b>520,996</b>    | <b>-</b>          | <b>2,616,549</b>  | <b>4.6</b>  | <b>1,114,449</b>  | <b>2.7</b>  |
| <b>FOREIGN SECURITIES</b>                             | <b>103,041</b>   | <b>4,395,544</b>  | <b>2,730,011</b>  | <b>7,375,573</b>  | <b>14,604,169</b> | <b>25.6</b> | <b>14,350,112</b> | <b>35.1</b> |
| Trade Related – issued abroad - Structure Note Issued | -                | -                 | -                 | -                 | -                 | -           | 972,477           | 2.4         |
| Non-Trade Related – Issued abroad                     | 103,041          | 4,395,544         | 2,730,011         | 7,375,573         | 14,604,169        | 25.6        | 13,377,635        | 32.7        |
| Brazil Risk Note Programme                            | 29,555           | 2,796,622         | 1,945,821         | 2,537,071         | 7,309,069         | 12.8        | 3,266,157         | 8.0         |
| Structure Note Issued                                 | 55,306           | 1,205,042         | 719,155           | 1,883,957         | 3,863,460         | 6.8         | 4,507,603         | 11.0        |
| Bonds   | 4,197            | 30,109            | 33,379            | 1,711,133         | 1,778,818         | 3.1         | -                 | -           |
| Fixed Rate Notes                                      | 12,823           | 36,555            | 5,723             | 1,193,620         | 1,248,721         | 2.2         | 433,772           | 1.1         |
| Euro Medium Term Note Programme                       | -                | -                 | -                 | -                 | -                 | -           | 291,101           | 0.7         |
| Euro Certificates of Deposits                         | -                | -                 | -                 | -                 | -                 | -           | 4,711,024         | 11.5        |
| Medium Term Note                                      | -                | -                 | -                 | -                 | -                 | -           | 157,770           | 0.4         |
| Eurobonds   | 986              | 276,517           | 3,500             | 25,483            | 306,486           | 0.5         | 10,208            | -           |
| Other   | 174              | 50,699            | 22,433            | 24,309            | 97,615            | 0.2         | -                 | -           |
| <b>TOTAL</b>  | <b>3,711,197</b> | <b>18,897,422</b> | <b>10,245,237</b> | <b>24,190,179</b> | <b>57,044,035</b> |             | <b>40,965,222</b> |             |
| % per maturity term                                   | 6.5              | 33.1              | 18.0              | 42.4              |                   |             |                   |             |
| <b>TOTAL – 09/30/2011</b>                             | <b>2,346,895</b> | <b>12,722,600</b> | <b>6,327,996</b>  | <b>19,567,731</b> | <b>40,965,222</b> |             |                   |             |
| % per maturity term                                   | 5.7              | 31.1              | 15.4              | 47.8              |                   |             |                   |             |

ITAÚ UNIBANCO HOLDING's portfolio is composed of Brazil Risk Note Programme with maturity of 31 days to 180 days in the amount of R\$ 18,667 (R\$ 18,667 at 09/30/2011) and over 365 days in the amount of R\$ 500,000 (R\$ 500,000 at 09/30/2011), totaling R\$ 518,667 (R\$ 518,667 at 09/30/2011).

e) Borrowings and onlending

|                                  | 09/30/2012       |                   |                   |                   |                   |             | 09/30/2011        |             |
|----------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------|-------------------|-------------|
|                                  | 0-30             | 31-180            | 181-365           | Over 365 days     | Total             | %           | Total             | %           |
| <b>BORROWINGS</b>                | <b>1,656,372</b> | <b>8,382,261</b>  | <b>8,585,099</b>  | <b>3,370,086</b>  | <b>21,993,818</b> | <b>38.7</b> | <b>21,798,842</b> | <b>37.7</b> |
| Domestic                         | 221,351          | 6,512             | 54,318            | 131,606           | 413,787           | 0.7         | 2,621,036         | 4.5         |
| Foreign (*)                      | 1,435,021        | 8,375,749         | 8,530,781         | 3,238,480         | 21,580,031        | 38.0        | 19,177,806        | 33.1        |
| <b>ONLENDING</b>                 | <b>925,068</b>   | <b>4,368,086</b>  | <b>6,375,925</b>  | <b>23,190,881</b> | <b>34,859,960</b> | <b>61.3</b> | <b>36,073,301</b> | <b>62.3</b> |
| Domestic – official institutions | 925,068          | 3,943,092         | 6,353,148         | 23,034,561        | 34,255,869        | 60.3        | 35,497,556        | 61.3        |
| BNDES                            | 256,075          | 1,005,778         | 1,170,084         | 7,871,697         | 10,303,634        | 18.1        | 9,868,073         | 17.1        |
| FINAME                           | 645,467          | 2,876,693         | 5,104,112         | 14,927,677        | 23,553,949        | 41.4        | 25,173,414        | 43.5        |
| Other                            | 23,526           | 60,621            | 78,952            | 235,187           | 398,286           | 0.7         | 456,069           | 0.8         |
| Foreign                          | -                | 424,994           | 22,777            | 156,320           | 604,091           | 1.1         | 575,745           | 1.0         |
| <b>TOTAL</b>                     | <b>2,581,440</b> | <b>12,750,347</b> | <b>14,961,024</b> | <b>26,560,967</b> | <b>56,853,778</b> |             | <b>57,872,143</b> |             |
| % per maturity term              | 4.5              | 22.4              | 26.3              | 46.7              |                   |             |                   |             |
| <b>TOTAL- 09/30/2011</b>         | <b>2,604,656</b> | <b>15,248,184</b> | <b>13,007,671</b> | <b>27,011,632</b> | <b>57,872,143</b> |             |                   |             |
| % per maturity term              | 4.5              | 26.3              | 22.5              | 46.7              |                   |             |                   |             |

(\*) Foreign borrowings are basically represented by foreign exchange transactions related to export pre-financing and import financing.

f) Subordinated debt

|  | 09/30/2012       |                  |                  |                   |                   |       | 09/30/2011        |       |
|--|------------------|------------------|------------------|-------------------|-------------------|-------|-------------------|-------|
|  | 0-30             | 31-180           | 181-365          | Over 365 days     | Total             | %     | Total             | %     |
| CDB                                      | 1,105,380        | 3,290,189        | 77,455           | 10,900,748        | 15,373,772        | 31.2  | 22,566,862        | 58.8  |
| Financial Treasury bills                 | -                | -                | -                | 20,712,197        | 20,712,197        | 42.0  | 9,623,543         | 25.1  |
| Euronotes                                | 57,703           | 93,285           | -                | 12,024,582        | 12,175,570        | 24.7  | 5,171,553         | 13.5  |
| Bonds                                    | 3,832            | -                | 3,744            | 319,351           | 326,927           | 0.7   | 300,469           | 0.8   |
| Eurobonds                                | -                | -                | -                | -                 | -                 | -     | -                 | -     |
| (-) Transaction costs incurred (Note 4b) | -                | -                | -                | (44,726)          | (44,726)          | (0.1) | (24,728)          | (0.1) |
| <b>TOTAL OTHER LIABILITIES</b>           | <b>1,166,915</b> | <b>3,383,474</b> | <b>81,199</b>    | <b>43,912,152</b> | <b>48,543,740</b> |       | <b>37,637,699</b> |       |
| Redeemable preferred shares              | -                | -                | 124              | 798,172           | 798,296           | 1.6   | 728,949           | 1.9   |
| <b>GRAND TOTAL (*)</b>                   | <b>1,166,915</b> | <b>3,383,474</b> | <b>81,323</b>    | <b>44,710,324</b> | <b>49,342,036</b> |       | <b>38,366,648</b> |       |
| % per maturity term                      | 2.4              | 6.9              | 0.2              | 90.6              |                   |       |                   |       |
| <b>TOTAL- 09/30/2011</b>                 | <b>56,123</b>    | <b>41,515</b>    | <b>8,684,731</b> | <b>29,584,279</b> | <b>38,366,648</b> |       |                   |       |
| % per maturity term                      | 0.1              | 0.1              | 22.6             | 77.1              |                   |       |                   |       |

(\*) The amount of R\$ 44,980,135 (R\$ 35,701,196 at 09/30/2011) is included in the Referential Equity, using the proportionalities set forth in CMN Resolution No. 3,444 of February 28, 2007 and changes made by CMN Resolution No. 3,532 of January 31, 2008.

| <b>Description</b>                        |   |              |                 |                              |                        |  |
|---|---|--------------|-----------------|------------------------------|------------------------|--|
| <b>Name of security / Currency</b>        | <b>Principal Amount<br/>(Original Currency)</b> | <b>Issue</b> | <b>Maturity</b> | <b>Return p.a.</b>           | <b>Account balance</b> |  |
| <b>Subordinated CDB - BRL</b>             |   |              |                 |                              |                        |  |
|   | 200,000   | 2002         | 2012            | 102,5% of CDI                | 735,548                |  |
|   | 93,000  | 2007         | 2012            | 103,8% of CDI                | 156,469                |  |
|   | 237,380   |              |                 | 100% of CDI + 0,35% to 0,45% | 400,123                |  |
|   | 278,350   |              |                 | IGPM + 7,31                  | 552,807                |  |
|   | 1,558,200                                       | 2008         | 2013            | 100% of CDI + 0,5% to 0,6%   | 2,550,623              |  |
|   | 48,401  |              |                 | 106% to 107% of CDI          | 77,455                 |  |
|   | 40,000  | 2003         | 2013            | 102% of CDI                  | 118,865                |  |
|   | 1,864,500                                       | 2007         | 2014            | 100% of CDI + 0,35% to 0,6%  | 3,271,100              |  |
|   | 33,200  |              |                 | IGPM + 7,35%                 | 65,947                 |  |
|   | 1,000,000                                       | 2008         | 2014            | 112% of CDI                  | 1,525,553              |  |
|   | 400,000   | 2008         | 2015            | 119,8% of CDI                | 643,854                |  |
|   | 50,000  | 2010         | 2015            | 113% of CDI                  | 67,293                 |  |
|   | 465,835   | 2006         | 2016            | 100% of CDI + 0,7% (*)       | 875,785                |  |
|   | 2,719,268                                       | 2010         | 2016            | 110% to 114% of CDI          | 3,658,563              |  |
|   | 122,500   |              |                 | IPCA + 7,33%                 | 168,308                |  |
|   | 366,830   | 2010         | 2017            | IPCA + 7,45%                 | 505,479                |  |
|   |   |              |                 | <b>TOTAL</b>                 | <b>15,373,772</b>      |  |
| <b>Subordinated financial bills - BRL</b> |   |              |                 |                              |                        |  |
|   | 365,000   | 2010         | 2016            | 100% of CDI + 1,35% to 1,36% | 368,272                |  |
|   | 1,874,000                                       |              |                 | 112% to 112,5% of CDI        | 1,890,775              |  |
|   | 30,000  |              |                 | IPCA + 7%                    | 37,448                 |  |
|   | 206,000   | 2010         | 2017            | IPCA + 6,95% to 7,2%         | 237,741                |  |
|   | 3,223,500                                       | 2011         | 2017            | 108% to 112% of CDI          | 3,341,764              |  |
|   | 352,400   |              |                 | IPCA + 6,15% to 7,8%         | 394,299                |  |
|   | 138,000   |              |                 | IGPM + 6,55% to 7,6%         | 158,863                |  |
|   | 3,650,000                                       |              |                 | 100% of CDI + 1,29% to 1,52% | 3,782,973              |  |
|   | 500,000   | 2012         | 2017            | 100% of CDI + 1,12%          | 515,213                |  |
|   | 42,000  | 2011         | 2018            | IGPM + 7%                    | 48,568                 |  |
|   | 30,000  |              |                 | IPCA + 7,53% to 7,7%         | 32,937                 |  |
|   | 460,645   | 2012         | 2018            | IPCA + 4,40% to 6,58%        | 492,196                |  |
|   | 2,597,400                                       |              |                 | 100% of CDI + 1,05% to 1,32% | 2,657,964              |  |
|   | 4,978,027                                       |              |                 | 108% to 113% of CDI          | 5,121,141              |  |
|   | 112,000   |              |                 | PRE + 10,15 to 12,2%         | 114,621                |  |
|   | 2,000   | 2011         | 2019            | 109% to 109,7% of CDI        | 2,189                  |  |
|   | 12,000  | 2012         | 2019            | PRE + 12,2%                  | 12,809                 |  |
|   | 100,500   |              |                 | IPCA + 4,70% to 6,30%        | 104,825                |  |
|   | 1,000   |              |                 | 110% of CDI                  | 1,072                  |  |
|   | 20,000  | 2012         | 2020            | IPCA + 6,00% to 6,17%        | 21,191                 |  |
|   | 1,000   |              |                 | 109% to 111% of CDI          | 1,073                  |  |
|   | 6,000   | 2011         | 2021            | 109,25 to 110,5% of CDI      | 6,719                  |  |
|   | 1,330,200                                       | 2012         | 2022            | IPCA + 5,40% to 5,83%        | 1,347,464              |  |
|   | 20,000  |              |                 | IGPM + 4,63%                 | 20,080                 |  |
|   |   |              |                 | <b>TOTAL</b>                 | <b>20,712,197</b>      |  |
| <b>Subordinated euronotes - USD</b>       |   |              |                 |                              |                        |  |
|   | 1,000,000                                       | 2010         | 2020            | 6.2%                         | 2,081,438              |  |
|   | 1,000,000                                       | 2010         | 2021            | 5.75%                        | 2,045,340              |  |
|   | 750,000   | 2011         | 2021            | 5,75% to 6,2%                | 1,479,828              |  |
|   | 550,000   | 2012         | 2021            | 6.2%                         | 1,166,069              |  |
|   | 2,625,000                                       | 2012         | 2022            | 5,50% to 5,65%               | 5,358,169              |  |
|   |   |              |                 | <b>TOTAL</b>                 | <b>12,130,844</b>      |  |
| <b>Subordinated bonds - EUR</b>           |   |              |                 |                              |                        |  |
|   | 100,000   | 2005         | 2015            | 1.42%                        | 187,050                |  |
| <b>Subordinated bonds - CLP</b>           |   |              |                 |                              |                        |  |
|   | 41,528,200                                      | 2008         | 2033            | 3,5% to 4,5%                 | 139,877                |  |
|   |   |              |                 | <b>TOTAL</b>                 | <b>326,927</b>         |  |
| <b>Preferred shares - USD</b>             |   |              |                 |                              |                        |  |
|   | 393,072   | 2002         | 2015            | 3.04%                        | 798,296                |  |
| <b>TOTAL</b>                              |   |              |                 |                              | <b>49,342,036</b>      |  |

(\*) Subordinated CDBs may be redeemed as from November 2011.

ITAÚ UNIBANCO HOLDING's portfolio is composed of Subordinated Euronotes with maturity of up to 30 days in the amount of R\$ 57,703 (R\$ 53,015 at 09/30/2011), with maturity of 31 to 180 days in the amount of R\$ 93,285 (R\$ 41,515 09/30/2011) and over 365 days in the amount of R\$ 11,979,856 (R\$ 5,052,295 at 09/30/2011), totaling R\$ 12,130,844 (R\$ 5,146,825 at 09/30/2011).

**NOTE 11 - INSURANCE, PENSION PLAN AND CAPITALIZATION OPERATIONS**

**a) Composition of the technical provisions per segment**

|   | INSURANCE        |                  | PENSION PLAN      |                   | CAPITALIZATION   |                  | TOTAL             |                   |
|---|------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|
|   | 09/30/2012       | 09/30/2011       | 09/30/2012        | 09/30/2011        | 09/30/2012       | 09/30/2011       | 09/30/2012        | 09/30/2011        |
| Unearned premiums   | 3,367,742        | 2,969,533        | -                 | -                 | -                | -                | 3,367,742         | 2,969,533         |
| Mathematical provision of benefits to be granted and benefits granted | 19,312           | 16,247           | 74,396,741        | 58,314,187        | -                | -                | 74,416,053        | 58,330,434        |
| Premium deficiency / Insufficient contribution                        | 357,754          | 298,750          | 736,994           | 660,860           | -                | -                | 1,094,748         | 959,610           |
| Financial surplus   | 1,455            | 1,519            | 494,045           | 470,686           | -                | -                | 495,500           | 472,205           |
| Mathematical provision for redemptions                                | -                | -                | -                 | -                 | 2,846,938        | 2,762,113        | 2,846,938         | 2,762,113         |
| Provision for raffles   | -                | -                | -                 | -                 | 16,947           | 26,921           | 16,947            | 26,921            |
| Unsettled claims  | 2,649,754        | 2,477,419        | -                 | -                 | -                | -                | 2,649,754         | 2,477,419         |
| Claims / Events incurred but not reported (IBNR)                      | 827,812          | 710,019          | 11,937            | 10,533            | -                | -                | 839,749           | 720,552           |
| Other provisions (Note 4m II.I)                                       | 1,317,595        | 1,236,214        | 199,420           | 180,611           | 36,612           | 34,083           | 1,553,627         | 1,450,908         |
| <b>TOTAL</b>  | <b>8,541,424</b> | <b>7,709,701</b> | <b>75,839,137</b> | <b>59,636,877</b> | <b>2,900,497</b> | <b>2,823,117</b> | <b>87,281,058</b> | <b>70,169,695</b> |

**b) Assets Guaranteeing Technical Provisions - SUSEP**

|  | INSURANCE               |                         | PENSION PLAN             |                          | CAPITALIZATION          |                         | TOTAL                    |                          |
|--|-------------------------|-------------------------|--------------------------|--------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
|  | 09/30/2012              | 09/30/2011              | 09/30/2012               | 09/30/2011               | 09/30/2012              | 09/30/2011              | 09/30/2012               | 09/30/2011               |
| Interbank investments – money market                             | 690,857                 | 885,427                 | 802,895                  | 1,163,496                | 1,056,449               | 1,277,938               | 2,550,201                | 3,326,861                |
| Securities and derivative financial instruments                  | <u>3,361,790</u>        | <u>2,630,046</u>        | <u>75,328,224</u>        | <u>58,862,052</u>        | <u>1,943,253</u>        | <u>1,611,513</u>        | <u>80,633,267</u>        | <u>63,103,611</u>        |
| <b>PGBL/VGBL FUND QUOTAS (1)</b>                                 | -                       | -                       | <b><u>69,856,629</u></b> | <b><u>54,090,499</u></b> | -                       | -                       | <b><u>69,856,629</u></b> | <b><u>54,090,499</u></b> |
| Government securities - Domestic                                 | -                       | -                       | <u>46,518,109</u>        | <u>37,681,147</u>        | -                       | -                       | <u>46,518,109</u>        | <u>37,681,147</u>        |
| National Treasury Bills  | -                       | -                       | 12,143,413               | 17,776,775               | -                       | -                       | 12,143,413               | 17,776,775               |
| National Treasury Notes  | -                       | -                       | 29,353,009               | 16,376,179               | -                       | -                       | 29,353,009               | 16,376,179               |
| Financial Treasury Bills   | -                       | -                       | 5,021,687                | 3,528,193                | -                       | -                       | 5,021,687                | 3,528,193                |
| Corporate securities   | -                       | -                       | <u>23,015,851</u>        | <u>16,294,674</u>        | -                       | -                       | <u>23,015,851</u>        | <u>16,294,674</u>        |
| Bank deposit certificates  | -                       | -                       | 5,122,402                | 6,880,718                | -                       | -                       | 5,122,402                | 6,880,718                |
| Debentures   | -                       | -                       | 2,483,517                | 4,902,961                | -                       | -                       | 2,483,517                | 4,902,961                |
| Shares   | -                       | -                       | 1,469,220                | 1,649,728                | -                       | -                       | 1,469,220                | 1,649,728                |
| Credit note  | -                       | -                       | 806,749                  | 141,717                  | -                       | -                       | 806,749                  | 141,717                  |
| Financial Treasury bills   | -                       | -                       | 13,128,335               | 2,718,112                | -                       | -                       | 13,128,335               | 2,718,112                |
| Securitized real estate loans                                    | -                       | -                       | 5,628                    | 1,438                    | -                       | -                       | 5,628                    | 1,438                    |
| PGBL/VGBL fund quotas  | -                       | -                       | 389,174                  | 45,383                   | -                       | -                       | 389,174                  | 45,383                   |
| Derivative financial instruments                                 | -                       | -                       | 25,634                   | 32,371                   | -                       | -                       | 25,634                   | 32,371                   |
| Accounts receivable / (payable)                                  | -                       | -                       | (92,139)                 | 36,924                   | -                       | -                       | (92,139)                 | 36,924                   |
| <b>Other assets</b>  | <b><u>3,361,790</u></b> | <b><u>2,630,046</u></b> | <b><u>5,471,595</u></b>  | <b><u>4,771,553</u></b>  | <b><u>1,943,253</u></b> | <b><u>1,611,513</u></b> | <b><u>10,776,638</u></b> | <b><u>9,013,112</u></b>  |
| Government   | 1,122,232               | 812,981                 | 4,219,841                | 3,613,083                | 273,426                 | 161,507                 | 5,615,499                | 4,587,571                |
| Private  | 2,239,558               | 1,817,065               | 1,251,754                | 1,158,470                | 1,669,827               | 1,450,006               | 5,161,139                | 4,425,541                |
| <b>Receivables from insurance and reinsurance operations (2)</b> | <b><u>4,578,916</u></b> | <b><u>4,295,183</u></b> | -                        | -                        | -                       | -                       | <b><u>4,578,916</u></b>  | <b><u>4,295,183</u></b>  |
| Credit rights  | 1,114,637               | 1,090,837               | -                        | -                        | -                       | -                       | 1,114,637                | 1,090,837                |
| Commercial – Extended guarantee                                  | 1,290,864               | 1,217,753               | -                        | -                        | -                       | -                       | 1,290,864                | 1,217,753                |
| Reinsurance  | 2,173,415               | 1,986,593               | -                        | -                        | -                       | -                       | 2,173,415                | 1,986,593                |
| <b>Escrow deposits for loss</b>                                  | -                       | <b><u>26,360</u></b>    | -                        | -                        | -                       | -                       | -                        | <b><u>26,360</u></b>     |
| <b>TOTAL</b>   | <b><u>8,631,563</u></b> | <b><u>7,837,016</u></b> | <b><u>76,131,119</u></b> | <b><u>60,025,548</u></b> | <b><u>2,999,702</u></b> | <b><u>2,889,451</u></b> | <b><u>87,762,384</u></b> | <b><u>70,752,015</u></b> |

(1) The PGBL and VGBL plans securities portfolios, the ownership and embedded risks of which are the customer's responsibility, are recorded as securities – trading securities, with a contra-entry to long-term liabilities in Pension Plan Technical Provisions account, as determined by SUSEP.

(2) Recorded under Other receivables and Other assets.



c) Financial and operating income per segment

|  | INSURANCE              |                        | PENSION PLAN           |                        | CAPITALIZATION         |                        | TOTAL                  |                        |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
| <b>Financial income from insurance, pension plan and capitalization operations</b> | <b>250,789</b>         | <b>223,056</b>         | <b>161,185</b>         | <b>167,043</b>         | <b>98,769</b>          | <b>108,997</b>         | <b>510,743</b>         | <b>499,096</b>         |
| Financial income   | 277,635                | 272,529                | 4,819,833              | 3,616,675              | 216,612                | 250,317                | 5,314,080              | 4,139,521              |
| Financial expenses   | (26,846)               | (49,473)               | (4,658,648)            | (3,449,632)            | (117,843)              | (141,320)              | (4,803,337)            | (3,640,425)            |
| <b>Operating income from insurance, pension plan and capitalization operations</b> | <b>1,668,579</b>       | <b>1,511,795</b>       | <b>75,445</b>          | <b>21,473</b>          | <b>377,498</b>         | <b>362,296</b>         | <b>2,121,522</b>       | <b>1,895,564</b>       |
| Premiums and contributions   | 4,314,848              | 4,080,279              | 12,396,670             | 8,289,022              | 1,503,479              | 1,402,831              | 18,214,997             | 13,772,132             |
| Changes in technical provisions  | (304,055)              | (508,207)              | (12,299,414)           | (8,253,384)            | (5,575)                | (10,320)               | (12,609,044)           | (8,771,911)            |
| Expenses for claims, benefits, redemptions and raffles                             | (1,539,497)            | (1,190,014)            | (16,457)               | (11,920)               | (1,122,974)            | (1,026,283)            | (2,678,928)            | (2,228,217)            |
| Selling expenses   | (758,216)              | (731,573)              | (2,077)                | (1,823)                | (2,431)                | (3,806)                | (762,724)              | (737,202)              |
| Other operating revenues and expenses  | (44,501)               | (138,690)              | (3,277)                | (422)                  | 4,999                  | (126)                  | (42,779)               | (139,238)              |
| <b>Total result from insurance, pension plan and capitalization operations</b>     | <b>1,919,368</b>       | <b>1,734,851</b>       | <b>236,630</b>         | <b>188,516</b>         | <b>476,267</b>         | <b>471,293</b>         | <b>2,632,265</b>       | <b>2,394,660</b>       |

## NOTE 12 - CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES – TAX AND SOCIAL SECURITY

In the ordinary course of its businesses, ITAÚ UNIBANCO HOLDING CONSOLIDATED is involved in contingencies that may be classified as follows.

**a) Contingent Assets:** there are no contingent assets recorded.

**b) Provisions and Contingencies:** The criteria to quantify contingencies are adequate in relation to the specific characteristics of civil, labor and tax lawsuits portfolios, as well as other risks.

### - Civil lawsuits:

Collective lawsuits (related to claims considered similar and which each individual amount is not considered significant): contingencies are determined on a monthly basis and the expected amount of losses is accrued according to statistical references that take into account the type of lawsuit and the characteristics of the legal body (Small Claims Court or Regular Court).

Individual lawsuits (related to claims with unusual characteristics or involving significant amounts): determined from time to time, based on the amount claimed and the likelihood of loss, which, in turn, is estimated according to the “de facto” and “de jure” characteristics related to such lawsuit. The amounts of losses which likelihood of loss is considered probable are accrued.

Contingencies usually arise from revision of contracts and compensation for property damage and pain and suffering; most of these lawsuits are filed in the Small Claims Court and therefore limited to 40 minimum monthly wages. ITAÚ UNIBANCO CONSOLIDATED is also party to specific lawsuits over the charging of understated inflation adjustment to savings accounts in connection with economic plans.

The case law at the Federal Supreme Court is favorable to banks in relation to an economic phenomenon similar to savings, as in the case of adjustment to time deposits and contracts in general. Additionally, the Superior Court of Justice has recently decided that the term for filing public civil actions over understated inflation is five years. In view of such decision, some of the lawsuits may be dismissed because they were filed after the five-year period.

In the accounting books no amount is recognized in relation to Civil Lawsuits which likelihood of loss is considered possible, which total estimated risk is R\$ 1,647,949 and main natures of these lawsuits refer to claims form compensation or collections, the individual amounts of which are not significant.

### - Labor claims

Collective lawsuits (related to claims considered similar and which each individual amount is not considered significant): The expected amount of loss is determined and accrued monthly according to the statistical share pricing model, plus the average cost of fees. These are adjusted to the amounts deposited as guarantee for their execution when realized.

Individual lawsuits (related to claims with unusual characteristics or involving significant amounts): determined from time to time, based on the amount claimed and the likelihood of loss, which, in turn, is estimated according to the “de facto” and “de jure” characteristics related to such lawsuit. The amounts of losses which likelihood of loss is considered probable are accrued.

Contingencies are related to lawsuits in which alleged labor rights based on labor legislation specific to the related profession, such as overtime, salary equalization, reinstatement, transfer allowance, pension plan supplement and other, are discussed;

There are no labor claims falling under the category of possible loss.

### - Other Risks

These are quantified and accrued mainly based on the evaluation of rural credit transactions with joint liability and FCVS (salary variations compensation fund) credits assigned to Banco Nacional.

The table below shows the changes in the respective provisions for contingent liabilities and the respective escrow deposits balances:

|  | 01/01 to 09/30/2012 |                  |                |                  | 01/01 to<br>09/30/2011 |
|--|---------------------|------------------|----------------|------------------|------------------------|
|  | Civil               | Labor            | Other          | Total            | Total                  |
| <b>Opening balance</b>   | <b>3,165,594</b>    | <b>4,013,915</b> | <b>165,303</b> | <b>7,344,812</b> | <b>7,132,647</b>       |
| (-) Contingencies guaranteed by indemnity clauses (Note 4n I)  | (136,688)           | (929,875)        | -              | (1,066,563)      | (1,421,626)            |
| <b>Subtotal</b>  | <b>3,028,906</b>    | <b>3,084,040</b> | <b>165,303</b> | <b>6,278,249</b> | <b>5,711,021</b>       |
| Restatement/Charges  | 101,362             | 87,191           | -              | 188,553          | 143,885                |
| Changes in the period reflected in results (Notes 13f and 13i) | 1,250,805           | 896,274          | 13,684         | 2,160,763        | 1,661,393              |
| Increase (*)   | 1,768,700           | 936,236          | 15,664         | 2,720,600        | 2,121,575              |
| Reversal   | (517,895)           | (39,962)         | (1,980)        | (559,837)        | (460,182)              |
| Payment  | (1,264,746)         | (673,840)        | -              | (1,938,586)      | (1,374,872)            |
| <b>Subtotal</b>  | <b>3,116,327</b>    | <b>3,393,665</b> | <b>178,987</b> | <b>6,688,979</b> | <b>6,141,427</b>       |
| (+) Contingencies guaranteed by indemnity clauses (Note 4n I)  | 133,424             | 835,901          | -              | 969,325          | 1,200,783              |
| <b>Closing balance (Note 13c)</b>                              | <b>3,249,751</b>    | <b>4,229,566</b> | <b>178,987</b> | <b>7,658,304</b> | <b>7,342,210</b>       |
| <b>Closing balance at 09/30/2011 (Note 13c)</b>                | <b>3,104,975</b>    | <b>4,071,052</b> | <b>166,183</b> | <b>7,342,210</b> |                        |
| <b>Escrow deposits at 09/30/2012 (Note 13a)</b>                | <b>2,048,533</b>    | <b>2,437,948</b> | <b>-</b>       | <b>4,486,481</b> |                        |
| <b>Escrow deposits at 09/30/2011 (Note 13a)</b>                | <b>2,015,701</b>    | <b>2,437,307</b> | <b>-</b>       | <b>4,453,008</b> |                        |

(\*) Civil provisions include the provision for economic plans amounting to R\$ 202,097 (R\$ 230,739 from January 1 to September 30, 2011) (Note 22k).

- **Tax and social security lawsuits**

Contingencies are equivalent to the principal amount of taxes involved in tax, administrative or judicial challenges, subject to tax assessment notices, plus interest and, when applicable, fines and charges. The amount is accrued when it involves legal obligation, regardless of the likelihood of loss, that is, a favorable outcome to the institution is dependent upon the recognition of the unconstitutionality of the applicable law in force. In other cases, the Bank recognizes a provision whenever the likelihood of loss is probable.

The table below shows the changes in the provisions and respective escrow deposits for Tax and Social Security lawsuits balances:

| Provisions   | 01/01 to 09/30/2012 |                  |                  | 01/01 to<br>09/30/2011 |
|--|---------------------|------------------|------------------|------------------------|
|  | Legal<br>obligation | Contingencies    | Total            | Total                  |
| <b>Opening balance</b>                                   | <b>6,273,013</b>    | <b>2,371,539</b> | <b>8,644,552</b> | <b>7,256,753</b>       |
| (-) Contingencies guaranteed by indemnity clauses        | -                   | (57,438)         | (57,438)         | (44,473)               |
| <b>Subtotal</b>  | <b>6,273,013</b>    | <b>2,314,101</b> | <b>8,587,114</b> | <b>7,212,280</b>       |
| Restatement/Charges                                      | 600,405             | 97,053           | 697,458          | 398,521                |
| Changes in the period reflected in results               | <b>423,538</b>      | <b>(72,104)</b>  | <b>351,434</b>   | <b>719,177</b>         |
| Increase   | 432,472             | 140,190          | 572,662          | 799,423                |
| Reversal   | (8,934)             | (212,294)        | (221,228)        | (80,246)               |
| Payment  | (6,281)             | (68,247)         | (74,528)         | (107,891)              |
| <b>Subtotal</b>  | <b>7,290,675</b>    | <b>2,270,803</b> | <b>9,561,478</b> | <b>8,222,087</b>       |
| (+) Contingencies guaranteed by indemnity clauses        | -                   | 60,516           | 60,516           | 10,781                 |
| <b>Closing balance (Note 13c and 14c)</b>                | <b>7,290,675</b>    | <b>2,331,319</b> | <b>9,621,994</b> | <b>8,232,868</b>       |
| <b>Closing balance at 09/30/2011 (Notes 13c and 14c)</b> | <b>5,872,371</b>    | <b>2,360,497</b> | <b>8,232,868</b> | <b>-</b>               |

| Escrow deposits   | 01/01 to 09/30/2012 |                  |                  | 01/01 to<br>09/30/2011 |
|---|---------------------|------------------|------------------|------------------------|
|   | Legal<br>obligation | Contingencies    | Total            | Total                  |
| <b>Opening balance</b>  | <b>3,979,486</b>    | <b>1,198,827</b> | <b>5,178,313</b> | <b>4,683,883</b>       |
| Appropriation of income   | 212,965             | 56,661           | 269,626          | 296,881                |
| Changes in the period   | <u>169,844</u>      | <u>10,844</u>    | <u>180,688</u>   | <u>171,968</u>         |
| Deposited   | 206,728             | 23,031           | 229,759          | 205,104                |
| Withdrawals   | (29,906)            | (11,490)         | (41,396)         | (23,645)               |
| Conversion into income  | (6,978)             | (697)            | (7,675)          | (9,491)                |
| <b>Closing balance</b>  | <b>4,362,295</b>    | <b>1,266,332</b> | <b>5,628,627</b> | <b>5,152,732</b>       |
| <b>Relocated to assets pledged in guarantee<br/>of contingencies (note 12d)</b> | -                   | <b>(896,067)</b> | <b>(896,067)</b> | -                      |
| <b>Closing balance after relocated</b>  | <b>4,362,295</b>    | <b>370,265</b>   | <b>4,732,560</b> | <b>5,152,732</b>       |
| <b>Closing balance at 09/30/2011</b>  | <b>3,955,871</b>    | <b>1,196,861</b> | <b>5,152,732</b> |                        |

The main discussions related to Legal Obligations are described as follows:

- PIS and COFINS – Calculation basis – R\$ 3,304,741: we defend the levy of contributions on revenue, understood as the revenue from sales of assets and services. The escrow deposit balance totals R\$ 1,100,826.
- CSLL – Isonomy – R\$ 1,883,634: as the law increased the CSLL rate for financial and insurance companies to 15%, we discuss the lack of constitutional support for this measure and, due to the principle of isonomy, we defend the levy at the regular rate of 9%. The escrow deposit balance totals R\$ 367,686.
- IRPJ and CSLL –Taxation of profits earned abroad – R\$ 510,538: We discuss the calculation basis for levy of these taxes on profits earned abroad and the non-applicability of Regulatory Instruction SRF No. 213-02 in which it exceeds the suitability of the legal text. The escrow deposit balance totals R\$ 469,858.
- PIS – R\$ 382,262 - Principles of anteriority over 90 days and non-retroactivity: we request the rejection of Constitutional Amendments No. 10/96 and 17/97 in view of the principle of anteriority and non-retroactivity, aiming at making payments based on Supplementary Law No. 07/70. The corresponding escrow deposit totals R\$ 110,138.

Off-balance sheet contingencies - The amounts related to Tax and Social Security Lawsuits considered to be as possible loss, which total estimated risk is R\$ 7,509,653, are the following:

- IRPJ, CSLL, PIS and COFINS – request for offset dismissed - R\$ 1,435,993: cases in which the liquidity and the offset credit certainty are discussed.
- INSS – Non-compensatory amounts – R\$ 1,002,880: we defend the non-taxation of these amounts, mainly profit sharing, transportation vouchers and sole bonus.
- IRPJ, CSLL - Interest on capital - R\$ 870,250: we defend the deductibility of interest on capital declared to stockholders based on the Brazilian long-term interest rate (TJLP) on the stockholders' equity for the year and for prior years.
- IRPJ, CSLL - Losses and discounts on receipt of credits – R\$ 449,386: deductibility of effective losses as operating expense – credit assignment and renegotiation.
- IRPJ, CSLL – Profit made available abroad R\$ 316,809: Application of the Brazilian tax rule (taxable income) – IN 213/2002 and non availability of profit with the simple transfer of capital between the Holding's investees.
- ISS – Banking Institutions – R\$ 307,243: these are banking operations, which revenue may not be interpreted as price per service rendered and/or arises from activities not listed under a Supplementary Law.

**c) Receivables - Reimbursement of contingencies**

The Receivables balance arising from reimbursements of contingencies totals R\$ 671,220 (R\$ 687,851 at 09/30/2011) (Note 13a), basically represented by the guarantee in the Banco Banerj S.A. privatization process occurred in 1997, in which the State of Rio de Janeiro created a fund to guarantee the equity recomposition of Civil, Labor and Tax Contingencies.

**d) Assets pledged as Contingencies**

Assets pledged in guarantee for contingencies are related to liability contingencies and restricted or deposited as presented below:

|   | <b>09/30/2012</b> | <b>09/30/2011</b> |
|---|-------------------|-------------------|
| Securities (basically Financial Treasury Bills – Note 7b) | 1,427,341         | 1,499,897         |
| Deposits in guarantee                                     | 4,041,708         | 3,404,911         |

In general, provisions related to lawsuits of ITAÚ UNIBANCO HOLDING are long term, considering the time required for the termination of these lawsuits in the Brazilian judicial system, reason why estimate for the specific year in which these lawsuits will be terminated have not been prepared nor disclosed.

According to the opinion of its legal advisors, ITAÚ UNIBANCO HOLDING and its subsidiaries are not involved in any other administrative or judicial proceedings that may significantly impact the results of their operations. The combined evaluation of all existing provisions for all contingent liabilities and legal obligations, which are recognized based on statistical models for claims involving small amounts and on individual evaluation by internal and external legal advisors of other cases, showed that the accrued amounts are sufficient, as provided for by CMN Resolution No. 3,823, of December 16, 2009, and BACEN Circular Letter No. 3,429, of February 11, 2010.



## NOTE 13 - BREAKDOWN OF ACCOUNTS

### a) Other sundry receivables

|  | 09/30/2012        | 09/30/2011        |
|--|-------------------|-------------------|
| Deferred tax assets (Note 14b I)   | 31,462,518        | 28,701,443        |
| Social contribution for offset (Note 14b I)  | 644,470           | 813,854           |
| Taxes and contributions for offset   | 3,209,987         | 2,929,973         |
| Escrow deposits for legal liabilities and tax and social security contingencies (Note 12b) | 8,774,268         | 8,557,643         |
| Escrow deposits for legal liabilities – civil and labor (Note 12b)                         | 4,486,481         | 4,453,008         |
| Escrow deposits for foreign fund raising program   | 707,106           | 602,644           |
| Receivables from reimbursement of contingent liabilities (Note 12c)                        | 671,220           | 687,851           |
| Sundry domestic debtors  | 1,453,156         | 1,009,146         |
| Sundry foreign debtors   | 110,242           | 83,865            |
| Retirement plan assets (Note 19)   | 2,141,178         | 1,615,379         |
| Recoverable payments   | 38,051            | 34,729            |
| Salary advances  | 207,302           | 196,869           |
| Amounts receivable from related companies  | 11,924            | 20,894            |
| Operations without credit granting characteristics   | <u>139,668</u>    | <u>188,833</u>    |
| Securities and credits receivable  | 528,951           | 492,679           |
| (Allowance for loan losses)  | (389,283)         | (303,846)         |
| Other  | 187,872           | 118,157           |
| <b>Total</b>   | <b>54,245,443</b> | <b>50,014,288</b> |

At ITAÚ UNIBANCO HOLDING, Other Sundry Receivables are basically composed of Taxes and Contributions for Offset of R\$ 153,185 (R\$ 90,711 at 09/30/2011) and Deferred Tax Assets of R\$ 1,072,951 (R\$ 1,002,579 at 09/30/2011) (Note 14b I).

**b) Prepaid expenses**

|  | <b>09/30/2012</b> | <b>09/30/2011</b> |
|--|-------------------|-------------------|
| Commissions                                      | 3,153,775         | 3,103,433         |
| Related to vehicle financing                     | 931,975           | 909,444           |
| Related to insurance and pension plan            | 1,375,098         | 1,327,093         |
| Restricted to commissions/partnership agreements | 535,034           | 586,317           |
| Other  | 311,668           | 280,579           |
| Fundo Garantidor de Crédito (*)                  | 199,180           | 386,380           |
| Advertising                                      | 331,787           | 315,475           |
| Other  | 293,769           | 269,781           |
| <b>Total</b>                                     | <b>3,978,511</b>  | <b>4,075,069</b>  |

(\*) Refers to spontaneous payment, equivalent to the prepayment of installments of the contribution to the Fundo Garantidor de Crédito (Brazilian deposit guarantee fund), according to BACEN Circular No. 3,416, of 10/24/2008.

**c) Other sundry liabilities**

|   | <b>09/30/2012</b> | <b>09/30/2011</b> |
|---|-------------------|-------------------|
| Provisions for contingent liabilities (Note 12b)                      | 9,989,623         | 9,702,707         |
| Provisions for sundry payments  | 1,901,358         | 1,895,662         |
| Personnel provision   | 1,675,180         | 1,581,511         |
| Sundry creditors - local  | 1,691,049         | 994,746           |
| Sundry creditors - foreign  | 1,927,152         | 617,938           |
| Liabilities for official agreements and rendering of payment services | 554,725           | 1,463,606         |
| Related to insurance operations                                       | 857,563           | 1,143,946         |
| Liabilities for purchase of assets and rights                         | 3,172             | 20,245            |
| Creditors of funds to be released                                     | 979,472           | 1,158,093         |
| Funds from consortia participants                                     | 84,097            | 82,314            |
| Provision for Retirement Plan Benefits (Note 19)                      | 348,435           | 230,005           |
| Provision for health insurance (*)                                    | 632,641           | 619,066           |
| Expenses for lease interests (Note 4i)                                | 212,155           | 298,562           |
| Other   | 574,405           | 526,850           |
| <b>Total</b>  | <b>21,431,027</b> | <b>20,335,251</b> |

(\*) Provision set up to cover possible future deficits up to the total discontinuance of the portfolio, arising from the difference of adjustments to monthly installments, authorized annually by the regulatory body, and the actual variation of hospital costs that affect the compensation of claims (Note 13j).

**d) Banking service fees**

|  | <b>01/01 to<br/>09/30/2012</b> | <b>01/01 to<br/>09/30/2011</b> |
|--|--------------------------------|--------------------------------|
| Asset management                             | <u>2,232,894</u>               | <u>1,945,688</u>               |
| Funds management fees                        | 2,080,720                      | 1,874,206                      |
| Consortia management fee                     | 152,174                        | 71,482                         |
| Current account services                     | 453,188                        | 498,753                        |
| Credit cards                                 | <u>4,748,607</u>               | <u>4,428,217</u>               |
| Relationship with stores                     | 4,574,652                      | 4,126,295                      |
| Credit card processing                       | 173,955                        | 301,922                        |
| Sureties and credits granted                 | <u>1,165,739</u>               | <u>1,280,228</u>               |
| Loan operations                              | 533,235                        | 742,548                        |
| Guarantees provided                          | 632,504                        | 537,680                        |
| Receipt services                             | <u>1,051,608</u>               | <u>988,124</u>                 |
| Collection fees                              | 860,121                        | 773,160                        |
| Collection services                          | 191,487                        | 214,964                        |
| Other  | <u>1,115,331</u>               | <u>1,068,767</u>               |
| Custody services and management of portfolio | 173,865                        | 160,733                        |
| Economic and financial advisory              | 282,424                        | 264,092                        |
| Foreign exchange services                    | 76,830                         | 60,309                         |
| Other services                               | 582,212                        | 583,633                        |
| <b>Total</b>                                 | <b><u>10,767,367</u></b>       | <b><u>10,209,777</u></b>       |

**e) Income from bank charges**

|   | <b>01/01 to<br/>09/30/2012</b> | <b>01/01 to<br/>09/30/2011</b> |
|---|--------------------------------|--------------------------------|
| Loan operations/registration                      | 790,546                        | 1,149,192                      |
| Credit cards – annual fees and other services (*) | 1,352,986                      | 958,850                        |
| Deposit account                                   | 111,362                        | 108,246                        |
| Transfer of funds                                 | 115,419                        | 96,673                         |
| Income from securities brokerage (*)              | 254,564                        | 344,951                        |
| Service package fees and other                    | 1,723,233                      | 1,092,415                      |
| <b>Total</b>                                      | <b>4,348,110</b>               | <b>3,750,327</b>               |

(\*) In compliance with BACEN Circular Letter No. 3,490.

**f) Personnel expenses**

|  | <b>01/01 to<br/>09/30/2012</b> | <b>01/01 to<br/>09/30/2011</b> |
|--|--------------------------------|--------------------------------|
| Compensation   | (4,352,081)                    | (4,533,008)                    |
| Charges  | (1,572,154)                    | (1,503,715)                    |
| Welfare benefits                                     | (949,037)                      | (1,194,770)                    |
| Training   | (177,428)                      | (183,151)                      |
| Labor claims and termination of employees (Note 12b) | (1,276,759)                    | (800,426)                      |
| Stock Option Plan                                    | (133,040)                      | (121,902)                      |
| <b>Total</b>   | <b>(8,460,499)</b>             | <b>(8,336,972)</b>             |
| Employees' profit sharing                            | (1,826,092)                    | (1,711,394)                    |
| <b>Total with Employees' profit sharing</b>          | <b>(10,286,591)</b>            | <b>(10,048,366)</b>            |

**g) Other administrative expenses**

|   | <b>01/01 to<br/>09/30/2012</b> | <b>01/01 to<br/>09/30/2011</b> |
|---|--------------------------------|--------------------------------|
| Data processing and telecommunications  | (2,625,572)                    | (2,603,358)                    |
| Depreciation and amortization           | (1,217,863)                    | (1,045,359)                    |
| Installations                           | (1,673,420)                    | (1,603,903)                    |
| Third-party services                    | (2,423,464)                    | (2,363,375)                    |
| Financial system services               | (357,046)                      | (324,562)                      |
| Advertising, promotions and publication | (674,094)                      | (701,384)                      |
| Transportation                          | (376,322)                      | (430,117)                      |
| Materials                               | (298,436)                      | (334,720)                      |
| Security                                | (384,744)                      | (358,527)                      |
| Travel expenses                         | (139,182)                      | (135,020)                      |
| Other                                   | (379,750)                      | (366,004)                      |
| <b>Total</b>                            | <b>(10,549,893)</b>            | <b>(10,266,329)</b>            |

**h) Other operating revenue**

|                                  | <b>01/01 to<br/>09/30/2012</b> | <b>01/01 to<br/>09/30/2011</b> |
|----------------------------------|--------------------------------|--------------------------------|
| Reversal of operating provisions | 17,949                         | 68,441                         |
| Recovery of charges and expenses | 46,146                         | 59,598                         |
| Other                            | 129,538                        | 175,499                        |
| <b>Total</b>                     | <b>193,633</b>                 | <b>303,538</b>                 |

**i) Other operating expenses**

|   | <b>01/01 to<br/>09/30/2012</b> | <b>01/01 to<br/>09/30/2011</b> |
|---|--------------------------------|--------------------------------|
| Provision for contingencies (Note 12b)    | (1,200,980)                    | (1,291,935)                    |
| Civil lawsuits:                           |                                |                                |
| Tax and social security contributions     | 63,509                         | (181,901)                      |
| Other                                     | (13,684)                       | 6,957                          |
| Selling - Credit cards                    | (1,213,761)                    | (1,238,920)                    |
| Claims                                    | (449,332)                      | (489,224)                      |
| Provision for health insurance (Note 13c) | (9,711)                        | (12,702)                       |
| Refund of interbank costs                 | (175,418)                      | (150,347)                      |
| Other                                     | (695,675)                      | (661,109)                      |
| <b>Total</b>                              | <b>(3,744,877)</b>             | <b>(3,844,237)</b>             |

**j) Non operating income** – basically composed of the result of the full disposal of investment in Banco BPI, S.A. in the amount of R\$ (302,921) and due to the partial disposal of one interest in Orbitall Serviços e Processamento de Informações Comerciais S.A. in the amount of R\$ (17,596).

## NOTE 14 - TAXES

### a) Composition of expenses for taxes and contributions

I - Statement of calculation with Income Tax and Social Contribution:

|  | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|--|------------------------|------------------------|
| <b>Income before income tax and social contribution</b>                              | <b>13,298,602</b>      | <b>13,060,797</b>      |
| Charges (income tax and social contribution) at the rates in effect (Note 4o)        | (5,319,441)            | (5,224,319)            |
| <b>Increase/decrease to income tax and social contribution charges arising from:</b> |                        |                        |
| Investments in affiliates  | 69,601                 | 56,132                 |
| Foreign exchange variation on investments abroad                                     | 537,865                | 1,020,832              |
| Interest on capital  | 1,377,669              | 1,267,101              |
| Dividends and interest on external debt bonds  | 163,644                | 237,529                |
| Other nondeductible expenses net of non taxable income                               | 315,482                | 946,213                |
| Deferred tax asset recognized from prior periods                                     | 324,148                | 279,888                |
| <b>Total income tax and social contribution</b>                                      | <b>(2,531,032)</b>     | <b>(1,416,624)</b>     |

II - Composition of tax expenses:

|                        | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|------------------------|------------------------|------------------------|
| PIS and COFINS         | (2,506,234)            | (2,274,846)            |
| ISS                    | (477,710)              | (481,735)              |
| Other                  | (333,273)              | (248,770)              |
| <b>Total (Note 4o)</b> | <b>(3,317,217)</b>     | <b>(3,005,351)</b>     |

At ITAÚ UNIBANCO HOLDING tax expenses are basically composed of PIS and COFINS in the amount of R\$ 162,726 (R\$ 173,102 from 01/01 to 09/30/2011).



### III- Tax effects on foreign exchange management of investments abroad

In order to minimize the effects on income in connection with the foreign exchange variation on investments abroad, net of respective tax effects, ITAÚ UNIBANCO HOLDING carries out derivative transactions in foreign currency (*hedge*), as mentioned in Note 22b.

Results of these transactions are considered in the calculation base of income tax and social contribution, according to their nature, while the foreign exchange variation on investments abroad is not included therein, pursuant to tax legislation in force.

## b) Deferred taxes

I - The deferred tax asset balance and its changes, segregated based on its origin and disbursements incurred, are represented as follows:

|  | PROVISIONS        |                   | DEFERRED TAX ASSETS |                           |                   |                   |                   |
|--|-------------------|-------------------|---------------------|---------------------------|-------------------|-------------------|-------------------|
|  | 09/30/2011        | 09/30/2012        | 12/31/2011          | Realization /<br>Reversal | Increase          | 09/30/2012        | 09/30/2011        |
| <b>Reflected in income and expense accounts</b>  |                   |                   | <b>28,159,488</b>   | <b>(8,283,311)</b>        | <b>11,405,525</b> | <b>31,281,701</b> | <b>28,557,891</b> |
| Related to income tax and social contribution loss carryforwards   |                   |                   | <u>4,203,850</u>    | <u>(1,225,295)</u>        | <u>2,000,022</u>  | <u>4,978,577</u>  | <u>4,932,967</u>  |
| Related to disbursed provisions  |                   |                   | <u>15,837,257</u>   | <u>(5,302,631)</u>        | <u>6,991,341</u>  | <u>17,525,967</u> | <u>15,145,408</u> |
| Allowance for loan losses  |                   |                   | 11,490,145          | (3,741,007)               | 6,759,137         | 14,508,275        | 10,593,210        |
| Adjustment to market value of securities and derivative financial instruments (assets/liabilities)                                   |                   |                   | 527,127             | (527,127)                 | 214,206           | 214,206           | 386,571           |
| Allowance for real estate  |                   |                   | 75,130              | (11,651)                  | -                 | 63,479            | 77,339            |
| Goodwill on purchase of investments  |                   |                   | 3,602,265           | (988,045)                 | -                 | 2,614,220         | 3,955,319         |
| Other  |                   |                   | 142,590             | (34,801)                  | 17,998            | 125,787           | 132,970           |
| Related to non-disbursed provisions (*)  | <u>23,291,092</u> | <u>23,932,975</u> | <u>8,118,381</u>    | <u>(1,755,386)</u>        | <u>2,414,162</u>  | <u>8,777,158</u>  | <u>8,479,516</u>  |
| Related to the operation   | <u>18,232,677</u> | <u>18,874,559</u> | <u>6,398,519</u>    | <u>(1,755,386)</u>        | <u>2,414,162</u>  | <u>7,057,296</u>  | <u>6,759,654</u>  |
| Legal liabilities – tax and social security  | 2,415,521         | 2,992,976         | 1,319,269           | (3,985)                   | 328,466           | 1,643,750         | 1,351,983         |
| Provision for contingent liabilities   | <u>7,201,098</u>  | <u>7,938,544</u>  | <u>2,863,876</u>    | <u>(588,665)</u>          | <u>701,200</u>    | <u>2,976,410</u>  | <u>2,754,620</u>  |
| Civil lawsuits:  | 2,936,054         | 3,100,465         | 1,184,829           | (379,017)                 | 416,646           | 1,222,458         | 1,160,520         |
| Labor claims   | 2,549,722         | 2,845,989         | 984,208             | (148,110)                 | 238,297           | 1,074,395         | 963,572           |
| Tax and social security contributions  | 1,663,606         | 1,941,689         | 675,302             | (61,384)                  | 46,257            | 660,174           | 610,618           |
| Other  | 51,716            | 50,401            | 19,537              | (154)                     | -                 | 19,383            | 19,909            |
| Adjustments of operations carried out in futures settlement market   | 546,968           | 106,858           | 11,618              | (6,512)                   | 36,351            | 41,457            | 203,612           |
| Provision related to health insurance operations   | 619,066           | 632,641           | 249,172             | -                         | 3,884             | 253,056           | 247,626           |
| Other non-deductible provisions  | 7,450,023         | 7,203,540         | 1,954,584           | (1,156,223)               | 1,344,262         | 2,142,623         | 2,201,814         |
| Related to provisions exceeding the minimum required not disbursed – allowance for loan losses                                       | 5,058,415         | 5,058,415         | 1,719,862           | -                         | -                 | 1,719,862         | 1,719,861         |
| <b>Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities (Note 2b)</b>            | <b>406,135</b>    | <b>511,020</b>    | <b>123,436</b>      | <b>-</b>                  | <b>57,381</b>     | <b>180,817</b>    | <b>143,552</b>    |
| <b>Total</b>   | <b>23,697,227</b> | <b>24,443,995</b> | <b>28,282,924</b>   | <b>(8,283,311)</b>        | <b>11,462,905</b> | <b>31,462,518</b> | <b>28,701,443</b> |
| <b>Social contribution for offset arising from Option established in article 8 of Provisional Measure No. 2,158-35 of 08/24/2001</b> |                   |                   | <b>714,602</b>      | <b>(70,132)</b>           | <b>-</b>          | <b>644,470</b>    | <b>813,854</b>    |

(\*) From a financial point of view, rather than recording the provision of R\$ 23,932,975 (R\$ 23,291,092 at 09/30/2011) and deferred tax assets of R\$ 8,777,158 (R\$ 8,479,516 at 09/30/2011), only the net provisions of the corresponding tax effects should be considered, which would reduce the total deferred tax assets from R\$ 31,462,518 (R\$ 28,701,443 at 09/30/2011) to R\$ 22,685,360 (R\$ 20,221,928 at 09/30/2011).

At ITAÚ UNIBANCO HOLDING, the deferred tax assets totaled R\$ 1,072,951 (R\$ 1,002,579 at 09/30/2011) and are basically represented by legal liabilities – tax and social security of R\$ 415,160 (R\$ 289,610 at 09/30/2011), which expected realization is dependent upon the progress of the lawsuit, and tax loss of R\$ 531,787 (R\$ 629,864 at 09/30/2011).

II - Provision for Deferred Income Tax and Social Contribution balance and its changes are shown as follows:

|   | 12/31/2011       | Realization /<br>Reversal | Increase         | 09/30/2012       | 09/30/2011        |
|---|------------------|---------------------------|------------------|------------------|-------------------|
| <b>Reflected in income and expense accounts</b>   | <b>9,583,023</b> | <b>(2,519,818)</b>        | <b>1,376,054</b> | <b>8,439,259</b> | <b>10,018,728</b> |
| Depreciation in excess – leasing  | 7,560,086        | (2,167,083)               | 528,878          | 5,921,881        | 7,886,421         |
| Restatement of escrow deposits and contingent liabilities   | 935,240          | (172,147)                 | 285,618          | 1,048,711        | 944,218           |
| Provision for Pension Plan Benefits   | 593,803          | -                         | 157,937          | 751,740          | 580,653           |
| Adjustment to market value of securities and derivative financial instruments   | 178,124          | (178,124)                 | 331,713          | 331,713          | 447,394           |
| Adjustments of operations carried out in future settlement market   | 101,510          | (1,480)                   | 14,972           | 115,002          | 24,112            |
| Taxation of results abroad – capital gains  | 63,451           | -                         | 29,503           | 92,954           | 54,563            |
| Other   | 150,809          | (984)                     | 27,433           | 177,258          | 81,366            |
| <b>Reflected in stockholders' equity accounts – adjustment to market value of available-for-sale securities (Note 2b)</b> | <b>295,897</b>   | <b>(70,903)</b>           | <b>773,136</b>   | <b>998,130</b>   | <b>234,613</b>    |
| <b>Total</b>  | <b>9,878,920</b> | <b>(2,590,721)</b>        | <b>2,149,190</b> | <b>9,437,389</b> | <b>10,253,340</b> |

At ITAÚ UNIBANCO HOLDING, the Provision for deferred income tax and social contribution totals R\$ 4,441 (R\$ 3,689 at 09/30/2011), basically represented by Restatement of escrow deposits and contingent liabilities.

- III - The estimate of realization and present value of deferred tax assets and social contribution for offset, arising from Provisional Measure No. 2,158-35 of August 24, 2001 and from the Provision for Deferred Income Tax and Social Contribution existing at September 30, 2012, in accordance with the expected generation of future taxable income, based on the history of profitability and technical feasibility studies, are:

|                   | Deferred tax assets   |             |   |             | Total             | %           | Social contribution for offset | %           | Provision for deferred income tax and social contribution | %           | Net deferred taxes | %           |
|-------------------|-----------------------|-------------|---|-------------|-------------------|-------------|--------------------------------|-------------|---|-------------|--------------------|-------------|
|                   | Temporary differences | %           | Tax loss/social contribution loss carryforwards | %           |                   |             |                                |             |   |             |                    |             |
| 2012              | 7,355,211             | 28%         | 761,411   | 15%         | 8,116,622         | 26%         | 2,957                          | 0%          | (1,804,356)   | 19%         | 6,315,223          | 28%         |
| 2013              | 4,533,545             | 17%         | 1,816,907                                       | 36%         | 6,350,452         | 20%         | 303,710                        | 47%         | (2,295,058)   | 24%         | 4,359,104          | 19%         |
| 2014              | 4,389,130             | 17%         | 1,909,480                                       | 38%         | 6,298,610         | 20%         | 307,915                        | 48%         | (2,148,262)   | 23%         | 4,458,263          | 20%         |
| 2015              | 2,933,912             | 11%         | 490,779   | 10%         | 3,424,691         | 11%         | 11,350                         | 2%          | (842,472)   | 9%          | 2,593,569          | 11%         |
| 2016              | 2,779,826             | 10%         | -   | 0%          | 2,779,826         | 9%          | 15,274                         | 2%          | (739,582)   | 8%          | 2,055,518          | 9%          |
| after 2016        | 4,492,317             | 17%         | -   | 0%          | 4,492,317         | 14%         | 3,264                          | 1%          | (1,607,659)   | 17%         | 2,887,922          | 13%         |
| <b>Total</b>      | <b>26,483,941</b>     | <b>100%</b> | <b>4,978,577</b>                                | <b>100%</b> | <b>31,462,518</b> | <b>100%</b> | <b>644,470</b>                 | <b>100%</b> | <b>(9,437,389)</b>  | <b>100%</b> | <b>22,669,599</b>  | <b>100%</b> |
| Present value (*) | <b>23,681,876</b>     |             | <b>4,663,985</b>                                |             | <b>28,345,861</b> |             | <b>599,613</b>                 |             | <b>(8,431,704)</b>  |             | <b>20,513,770</b>  |             |

(\*) The average funding rate, net of tax effects, was used to determine the present value.

The projections of future taxable income include estimates related to macroeconomic variables, exchange rates, interest rates, volume of financial operations and services fees and others which can vary in relation to actual data and amounts.

Net income in the financial statements is not directly related to taxable income for income tax and social contribution, due to differences existing between accounting criteria and tax legislation, besides corporate aspects. Accordingly, we recommend that the trend of the realization of deferred tax assets arising from temporary differences, income tax and social contribution loss carryforwards be not used as an indication of future net income.

- IV - In view of the unconstitutionality lawsuit related to the increase in the social contribution rate, established by Articles 17 and 41 of Law No. 11,727 of June 24, 2008, filed on June 26, 2008 by the National Confederation of the Financial System (CONSIF), deferred tax assets were recorded up to the amount added to the Tax Liabilities, while the amount of R\$ 548,992 is unrecorded (R\$ 1,168,093 at 09/30/2011).

**c) Tax and social security contributions**

|   | 09/30/2012        | 09/30/2011        |
|---|-------------------|-------------------|
| Taxes and contributions on income payable                               | 3,430,481         | 2,839,404         |
| Taxes and contributions payable   | 1,257,600         | 1,483,038         |
| Provision for deferred income tax and social contribution (Note 14b II) | 9,437,389         | 10,253,340        |
| Legal liabilities – tax and social security (Note 12b)                  | 7,290,675         | 5,872,371         |
| <b>Total</b>  | <b>21,416,145</b> | <b>20,448,153</b> |

At ITAÚ UNIBANCO HOLDING, the balance of Tax and Social Security Contributions totals R\$ 1,030,904 (R\$ 793,124 at 09/30/2011) and is basically comprised of Legal Liabilities - Tax and Social Security of R\$ 940,949 (R\$ 679,530 at 09/30/2011), whose nature refers to PIS and COFINS – Revenue x Gross Revenue. We request either the levy of taxes only on the revenue understood as income from sale of assets and services or the levy of PIS Repique (calculated on income tax payable) (at 5% of income tax due), in lieu of the levy on total revenues recorded, by alleging the unconstitutionality of paragraph 1 of article 3 of Law No. 9,718/98.

**d) Taxes paid or provided for and withheld from third parties**

The amount of taxes paid or provided for is basically levied on income, revenue and payroll. In relation to the amounts withheld and collected from third parties, the Company takes into consideration the interest on capital and on the service provision, in addition to that levied on financial operation.

|   | <b>09/30/2012</b> | <b>09/30/2011</b> |
|---|-------------------|-------------------|
| Taxes paid or provided for                      | 12,617,698        | 12,000,085        |
| Taxes withheld and collected from third parties | 9,397,799         | 8,374,448         |
| <b>Total</b>                                    | <b>22,015,497</b> | <b>20,374,533</b> |

NOTE 15 – PERMANENT ASSETS

a) Investments

I - Change of investments

| Companies                       | Balances at 12/31/2011         | Amortization of goodwill | Subscriptions / Acquisitions / Sales | Dividends paid/provided for (1) | Equity in earnings of subsidiaries (2) | Adjustments in marketable securities of subsidiaries and Other | Balances at 09/30/2012 | Balances at 09/30/2011 | Equity in earnings of subsidiaries from 01/01 to 09/30/2011 |
|---------------------------------|--------------------------------|--------------------------|--------------------------------------|---------------------------------|--|--|------------------------|------------------------|---|
| <b>Domestic</b>                 | <b>53,724,893</b>              | <b>(4,752)</b>           | <b>(44)</b>                          | <b>(6,803,886)</b>              | <b>5,809,660</b>                       | <b>1,331,893</b>   | <b>54,057,764</b>      | <b>53,009,521</b>      | <b>6,739,193</b>  |
| Itaú Unibanco S.A.              | (3a)(4a)(5a)(6)(7a) 45,004,168 | (4,752)                  | -                                    | (4,142,306)                     | 2,339,118                              | 1,204,507  | 44,400,735             | 44,780,184             | 4,348,156   |
| Banco Itaú BBA S.A.             | (5b) 6,768,322                 | -                        | -                                    | (1,645,000)                     | 1,089,095                              | 126,641  | 6,339,058              | 6,525,640              | 1,163,397   |
| Banco Itaúcard S.A.             | (4b)(5c)(8) 1,211,086          | -                        | -                                    | (1,016,478)                     | 2,127,733                              | 739  | 2,323,080              | 920,412                | 673,937   |
| Itaú Corretora de Valores S. A. | (8) 693,193                    | -                        | -                                    | -                               | 251,591                                | 6  | 944,790                | 672,944                | 200,903   |
| Itaú-BBA Participações S.A.     | 48,124                         | -                        | -                                    | (102)                           | 2,079                                  | -  | 50,101                 | 110,341                | 265,146   |
| Redecard S.A.                   | (9) -                          | -                        | (44)                                 | -                               | 44                                     | -  | -                      | -                      | -   |
| Itauseg Participações S.A.      | (10) -                         | -                        | -                                    | -                               | -                                      | -  | -                      | -                      | 87,654  |
| <b>Foreign</b>                  | <b>2,583,601</b>               | <b>(38,556)</b>          | <b>201,495</b>                       | <b>(24,198)</b>                 | <b>423,933</b>                         | <b>(1,561)</b>   | <b>3,144,714</b>       | <b>2,510,786</b>       | <b>384,880</b>  |
| Itaú Chile Holding, INC.        | (3b) 2,175,208                 | (33,931)                 | 201,495                              | -                               | 288,969                                | (3,161)  | 2,628,580              | 2,116,771              | 298,787   |
| Banco Itaú Uruguay S.A.         | (3c)(7b) 269,922               | (3,534)                  | -                                    | -                               | 91,851                                 | 1,600  | 359,839                | 265,668                | 43,743  |
| OCA S.A.                        | (3d) 98,484                    | (939)                    | -                                    | (24,198)                        | 38,294                                 | -  | 111,641                | 88,137                 | 36,456  |
| OCA Casa Financiera S.A.        | (3e) 37,343                    | (136)                    | -                                    | -                               | 4,670                                  | -  | 41,877                 | 37,623                 | 5,591   |
| ACO Ltda.                       | (3f) 2,644                     | (16)                     | -                                    | -                               | 149                                    | -  | 2,777                  | 2,587                  | 303   |
| <b>GRAND TOTAL</b>              | <b>56,308,494</b>              | <b>(43,308)</b>          | <b>201,451</b>                       | <b>(6,828,084)</b>              | <b>6,233,593</b>                       | <b>1,330,332</b>   | <b>57,202,478</b>      | <b>55,520,307</b>      | <b>7,124,073</b>  |

(1) Dividends approved and not paid are recorded as Dividends receivable;

(2) At September 30, 2012, includes foreign exchange variation in the amount of R\$ 182,586;

(3) At September 30, 2012, includes goodwill in the amounts of: (a) R\$ 38,542; (b) R\$ 192,277; (c) R\$ 20,026; (d) R\$ 5,322; (e) R\$ 773; (f) R\$ 90;

(4) At September 30, 2012, includes Adjustments of unrealized results in the results of operations and in investments, respectively, in the amounts of: (a) R\$ (649,620) and R\$ (656,065); (b) R\$ 21,851 and R\$ (31,458);

(5) At September 30, 2012, includes adjustments to standardize procedures under the scope of the investor in the results of operations and investments, respectively, in the amounts of: (a) R\$ (13,169) and R\$ (15,662); (b) R\$ 8,757 and R\$ (54,711); and (c) R\$ 265,457 and R\$ 404,703;

(6) At September 30, 2012, includes installment of dividends provided for in the amount of R\$ 49,145;

(7) At September 30, 2012, equity in earnings of subsidiaries reflects equity in other variations of the stockholders' equity of the subsidiary in the amount of: (a) R\$ 1,585 and (b) R\$ (4);

(8) The investment and the equity in earnings reflect the different interest in preferred shares, profit sharing and dividends;

(9) Investment purchased on August 31, 2012 from Banco Itaúcard S.A. and sold to Banestado Participações Administração e Serviços Ltda. on September 27, 2012;

(10) Investment sold to Banco Itaúcard S.A. at April 11, 2011.

| Companies                       | Capital    | Stockholders' equity | Net income for the period | Number of shares/quotas owned by ITAÚ UNIBANCO |               |        | Equity share in voting capital (%) | Equity share in capital (%) |
|---------------------------------|------------|----------------------|---------------------------|--|---------------|--------|------------------------------------|-----------------------------|
|                                 |            |                      |                           | Common   | Preferred     | Quotas |                                    |                             |
| <b>Domestic</b>                 |            |                      |                           |  |               |        |                                    |                             |
| Itaú Unibanco S.A.              | 39,676,320 | 44,984,775           | 3,000,322                 | 2,081,169,523                                  | 2,014,258,290 | -      | 100.00                             | 100.00                      |
| Banco Itaú BBA S.A.             | 4,224,086  | 6,393,769            | 1,080,338                 | 5,284,526                                      | 5,284,526     | -      | 99.99                              | 99.99                       |
| Banco Itaúcard S.A.             | 15,553,776 | 18,243,579           | 2,035,337                 | 3,592,433,657                                  | 1,277,933,118 | -      | 1.51                               | 2.04                        |
| Itaú Corretora de Valores S. A. | 1,046,841  | 2,136,694            | 278,473                   | -  | 811,503       | -      | -                                  | 1.94                        |
| Itaú-BBA Participações S.A.     | 25,196     | 50,101               | 2,079                     | 12,953   | 25,906        | -      | 100.00                             | 100.00                      |
| <b>Foreign</b>                  |            |                      |                           |  |               |        |                                    |                             |
| Itaú Chile Holding, INC.        | 2,131,800  | 2,436,303            | 117,245                   | 100  | -             | -      | 100.00                             | 100.00                      |
| Banco Itaú Uruguay S.A.         | 159,287    | 339,813              | 84,395                    | 1,639,430,739                                  | -             | -      | 100.00                             | 100.00                      |
| OCA S.A.                        | 14,595     | 106,319              | 35,833                    | 1,502,176,740                                  | -             | -      | 100.00                             | 100.00                      |
| OCA Casa Financiera S.A.        | 18,835     | 41,101               | 3,795                     | 646  | -             | -      | 100.00                             | 100.00                      |
| ACO Ltda.                       | 13         | 2,707                | 84                        | -  | -             | 131    | 99.24                              | 99.24                       |

## II - Composition of investments

|   | 09/30/2012       | 09/30/2011       |
|---|------------------|------------------|
| <b>Investment in affiliates</b>                     | <b>2,365,544</b> | <b>1,797,668</b> |
| <b>Domestic</b>                                     | <b>2,364,623</b> | <b>1,478,864</b> |
| Serasa S.A.   | 244,642          | 268,122          |
| Porto Seguro Itaú Unibanco Participações S.A. (1)   | 1,254,314        | 1,172,525        |
| Tecnologia Bancária S.A.(1)                         | 44,059           | 38,135           |
| BSF Holding S.A. (Note 2a)                          | 821,531          | -                |
| Other   | 77               | 82               |
| <b>Foreign</b>                                      | <b>921</b>       | <b>318,804</b>   |
| Banco BPI, S.A. (BPI) (Note 13j)                    | -                | 317,775          |
| Other   | 921              | 1,029            |
| <b>Other investments</b>                            | <b>1,163,906</b> | <b>1,295,877</b> |
| Investments through tax incentives                  | 170,245          | 160,575          |
| Equity securities                                   | 12,804           | 11,253           |
| Shares and quotas                                   | 277,080          | 375,449          |
| Interest in Instituto de Resseguros do Brasil - IRB | 227,170          | 227,170          |
| Other   | 476,607          | 521,430          |
| <b>(Allowance for loan losses)</b>                  | <b>(205,292)</b> | <b>(195,584)</b> |
| <b>Total</b>  | <b>3,324,158</b> | <b>2,897,961</b> |

(1) For the purpose of accounting for participation in earnings, the position at 08/31/2012 was used, as provided in Circular Letter nº 1,963 of 05/23/1991, of BACEN;

## III - Equity in earnings of affiliates and other investments

|  | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|--|------------------------|------------------------|
| Investment in affiliates – Domestic              | 196,877                | 187,441                |
| Investment in affiliates – Foreign (Note 15a II) | (101,525)              | (318,660)              |
| Dividends received from other investments        | 88,966                 | 104,840                |
| Other  | 5,560                  | (10,287)               |
| <b>Total</b>                                     | <b>189,878</b>         | <b>(36,666)</b>        |



b) Fixed assets, goodwill and intangible assets

l) Fixed assets

|   | Annual depreciation/amortization rates (%) | Balance at 12/31/2011 | CHANGES          |  |               |                  |                    | Balance at 09/30/2012 | Balance at 09/30/2011 |                  |                |
|---|--|-----------------------|------------------|--|---------------|------------------|--------------------|-----------------------|-----------------------|------------------|----------------|
|   |  |                       | Acquisitions     | Depreciation and amortization expenses | Impairment    | Disposals        | Exchange variation |                       |                       | Other            |                |
| <b>REAL ESTATE IN USE (1)</b>                             |  |                       |                  |  |               |                  |                    |                       |                       |                  |                |
| <b>REAL ESTATE IN USE (2)(3)</b>                          |  | <b>1,869,778</b>      | <b>173,088</b>   | <b>(62,409)</b>                        | -             | <b>(172,866)</b> | <b>10,247</b>      | <b>(44,566)</b>       | <b>1,773,272</b>      | <b>1,708,943</b> |                |
| Land  |  | 1,113,371             | 42,548           | -                                      | -             | (166,911)        | 974                | (20,775)              | 969,207               | 962,366          |                |
| <b>Buildings</b>  |  | <b>756,407</b>        | <b>130,540</b>   | <b>(62,409)</b>                        | -             | <b>(5,955)</b>   | <b>9,273</b>       | <b>(23,791)</b>       | <b>804,065</b>        | <b>746,577</b>   |                |
| Cost  |  | 2,339,809             | 130,540          | -                                      | -             | (7,511)          | 10,452             | (75,042)              | 2,398,248             | 2,309,889        |                |
| Accumulated depreciation                                  | 4  | (1,583,402)           | -                | (62,409)                               | -             | 1,556            | (1,179)            | 51,251                | (1,594,183)           | (1,563,312)      |                |
| <b>OTHER FIXED ASSETS (3)</b>                             |  | <b>3,417,220</b>      | <b>1,085,711</b> | <b>(933,008)</b>                       | <b>10,416</b> | <b>(48,506)</b>  | <b>33,197</b>      | <b>(8,189)</b>        | <b>3,556,841</b>      | <b>3,211,744</b> |                |
| <b>Improvements</b>                                       |  | <b>637,610</b>        | <b>155,694</b>   | <b>(193,177)</b>                       | -             | -                | <b>19,556</b>      | <b>21,538</b>         | <b>641,221</b>        | <b>598,362</b>   |                |
| Cost  |  | 1,238,789             | 155,694          | -                                      | -             | (172,207)        | 21,312             | 19,740                | 1,263,328             | 1,165,110        |                |
| Accumulated depreciation                                  | 10   | (601,179)             | -                | (193,177)                              | -             | 172,207          | (1,756)            | 1,798                 | (622,107)             | (566,748)        |                |
| <b>Installations</b>                                      |  | <b>390,904</b>        | <b>140,433</b>   | <b>(49,470)</b>                        | -             | <b>(66)</b>      | <b>7,741</b>       | <b>(16,838)</b>       | <b>472,704</b>        | <b>340,163</b>   |                |
| Cost  |  | 937,332               | 140,433          | -                                      | -             | (9,353)          | 5,070              | (44,306)              | 1,029,176             | 878,185          |                |
| Accumulated depreciation                                  | 10 to 20                                   | (546,428)             | -                | (49,470)                               | -             | 9,287            | 2,671              | 27,468                | (556,472)             | (538,022)        |                |
| <b>Furniture and equipment</b>                            |  | <b>487,065</b>        | <b>86,765</b>    | <b>(56,496)</b>                        | <b>11,186</b> | <b>(21,528)</b>  | <b>3,200</b>       | <b>(13,539)</b>       | <b>496,653</b>        | <b>474,059</b>   |                |
| Cost  |  | 848,022               | 86,765           | -                                      | 11,186        | (27,788)         | 1,041              | (9,424)               | 909,802               | 928,137          |                |
| Accumulated depreciation                                  | 10 to 20                                   | (360,957)             | -                | (56,496)                               | -             | 6,260            | 2,159              | (4,115)               | (413,149)             | (454,078)        |                |
| <b>EDP systems (4)</b>                                    |  | <b>1,644,858</b>      | <b>666,940</b>   | <b>(590,093)</b>                       | -             | <b>(24,853)</b>  | <b>2,049</b>       | <b>(3,024)</b>        | <b>1,695,877</b>      | <b>1,555,856</b> |                |
| Cost  |  | 4,988,233             | 666,940          | -                                      | -             | (255,170)        | (2,138)            | (6,941)               | 5,390,924             | 5,039,144        |                |
| Accumulated depreciation                                  | 20 to 50                                   | (3,343,375)           | -                | (590,093)                              | -             | 230,317          | 4,187              | 3,917                 | (3,695,047)           | (3,483,288)      |                |
| <b>Other (communication, security and transportation)</b> |  | <b>256,783</b>        | <b>35,879</b>    | <b>(43,772)</b>                        | -             | <b>(770)</b>     | <b>(2,059)</b>     | <b>651</b>            | <b>3,674</b>          | <b>250,386</b>   | <b>243,304</b> |
| Cost  |  | 549,504               | 35,879           | -                                      | -             | (770)            | (4,706)            | 663                   | 584,045               | 570,045          |                |
| Accumulated depreciation                                  | 10 to 20                                   | (292,721)             | -                | (43,772)                               | -             | 2,647            | (12)               | 199                   | (333,659)             | (326,741)        |                |
| <b>TOTAL REAL ESTATE IN USE</b>                           |  | <b>5,286,998</b>      | <b>1,258,799</b> | <b>(995,417)</b>                       | <b>10,416</b> | <b>(221,372)</b> | <b>43,444</b>      | <b>(52,755)</b>       | <b>5,330,113</b>      | <b>4,920,687</b> |                |
| Cost  |  | 12,015,060            | 1,258,799        | -                                      | 10,416        | (643,646)        | 37,374             | (133,273)             | 12,544,730            | 11,852,876       |                |
| Accumulated depreciation                                  |  | (6,728,062)           | -                | (995,417)                              | -             | 422,274          | 6,070              | 80,518                | (7,214,617)           | (6,932,189)      |                |

(1) There are no contractual commitments for purchase of new fixed assets;

(2) Includes amounts pledged in guarantee of voluntary deposits (Nota 12b);

(3) Includes the amount of R\$ 2,086 related to attached real estate; fixed assets under construction in the amount of R\$ 256,397, consisting of R\$ 157,597 in real estate in use; R\$ 57,064 in improvements, and R\$ 41,736 in equipment;

(4) Includes lease contracts, mainly related to data processing equipment, which are accounted for as finance lease. Pursuant to this method, assets and liabilities are accounted for in the financial statements, and assets are depreciated consistently with the depreciation criteria usually adopted for own assets. These contracts amount to R\$ 199,665 at 09/30/2012.

## II) Goodwill

|                                       | Amortization period | Balance at 12/31/2011 | CHANGES          |                       |                    |          | Balance at 09/30/2012 | Balance at 09/30/2011 |
|---------------------------------------|---------------------|-----------------------|------------------|-----------------------|--------------------|----------|-----------------------|-----------------------|
|                                       |                     |                       | Acquisitions (1) | Amortization expenses | Exchange Variation | Other    |                       |                       |
| <b>GOODWILL (Notes 2b and 4j) (2)</b> | 10 years            | <b>95,691</b>         | <b>9,984,655</b> | <b>(15,540)</b>       | <b>4,123</b>       | <b>-</b> | <b>10,068,929</b>     | <b>95,087</b>         |

(1) On September 30, 2012, goodwill on the Redecard operation in the amount of R\$ 9,978,502 was recognized being amortized over the period of 10 years (Note 2c).

(2) At August 1, 2011, ITAÚ UNIBANCO HOLDING acquired 50% plus 1 share of capital of MCC Securities Inc (Cayman Islands) for R\$ 50,748, of which R\$ 48,415 for the equity interest and R\$ 2,333 for the exclusivity right to act on the sale of MCC Securities business. The transaction gave rise to a goodwill of R\$ 52,169 and this interest was proportionally consolidated in the financial statements of ITAÚ UNIBANCO HOLDING.

III) Intangible assets

|   | Annual depreciation/ amortization rates (%) (2) | Balance at 12/31/2011 | CHANGES          |  |                |              |                    |               | Balance at 09/30/2012 | Balance at 09/30/2011 |
|---|---|-----------------------|------------------|--|----------------|--------------|--------------------|---------------|-----------------------|-----------------------|
|   |   |                       | Acquisitions     | Depreciation and amortization expenses (3) | Impairment (5) | Disposals    | Exchange variation | Other         |                       |                       |
| <b>INTANGIBLE ASSETS (1)</b>  |   |                       |                  |  |                |              |                    |               |                       |                       |
| <b>RIGHTS FOR ACQUISITION OF PAYROLL (4)</b>                                      |   | <b>751,448</b>        | <b>193,547</b>   | <b>(282,942)</b>                           | -              | <b>(574)</b> | -                  | <b>(201)</b>  | <b>661,278</b>        | <b>848,718</b>        |
| Cost  |   | 1,647,548             | 193,547          | -  | -              | (182,612)    | -                  | 10,306        | 1,668,789             | 2,469,891             |
| Accumulated amortization  | Up to 9   | (896,100)             | -                | (282,942)                                  | -              | 182,038      | -                  | (10,507)      | (1,007,511)           | (1,621,173)           |
| <b>OTHER INTANGIBLE ASSETS</b>  |   | <b>3,058,364</b>      | <b>1,028,998</b> | <b>(352,084)</b>                           | <b>(3,731)</b> | <b>(300)</b> | <b>21,335</b>      | <b>10,406</b> | <b>3,762,988</b>      | <b>2,437,597</b>      |
| <b>Association for the promotion and offer of financial products and services</b> |   | <b>1,280,818</b>      | <b>12,000</b>    | <b>(101,513)</b>                           | <b>(3,731)</b> | <b>(261)</b> | <b>6,273</b>       | <b>2,658</b>  | <b>1,196,244</b>      | <b>1,036,976</b>      |
| Cost  |   | 1,391,335             | 12,000           | -  | (3,731)        | (56,897)     | 6,943              | 4,413         | 1,354,063             | 1,132,958             |
| Accumulated amortization  | Up to 5   | (110,517)             | -                | (101,513)                                  | -              | 56,636       | (670)              | (1,755)       | (157,819)             | (95,982)              |
| <b>Expenditures on acquisition of software</b>                                    |   | <b>1,338,634</b>      | <b>1,016,998</b> | <b>(191,083)</b>                           | -              | <b>(34)</b>  | <b>5,782</b>       | <b>7,748</b>  | <b>2,178,045</b>      | <b>947,295</b>        |
| Cost  |   | 1,871,619             | 1,016,998        | -  | -              | (155,536)    | 15,962             | 75,122        | 2,824,165             | 1,454,131             |
| Accumulated amortization  | 20  | (532,985)             | -                | (191,083)                                  | -              | 155,502      | (10,180)           | (67,374)      | (646,120)             | (506,836)             |
| <b>Other intangible assets</b>  |   | <b>438,912</b>        | -                | <b>(59,488)</b>                            | -              | <b>(5)</b>   | <b>9,280</b>       | -             | <b>388,699</b>        | <b>453,326</b>        |
| Cost  |   | 613,832               | -                | -  | -              | (84)         | 20,784             | -             | 634,532               | 609,757               |
| Accumulated amortization  | 10 to 20  | (174,920)             | -                | (59,488)                                   | -              | 79           | (11,504)           | -             | (245,833)             | (156,431)             |
| <b>TOTAL INTANGIBLE ASSETS</b>  |   | <b>3,809,812</b>      | <b>1,222,545</b> | <b>(635,026)</b>                           | <b>(3,731)</b> | <b>(874)</b> | <b>21,335</b>      | <b>10,205</b> | <b>4,424,266</b>      | <b>3,286,315</b>      |
| Cost  |   | 5,524,334             | 1,222,545        | -  | (3,731)        | (395,129)    | 43,689             | 89,841        | 6,481,549             | 5,666,737             |
| Accumulated amortization  |   | (1,714,522)           | -                | (635,026)                                  | -              | 394,255      | (22,354)           | (79,636)      | (2,057,283)           | (2,380,422)           |

(1) There are no contractual commitments for purchase of new intangible assets;

(2) All intangible assets have defined useful lives, except for goodwill on acquisition;

(3) Amortization expenses of the rights for acquisition of payrolls and associations are disclosed in the expenses on financial operations.

(4) Represents the recording of amounts paid for acquisition of rights to provide services of payment of salaries, proceeds, retirement and pension benefits, and similar benefits;

(5) Pursuant to BACEN Resolution No. 3,566, of May 29, 2001 (Note 13i).

## NOTE 16 – STOCKHOLDERS' EQUITY

### a) Shares

Capital comprises 4,570,936,100 book-entry shares with no par value, of which 2,289,286,400 are common and 2,281,649,700 are preferred shares without voting rights, but with tag-along rights, in the event of the public offer of common shares, at a price equal to 80% of the amount paid per share with voting rights in the controlling stake, as well as a dividend at least equal to that of the common shares. Capital stock amounts to R\$ 45,000,000 (R\$ 45,000,000 at 09/30/2011), of which R\$ 31,108,373 (R\$ 31,660,339 at 09/30/2011) refers to stockholders domiciled in the country and R\$ 13,891,627 (R\$ 13,339,661 at 09/30/2011) refers to stockholders domiciled abroad.

The table below shows the change in shares of capital stock and treasury shares during the period:

|   | NUMBER               |                      |                      | Amount             |
|---|----------------------|----------------------|----------------------|--------------------|
|   | Common               | Preferred            | Total                |                    |
| Residents in Brazil at 12/31/2010                                   | 2,286,135,621        | 918,287,035          | 3,204,422,656        |                    |
| Residents abroad at 12/31/2010                                      | 3,150,854            | 1,363,362,709        | 1,366,513,563        |                    |
| <b>Shares of capital stock at 12/31/2010</b>                        | <b>2,289,286,475</b> | <b>2,281,649,744</b> | <b>4,570,936,219</b> |                    |
| Cancellation of Shares – ESM of 04/25/2011 – Approved at 08/22/2011 | (75)                 | (44)                 | (119)                |                    |
| <b>Shares of capital stock at 12/31/2011 and 09/30/2012</b>         | <b>2,289,286,400</b> | <b>2,281,649,700</b> | <b>4,570,936,100</b> |                    |
| Residents in Brazil at 09/30/2012                                   | 2,281,065,725        | 878,809,518          | 3,159,875,243        |                    |
| Residents abroad at 09/30/2012                                      | 8,220,675            | 1,402,840,182        | 1,411,060,857        |                    |
| <b>Treasury shares at 12/31/2011 (*)</b>                            | <b>2,100</b>         | <b>57,293,971</b>    | <b>57,296,071</b>    | <b>(1,663,562)</b> |
| Purchase of treasury shares   | -                    | 3,500,000            | 3,500,000            | (99,045)           |
| Exercised – Granting of stock options                               | -                    | (5,255,038)          | (5,255,038)          | 115,526            |
| Disposals – Stock option plan                                       | -                    | (2,849,016)          | (2,849,016)          | 119,747            |
| <b>Treasury shares at 09/30/2012 (*)</b>                            | <b>2,100</b>         | <b>52,689,917</b>    | <b>52,692,017</b>    | <b>(1,527,334)</b> |
| <b>Outstanding shares at 09/30/2012</b>                             | <b>2,289,284,300</b> | <b>2,228,959,783</b> | <b>4,518,244,083</b> |                    |
| <b>Outstanding shares at 09/30/2011</b>                             | <b>2,289,284,273</b> | <b>2,222,958,313</b> | <b>4,512,242,586</b> |                    |

(\*) Own shares, purchased based on authorization of the Board of Directors, to be held in Treasury for subsequent cancellation or replacement in the market.

We detail below the average cost of treasury shares and their market price at September 30, 2012:

| Cost/Market value      | Common | Preferred |
|------------------------|--------|-----------|
| Minimum                | -      | 27.25     |
| Weighted average       | -      | 28.30     |
| Maximum                | -      | 28.98     |
| <b>Treasury shares</b> |        |           |
| Average cost           | 9.65   | 28.99     |
| Market value           | 27.25  | 30.59     |

## b) Dividends

Stockholders are entitled to a mandatory dividend of not less than 25% of annual net income, which is adjusted according to the rules set forth in Brazilian Corporate Law. Both types of shares participate equally, after common shares have received dividends equal to the annual minimum priority dividend of R\$ 0.022 per share to be paid to preferred shares.

The calculation of the monthly advance of mandatory minimum dividend is based on the share position on the last day of the prior month, taking into consideration that the payment is made on the first business day of the subsequent month, in the amount of R\$ 0.012 per share, and beginning with the payment made in April 2012, it was increased by 25% to R\$ 0.015 per share, in accordance with the Board of Directors' meeting of February 6, 2012.

### I - Calculation

|                              |           |       |
|------------------------------|-----------|-------|
| Net income                   | 8,248,192 |       |
| Adjustments:                 |           |       |
| (-) Legal reserve            | (412,410) |       |
| Dividend calculation basis   | 7,835,782 |       |
| Dividend – paid/provided for | 1,958,946 | 25.0% |

### II – Payments/Provision of interest on capital and dividends

|   | Gross            | WTS              | Net              |
|---|------------------|------------------|------------------|
| <b>Paid / Prepaid</b>   | <b>1,768,205</b> | <b>(187,980)</b> | <b>1,580,225</b> |
| Dividends - 2 monthly installments of R\$ 0.012 per share paid from February to March 2012  | 108,332          | -                | 108,332          |
| Dividends - 6 monthly installments of R\$ 0.015 per share paid from April to September 2012 | 406,670          | -                | 406,670          |
| Interest on capital - R\$ 0,2774 per share, paid on 08/15/2012                              | 1,253,203        | (187,980)        | 1,065,223        |
| <b>Declared (Recorded in Other Liabilities – Social and Statutory)</b>                      | <b>433,595</b>   | <b>(54,874)</b>  | <b>378,721</b>   |
| Dividends - 1 monthly installment of R\$ 0.015 per share paid on 10/01/2012                 | 67,768           | -                | 67,768           |
| Interest on capital - R\$ 0,0810 per share  | 365,827          | (54,874)         | 310,953          |
| <b>Total from 01/01 to 09/30/2012 - R\$ 0.4336 net per share</b>                            | <b>2,201,800</b> | <b>(242,854)</b> | <b>1,958,946</b> |
| <b>Total from 01/01 to 09/30/2011 - R\$ 0.4668 net per share</b>                            | <b>2,395,766</b> | <b>(285,844)</b> | <b>2,109,922</b> |

**c) Capital and revenue reserves**

|   | <b>09/30/2012</b> | <b>09/30/2011</b> |
|---|-------------------|-------------------|
| <b>CAPITAL RESERVES</b>   | <b>812,352</b>    | <b>640,515</b>    |
| Premium on subscription of shares   | 283,512           | 283,512           |
| Granted options recognized – Law No. 11,638 and Share-based instruments     | 527,735           | 355,898           |
| Reserves from tax incentives and restatement of equity securities and other | 1,105             | 1,105             |
| <b>REVENUE RESERVES</b>   | <b>38,685,639</b> | <b>32,230,408</b> |
| Legal   | 4,260,435         | 3,697,710         |
| Statutory:  | <u>34,425,204</u> | <u>28,532,698</u> |
| Dividends equalization (1)  | 10,291,315        | 8,540,903         |
| Working capital increase (2)  | 10,381,519        | 8,687,344         |
| Increase in capital of investees (3)  | 13,752,370        | 11,304,451        |

(1) Reserve for Dividends Equalization – its purpose is to guarantee funds for the payment of advances of dividends, including interest on capital, to maintain the flow of the stockholders' compensation;

(2) Reserve for Working Capital Increase – its purpose is to guarantee funds for the company's operations;

(3) Reserve for Increase in Capital of Investees – its purpose is to guarantee the preferred subscription right in the capital increases of investees;

**d) Reconciliation of net income and stockholders' equity (Note 2b)**

|   | <b>Net income</b>              |                                | <b>Stockholders' equity</b> |                   |
|---|--------------------------------|--------------------------------|-----------------------------|-------------------|
|   | <b>01/01 to<br/>09/30/2012</b> | <b>01/01 to<br/>09/30/2011</b> | <b>09/30/2012</b>           | <b>09/30/2011</b> |
| <b>ITAÚ UNIBANCO HOLDING</b>              | <b>8,248,192</b>               | <b>8,883,881</b>               | <b>84,160,377</b>           | <b>75,915,957</b> |
| Amortization of goodwill                  | 1,853,953                      | 2,056,000                      | (5,181,866)                 | (7,710,244)       |
| <b>ITAÚ UNIBANCO HOLDING CONSOLIDATED</b> | <b>10,102,145</b>              | <b>10,939,881</b>              | <b>78,978,511</b>           | <b>68,205,713</b> |

e) Minority interest in subsidiaries

|   | Stockholders' equity |                  | Results                |                        |
|---|----------------------|------------------|------------------------|------------------------|
|   | 09/30/2012           | 09/30/2011       | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
| Unibanco Participações Societárias S.A. (1) | -                    | -                | -                      | (36,476)               |
| Itau Bank, Ltd. (2)                         | 798,296              | 728,949          | -                      | -                      |
| Redecard S.A. (Note 2c)                     | 110,381              | 581,920          | (517,427)              | (473,593)              |
| Biu Participações S.A.                      | 119,716              | 116,205          | (16,066)               | (24,696)               |
| Itaú Gestão de Ativos S.A.                  | 55,421               | 62,110           | (1,499)                | (1,999)                |
| Biogeração de Energia S.A.                  | 9,335                | 22,933           | (3,053)                | 912                    |
| Investimentos Bemge S.A.                    | 19,546               | 18,411           | (809)                  | (926)                  |
| Other                                       | 8,590                | 10,946           | (3,599)                | (4,158)                |
| <b>Total</b>                                | <b>1,121,285</b>     | <b>1,541,474</b> | <b>(542,453)</b>       | <b>(540,936)</b>       |

(1) On July 28, 2011, Dibens Leasing S.A. Arrendamento Mercantil, subsidiary of ITAU UNIBANCO HOLDING acquired minority interest in subsidiaries of Unibanco Participações Societárias for the amount of R\$ 1,226,847.

(2) Represented by redeemable preferred shares issued on December 31, 2002 by Itau Bank Ltd., in the amount of US\$ 393,072, with maturity on March 30, 2015 and semiannual dividends calculated based on LIBOR plus 1.25% p.a..

## **f) Stock Option Plan**

### **I – Purpose and Guidelines of the Plan**

The ITAÚ UNIBANCO HOLDING has a stock option plan for its executives. This program aims at involving the management members in the medium and long-term corporate development process, by granting simple stock options or partner options, personal, not pledgeable or transferable, which entitle to the subscription of one authorized capital share or, at the discretion of the management, one treasury share which has been acquired for replacement purposes.

Such options may only be granted in years in which there are sufficient profits to enable the distribution of mandatory dividends to stockholders and at a quantity that does not exceed the limit of 0.5% of the total shares held by the stockholders at the base date of the year-end balance sheet. The ITAÚ UNIBANCO HOLDING's Personnel Committee is responsible for defining the total quantity, the beneficiaries, the type of option, the life of the option under each series, which may range from a minimum of 5 and a maximum of 10 years, and the vesting period for exercising the options and the period the acquired shares are unavailable due to the exercise of the options. The executive officers and Board of Directors members of ITAÚ UNIBANCO HOLDING and of its subsidiaries and employees may participate in this program, based on assessment of potential and performance.

Currently, ITAÚ UNIBANCO HOLDING settles the benefits under this PLAN only by delivering its own shares, which are held in treasury until the effective exercise of the options by the beneficiaries.

### **II - Characteristics of the Programs**

#### **II.I – Simple Options**

##### **Prior Programs**

Before the merger, Itaú and Unibanco each had Stock Option Plans (Prior Programs). The eligible beneficiaries of the program were granted simple options, depending upon the individual employee performance. The exercise price is calculated based on the average prices of preferred shares at the BM&FBOVESPA trading sessions over the period of at least one (1) and at the most three (3) months prior to the option issue date; alternatively, subject to the positive or negative adjustment of up to 20%, and restated until the last business day of the month prior to the option exercise date based either on the IGP-M or IPCA, in its absence, based on the index determined by the committee. Options are no longer granted under this model.

##### **Post-Merger Program**

The eligible beneficiaries of the program are granted simple options, dependent upon the individual employee performance. The exercise price is calculated based on the average prices of preferred shares at the BM&FBOVESPA in the last three months of the year prior to the granting date or, alternatively, subject to the positive or negative adjustment of up to 20%. The exercise price is adjusted based on the IGPM or, in its absence, based on the index determined by the committee.

The vesting period is from one (1) to seven (7) years, counted from the issue date.

#### **II.II – Partners Plan**

Executives selected to participate in the program may invest a percentage of their bonus to acquire shares or they have the right to receive shares ("Share-Based Instrument"). Title to the shares acquired, as well as the share-based instruments, should be held by the executives for a period of 3 to 5 years and they are subject to market fluctuation. At the time they acquire own shares and/or share-based instruments, Partner Options are granted in accordance with the classification of executives. Vesting period of Partners Options or share-based instruments is from 1 to 7 years. Share-based instruments and Partner options are converted into own shares of ITAÚ UNIBANCO HOLDING in the ratio of one preferred share for each instrument after the respective vesting period, with no payment of amounts in legal tender during the exercise.

The acquisition price of own shares and Share-Based Instruments is established every six months and it is equivalent to the average preferred share quotation at the BM&FBOVESPA trading sessions in the 30 days prior to the determination of said price.

Title to the shares received after the vesting period of the Partners Options should be held, without any liens or encumbrances, for periods from 5 to 8 years, counted from the date of acquisition of own shares.



The weighted average fair value of the Share-Based Instruments at the granting date was estimated for the shares purchased in the period ended September 30, 2012 – R\$ 36.00 per share (at September 30, 2011 - R\$ 37.00 per share).

The fair value of the Share-Based Instruments is the market price quoted at the granting date for preferred shares of ITAÚ UNIBANCO HOLDING less the cash price paid by the beneficiaries. Amount received for the purchase of Share-Based Instruments for the period ended September 30, 2012 - R\$ 50,361 (at September 30, 2011 - R\$ 48,489).

Summary of Changes in the Plan

| No.                                  | Date       | Granting   | Vesting period until | Exercise until | Restated exercise price (R\$ 1) | Exercised options               |                               | Prior balance 12/31/2011 | Number of shares   |                    |                           | To be exercised at 09/30/2012 | To be exercised at 09/30/2011 |
|--------------------------------------|------------|------------|----------------------|----------------|---------------------------------|---------------------------------|-------------------------------|--------------------------|--------------------|--------------------|---------------------------|-------------------------------|-------------------------------|
|                                      |            |            |                      |                |                                 | Weighted average exercise price | Weighted average market price |                          | Granted            | Exercised          | Forfeited (*) / Cancelled |                               |                               |
| <b>Simple Options</b>                |            |            |                      |                |                                 |                                 |                               |                          |                    |                    |                           |                               |                               |
| 11th                                 | 02/21/2005 | 12/31/2009 | 12/31/2012           |                | 20.07                           | 19.21                           | 33.91                         | 937,275                  | -                  | (419,750)          | -                         | 517,525                       | 1,167,475                     |
| 11th                                 | 08/06/2007 | 12/31/2009 | 12/31/2012           |                | 20.07                           | -                               | -                             | 11,357                   | -                  | -                  | -                         | 11,357                        | 11,357                        |
| 12th                                 | 02/21/2006 | 12/31/2010 | 12/31/2013           |                | 29.86                           | 28.25                           | 37.00                         | 6,854,365                | -                  | (1,946,485)        | -                         | 4,907,880                     | 6,888,525                     |
| 12th                                 | 08/06/2007 | 12/31/2010 | 12/31/2013           |                | 29.86                           | -                               | -                             | 15,867                   | -                  | -                  | -                         | 15,867                        | 15,867                        |
| 16th                                 | 08/10/2009 | 12/31/2010 | 12/31/2014           |                | 33.95                           | -                               | -                             | 874,167                  | -                  | -                  | -                         | 874,167                       | 874,167                       |
| 34th                                 | 03/21/2007 | 03/21/2011 | 03/20/2012           |                | 37.27                           | -                               | -                             | 75,901                   | -                  | -                  | (75,901)                  | -                             | 75,901                        |
| 35th                                 | 03/22/2007 | 03/22/2011 | 03/21/2012           |                | 37.23                           | -                               | -                             | 29,518                   | -                  | -                  | (29,518)                  | -                             | 29,518                        |
| 36th                                 | 05/14/2008 | 05/14/2011 | 05/13/2012           |                | 46.72                           | -                               | -                             | 25,301                   | -                  | -                  | (25,301)                  | -                             | 25,301                        |
| 30th                                 | 07/04/2006 | 07/04/2011 | 07/03/2012           |                | 29.90                           | -                               | -                             | 52,707                   | -                  | -                  | (52,707)                  | -                             | 52,707                        |
| 33rd                                 | 08/30/2006 | 08/30/2011 | 08/29/2012           |                | 33.36                           | 32.70                           | 38.42                         | 21,083                   | -                  | (21,083)           | -                         | -                             | 21,083                        |
| 13th                                 | 02/14/2007 | 12/31/2011 | 12/31/2014           |                | 38.02                           | 35.91                           | 38.32                         | 7,732,975                | -                  | (344,650)          | (1,048,200)               | 6,340,125                     | 7,856,725                     |
| 13th                                 | 08/06/2007 | 12/31/2011 | 12/31/2014           |                | 38.02                           | -                               | -                             | 30,649                   | -                  | -                  | -                         | 30,649                        | 30,649                        |
| 13th                                 | 10/28/2009 | 12/31/2011 | 12/31/2014           |                | 38.02                           | -                               | -                             | 45,954                   | -                  | -                  | -                         | 45,954                        | 45,954                        |
| 34th                                 | 03/21/2007 | 03/21/2012 | 03/20/2013           |                | 38.24                           | -                               | -                             | 75,901                   | -                  | -                  | -                         | 75,901                        | 75,901                        |
| 35th                                 | 03/22/2007 | 03/22/2012 | 03/21/2013           |                | 38.19                           | -                               | -                             | 29,514                   | -                  | -                  | -                         | 29,514                        | 29,514                        |
| 36th                                 | 05/14/2008 | 05/14/2012 | 05/13/2013           |                | 47.52                           | -                               | -                             | 25,300                   | -                  | -                  | -                         | 25,300                        | 25,300                        |
| 17th                                 | 09/23/2009 | 09/23/2012 | 12/31/2014           |                | 39.22                           | -                               | -                             | 29,551                   | -                  | -                  | -                         | 29,551                        | 29,551                        |
| <b>Total options to be exercised</b> |            |            |                      |                |                                 | <b>27.86</b>                    | <b>36.70</b>                  | <b>16,867,385</b>        | <b>-</b>           | <b>(2,731,968)</b> | <b>(1,231,627)</b>        | <b>12,903,790</b>             | <b>17,255,495</b>             |
| 14th                                 | 02/11/2008 | 12/31/2012 | 12/31/2015           |                | 43.83                           | -                               | -                             | 9,266,066                | -                  | -                  | (1,980,132)               | 7,285,934                     | 9,333,166                     |
| 14th                                 | 05/05/2008 | 12/31/2012 | 12/31/2015           |                | 43.83                           | -                               | -                             | 20,625                   | -                  | -                  | -                         | 20,625                        | 20,625                        |
| 14th                                 | 10/28/2009 | 12/31/2012 | 12/31/2015           |                | 43.83                           | -                               | -                             | 45,954                   | -                  | -                  | -                         | 45,954                        | 45,954                        |
| 36th                                 | 05/14/2008 | 05/14/2013 | 05/13/2014           |                | 47.52                           | -                               | -                             | 25,300                   | -                  | -                  | -                         | 25,300                        | 25,300                        |
| 15th                                 | 03/03/2009 | 12/31/2013 | 12/31/2016           |                | 28.66                           | 27.12                           | 35.16                         | 14,114,940               | -                  | (1,452,840)        | (21,340)                  | 12,640,760                    | 14,801,960                    |
| 15th                                 | 10/28/2009 | 12/31/2013 | 12/31/2016           |                | 28.66                           | -                               | -                             | 45,954                   | -                  | -                  | -                         | 45,954                        | 45,954                        |
| 18th                                 | 04/17/2010 | 12/31/2014 | 12/31/2017           |                | 46.56                           | -                               | -                             | 6,052,223                | -                  | -                  | (33,005)                  | 6,019,218                     | 6,052,223                     |
| 18th                                 | 05/11/2010 | 12/31/2014 | 12/31/2017           |                | 46.56                           | -                               | -                             | 1,163,919                | -                  | -                  | (36,897)                  | 1,127,022                     | 1,163,919                     |
| 37th                                 | 04/19/2011 | 12/31/2015 | 12/31/2018           |                | 45.48                           | -                               | -                             | 9,769,432                | -                  | -                  | (103,186)                 | 9,666,246                     | 9,810,523                     |
| 37th                                 | 01/13/2012 | 12/31/2015 | 12/31/2018           |                | 45.48                           | -                               | -                             | -                        | 15,383             | -                  | -                         | 15,383                        | -                             |
| 38th                                 | 01/13/2012 | 12/31/2016 | 12/31/2019           |                | 34.02                           | -                               | -                             | -                        | 15,097             | -                  | -                         | 15,097                        | -                             |
| 38th                                 | 04/27/2012 | 12/31/2016 | 12/31/2019           |                | 34.02                           | -                               | -                             | -                        | 10,373,657         | -                  | (23,346)                  | 10,350,311                    | -                             |
| <b>Total options outstanding</b>     |            |            |                      |                |                                 | <b>27.12</b>                    | <b>35.16</b>                  | <b>40,504,413</b>        | <b>10,404,137</b>  | <b>(1,452,840)</b> | <b>(2,197,906)</b>        | <b>47,257,804</b>             | <b>41,299,624</b>             |
| <b>Total simple options</b>          |            |            |                      |                |                                 | <b>27.60</b>                    | <b>36.17</b>                  | <b>57,371,798</b>        | <b>10,404,137</b>  | <b>(4,184,808)</b> | <b>(3,429,533)</b>        | <b>60,161,594</b>             | <b>58,555,119</b>             |
| <b>Partners Options</b>              |            |            |                      |                |                                 |                                 |                               |                          |                    |                    |                           |                               |                               |
| 4th                                  | 03/03/2008 | 03/03/2011 | -                    | -              | -                               | -                               | -                             | 39,906                   | -                  | -                  | (39,906)                  | -                             | 39,906                        |
| 5th                                  | 09/03/2008 | 09/03/2011 | -                    | -              | -                               | -                               | -                             | 46,710                   | -                  | -                  | -                         | -                             | 52,035                        |
| 6th                                  | 03/06/2009 | 03/06/2012 | -                    | -              | -                               | 35.90                           | 719,023                       | -                        | (681,490)          | (37,533)           | -                         | -                             | 719,023                       |
| 7th                                  | 06/19/2009 | 03/06/2012 | -                    | -              | -                               | 35.90                           | 79,446                        | -                        | (79,446)           | -                  | -                         | -                             | 79,446                        |
| 1st                                  | 09/03/2007 | 09/03/2012 | -                    | -              | -                               | 32.05                           | 309,508                       | -                        | (309,294)          | (214)              | -                         | -                             | 309,508                       |
| 3rd                                  | 02/29/2008 | 09/03/2012 | -                    | -              | -                               | -                               | 33,474                        | -                        | -                  | -                  | -                         | 33,474                        | 33,474                        |
| <b>Total options to be exercised</b> |            |            |                      |                |                                 | <b>34.79</b>                    | <b>1,228,067</b>              | <b>-</b>                 | <b>(1,070,230)</b> | <b>(124,363)</b>   | <b>33,474</b>             | <b>1,233,392</b>              | <b>-</b>                      |
| 4th                                  | 03/03/2008 | 03/03/2013 | -                    | -              | -                               | -                               | 388,432                       | -                        | -                  | (874)              | -                         | 387,558                       | 388,432                       |
| 8th                                  | 08/17/2010 | 08/16/2013 | -                    | -              | -                               | -                               | 339,632                       | -                        | -                  | (11,120)           | -                         | 328,512                       | 339,386                       |
| 9th                                  | 08/30/2010 | 08/16/2013 | -                    | -              | -                               | -                               | 329,711                       | -                        | -                  | (5,285)            | -                         | 324,426                       | 329,711                       |
| 11th                                 | 09/30/2010 | 08/16/2013 | -                    | -              | -                               | -                               | 17,717                        | -                        | -                  | -                  | -                         | 17,717                        | -                             |
| 5th                                  | 09/03/2008 | 09/03/2013 | -                    | -              | -                               | -                               | 449,442                       | -                        | -                  | (6,217)            | -                         | 443,225                       | 449,442                       |
| 10th                                 | 09/30/2010 | 09/29/2013 | -                    | -              | -                               | -                               | 1,862,409                     | -                        | -                  | (41,009)           | -                         | 1,821,400                     | 1,861,177                     |
| 17th                                 | 06/14/2012 | 02/27/2014 | -                    | -              | -                               | -                               | -                             | 7,791                    | -                  | -                  | -                         | 7,791                         | -                             |
| 12th                                 | 02/28/2011 | 02/28/2014 | -                    | -              | -                               | -                               | 1,558,584                     | -                        | -                  | (25,085)           | -                         | 1,533,499                     | 1,558,030                     |
| 6th                                  | 03/06/2009 | 03/06/2014 | -                    | -              | -                               | -                               | 704,604                       | -                        | -                  | (11,390)           | -                         | 693,214                       | 704,604                       |
| 7th                                  | 06/19/2009 | 03/06/2014 | -                    | -              | -                               | -                               | 79,445                        | -                        | -                  | -                  | -                         | 79,445                        | 79,445                        |
| 14th                                 | 11/04/2011 | 08/18/2014 | -                    | -              | -                               | -                               | 509                           | -                        | -                  | -                  | -                         | 509                           | -                             |
| 17th                                 | 06/14/2012 | 08/18/2014 | -                    | -              | -                               | -                               | -                             | 2,527                    | -                  | -                  | -                         | 2,527                         | -                             |
| 13th                                 | 08/19/2011 | 08/19/2014 | -                    | -              | -                               | -                               | 706,397                       | -                        | -                  | (18,628)           | -                         | 686,769                       | 706,397                       |
| 17th                                 | 06/14/2012 | 02/23/2015 | -                    | -              | -                               | -                               | -                             | 8,187                    | -                  | -                  | -                         | 8,187                         | -                             |
| 15th                                 | 02/24/2012 | 02/24/2015 | -                    | -              | -                               | -                               | -                             | 1,583,044                | -                  | (6,279)            | -                         | 1,576,765                     | -                             |
| 16th                                 | 02/24/2012 | 02/24/2015 | -                    | -              | -                               | -                               | -                             | 69,156                   | -                  | (4,673)            | -                         | 64,483                        | -                             |
| 8th                                  | 08/17/2010 | 08/16/2015 | -                    | -              | -                               | -                               | 338,923                       | -                        | -                  | (11,508)           | -                         | 327,415                       | 338,302                       |
| 9th                                  | 08/30/2010 | 08/16/2015 | -                    | -              | -                               | -                               | 329,152                       | -                        | -                  | (5,464)            | -                         | 323,688                       | 329,152                       |
| 11th                                 | 09/30/2010 | 08/16/2015 | -                    | -              | -                               | -                               | 17,712                        | -                        | -                  | -                  | -                         | 17,712                        | -                             |
| 10th                                 | 09/30/2010 | 09/29/2015 | -                    | -              | -                               | -                               | 1,858,518                     | -                        | -                  | (43,042)           | -                         | 1,815,476                     | 1,855,944                     |
| 17th                                 | 06/14/2012 | 02/27/2016 | -                    | -              | -                               | -                               | -                             | 7,790                    | -                  | -                  | -                         | 7,790                         | -                             |
| 12th                                 | 02/28/2011 | 02/28/2016 | -                    | -              | -                               | -                               | 1,557,215                     | -                        | -                  | (26,442)           | -                         | 1,530,773                     | 1,556,165                     |
| 14th                                 | 11/04/2011 | 08/18/2016 | -                    | -              | -                               | -                               | 508                           | -                        | -                  | -                  | -                         | 508                           | -                             |
| 17th                                 | 06/14/2012 | 08/18/2016 | -                    | -              | -                               | -                               | -                             | 2,527                    | -                  | -                  | -                         | 2,527                         | -                             |
| 13th                                 | 08/19/2011 | 08/19/2016 | -                    | -              | -                               | -                               | 706,338                       | -                        | -                  | (20,011)           | -                         | 686,327                       | 706,338                       |
| 17th                                 | 06/14/2012 | 02/23/2017 | -                    | -              | -                               | -                               | -                             | 8,186                    | -                  | -                  | -                         | 8,186                         | -                             |
| 15th                                 | 02/24/2012 | 02/24/2017 | -                    | -              | -                               | -                               | -                             | 1,582,979                | -                  | (6,497)            | -                         | 1,576,482                     | -                             |
| 16th                                 | 02/24/2012 | 02/24/2017 | -                    | -              | -                               | -                               | -                             | 69,151                   | -                  | (4,751)            | -                         | 64,400                        | -                             |
| <b>Total options outstanding</b>     |            |            |                      |                |                                 | <b>-</b>                        | <b>-</b>                      | <b>11,245,248</b>        | <b>3,341,338</b>   | <b>(249,275)</b>   | <b>(249,275)</b>          | <b>14,337,311</b>             | <b>11,237,954</b>             |
| <b>Total Partners Options</b>        |            |            |                      |                |                                 | <b>-</b>                        | <b>37.22</b>                  | <b>12,473,315</b>        | <b>3,341,338</b>   | <b>(1,070,230)</b> | <b>(373,638)</b>          | <b>14,370,785</b>             | <b>12,471,346</b>             |
| <b>TOTAL SIMPLE/PARTNERS OPTIONS</b> |            |            |                      |                |                                 | <b>27.60</b>                    | <b>35.89</b>                  | <b>69,845,113</b>        | <b>13,745,475</b>  | <b>(5,255,038)</b> | <b>(3,803,171)</b>        | <b>74,532,379</b>             | <b>71,026,465</b>             |

(\*) Refers to the non exercise due to the beneficiary's option.

## Summary of Changes in the Share-Based Instruments

| No.          | Vesting period |            | Prior balance<br>12/31/2011 | New              | Converted<br>into shares | Cancelled       | Balance at<br>09/30/2012 |
|--------------|----------------|------------|-----------------------------|------------------|--------------------------|-----------------|--------------------------|
| 1st          | 08/17/2010     | 08/16/2012 | 110,588                     | -                | (109,069)                | (1,519)         | -                        |
| 1st          | 08/17/2010     | 08/16/2013 | 110,577                     | -                | -                        | (3,206)         | 107,371                  |
| 1st          | 08/30/2010     | 08/16/2012 | 10,216                      | -                | (10,216)                 | -               | -                        |
| 1st          | 08/30/2010     | 08/16/2013 | 10,212                      | -                | -                        | -               | 10,212                   |
| 1st          | 09/30/2010     | 08/16/2012 | 3,971                       | -                | (3,971)                  | -               | -                        |
| 1st          | 09/30/2010     | 08/16/2013 | 3,970                       | -                | -                        | -               | 3,970                    |
| 2nd          | 09/30/2010     | 09/29/2012 | 424,163                     | -                | (5,533)                  | (11,834)        | 406,796                  |
| 2nd          | 09/30/2010     | 09/29/2013 | 424,154                     | -                | -                        | (11,834)        | 412,320                  |
| 3rd          | 02/28/2011     | 02/27/2011 | 444,040                     | -                | (444,040)                | -               | -                        |
| 3rd          | 02/28/2011     | 02/27/2012 | 444,030                     | -                | -                        | (8,679)         | 435,351                  |
| 3rd          | 02/28/2011     | 02/27/2013 | 444,020                     | -                | -                        | (8,678)         | 435,342                  |
| 4th          | 02/24/2012     | 02/24/2013 | -                           | 468,852          | -                        | (4,671)         | 464,181                  |
| 4th          | 02/24/2012     | 02/24/2014 | -                           | 468,836          | -                        | (4,671)         | 464,165                  |
| 4th          | 02/24/2012     | 02/24/2015 | -                           | 468,821          | -                        | (4,671)         | 464,150                  |
| <b>Total</b> |                |            | <b>2,429,941</b>            | <b>1,406,509</b> | <b>(572,829)</b>         | <b>(59,763)</b> | <b>3,203,858</b>         |

| No.          | Vesting period |            | Balance at<br>12/31/2010 | New              | Converted<br>into shares | Cancelled       | Balance at<br>09/30/2011 |
|--------------|----------------|------------|--------------------------|------------------|--------------------------|-----------------|--------------------------|
| 1st          | 08/17/2010     | 08/16/2011 | 114,980                  | -                | (110,598)                | (4,382)         | -                        |
| 1st          | 08/17/2010     | 08/16/2012 | 114,969                  | -                | -                        | (4,381)         | 110,588                  |
| 1st          | 08/17/2010     | 08/16/2013 | 114,958                  | -                | -                        | (4,381)         | 110,577                  |
| 1st          | 08/30/2010     | 08/16/2011 | 10,221                   | -                | (10,221)                 | -               | -                        |
| 1st          | 08/30/2010     | 08/16/2012 | 10,216                   | -                | -                        | -               | 10,216                   |
| 1st          | 08/30/2010     | 08/16/2013 | 10,212                   | -                | -                        | -               | 10,212                   |
| 1st          | 09/30/2010     | 08/16/2011 | 3,972                    | -                | (3,972)                  | -               | -                        |
| 1st          | 09/30/2010     | 08/16/2012 | 3,971                    | -                | -                        | -               | 3,971                    |
| 1st          | 09/30/2010     | 08/16/2013 | 3,970                    | -                | -                        | -               | 3,970                    |
| 2nd          | 09/30/2010     | 09/29/2011 | 424,172                  | -                | (424,172)                | -               | -                        |
| 2nd          | 09/30/2010     | 09/29/2012 | 424,163                  | -                | -                        | -               | 424,163                  |
| 2nd          | 09/30/2010     | 09/29/2013 | 424,154                  | -                | -                        | -               | 424,154                  |
| 3rd          | 02/28/2011     | 02/27/2011 | -                        | 444,040          | -                        | -               | 444,040                  |
| 3rd          | 02/28/2011     | 02/27/2012 | -                        | 444,030          | -                        | -               | 444,030                  |
| 3rd          | 02/28/2011     | 02/27/2013 | -                        | 444,020          | -                        | -               | 444,020                  |
| <b>Total</b> |                |            | <b>1,659,958</b>         | <b>1,332,090</b> | <b>(548,963)</b>         | <b>(13,144)</b> | <b>2,429,941</b>         |

### III – Fair Value and Economic Assumptions for Cost Recognition

ITAÚ UNIBANCO HOLDING recognizes, at the granting date, the fair value of options through the Binomial method for Simple Options and the Black & Scholes method for Partners Options. Economic assumptions used are as follows:

Exercise price: for the option exercise price, the exercise price previously agreed upon at the option issue is adopted, adjusted by the IGP-M variation;

Price of the underlying asset: the share price of ITAÚ UNIBANCO HOLDING (ITUB4) used for calculation is the closing price at BM&FBOVESPA on the calculation base date;

Expected dividends: the average annual return rate for the last three years of the dividends paid, plus interest on capital of the ITUB4 share;

Risk-free interest rate: the applied risk-free rate is the IGP-M coupon rate at the expiration date of the option plan;

Expected volatility: calculated based on the standard deviation from the history of the last 84 monthly returns of closing prices of the ITUB4 share, released by BM&FBOVESPA, adjusted by the IGP-M variation.

| No.                         | Granting Date | Vesting period until | Exercise period until | Price of underlying asset | Fair value | Expected dividends | Risk-free interest rate | Expected volatility |
|-----------------------------|---------------|----------------------|-----------------------|---------------------------|------------|--------------------|-------------------------|---------------------|
| <b>Simple Options</b>       |               |                      |                       |                           |            |                    |                         |                     |
| 37th                        | 01/13/2012    | 12/31/2015           | 12/31/2018            | 35.50                     | 8.85       | 2.97%              | 5.25%                   | 30.32%              |
| 38th                        | 01/13/2012    | 12/31/2016           | 12/31/2019            | 35.50                     | 12.45      | 2.97%              | 5.25%                   | 30.32%              |
| 38th                        | 04/27/2012    | 12/31/2016           | 12/31/2019            | 29.70                     | 7.82       | 3.02%              | 3.91%                   | 29.93%              |
| <b>Partners Options (*)</b> |               |                      |                       |                           |            |                    |                         |                     |
| 15th                        | 02/24/2012    | 02/24/2015           | -                     | 36.00                     | 32.94      | 2.97%              | -                       | -                   |
| 15th                        | 02/24/2012    | 02/24/2017           | -                     | 36.00                     | 31.04      | 2.97%              | -                       | -                   |
| 16th                        | 02/24/2012    | 02/24/2015           | -                     | 36.00                     | 32.94      | 2.97%              | -                       | -                   |
| 16th                        | 02/24/2012    | 02/24/2017           | -                     | 36.00                     | 31.04      | 2.97%              | -                       | -                   |
| 17th                        | 06/14/2012    | 08/18/2014           | -                     | 29.57                     | 27.69      | 3.02%              | -                       | -                   |
| 17th                        | 06/14/2012    | 02/27/2014           | -                     | 29.57                     | 28.08      | 3.02%              | -                       | -                   |
| 17th                        | 06/14/2012    | 02/23/2015           | -                     | 29.57                     | 27.26      | 3.02%              | -                       | -                   |
| 17th                        | 06/14/2012    | 08/18/2016           | -                     | 29.57                     | 26.06      | 3.02%              | -                       | -                   |
| 17th                        | 06/14/2012    | 02/27/2016           | -                     | 29.57                     | 26.44      | 3.02%              | -                       | -                   |
| 17th                        | 06/14/2012    | 02/23/2017           | -                     | 29.57                     | 25.65      | 3.02%              | -                       | -                   |

(\*) The fair value of option is measured based on the fair value of Itaú Unibanco share at the granting date.

### IV - Accounting Effects Arising from Options

The exercise of stock options, pursuant to the Plan's regulation, resulted in the sale of preferred shares held in treasury thus far. The accounting entries related to the plan are recorded during the vesting period, at the deferral of the fair value of options granted with effect on Income, and during the exercise of options, at the amount received from the option exercise price, reflected in Stockholders' Equity.

The effect of Income for the period from January 1 to September 30, 2012 was R\$ (133,040) (R\$ (121,902) from January 1 to September 30, 2011), as contra-entry to Capital Reserve – Granted Options Recognized – Law No. 11,638 (Note 16 c).

In the Stockholders' Equity, the effect was as follows:

|  | 09/30/2012 | 09/30/2011 |
|--|------------|------------|
| Amount received for the sale of shares – exercised options | 197,888    | 233,269    |
| (-) Cost of treasury shares sold                           | (235,273)  | (227,078)  |
| (+) Write-off of cost recognized of exercised options      | 102,561    | 76,121     |
| Effect on sale (*)   | 65,176     | 82,312     |

(\*) Recorded in revenue reserves.

## NOTE 17 – RELATED PARTIES

- a) Transactions between related parties are disclosed in compliance with CVM Resolution No. 642, of October 7, 2010, and CMN Resolution No. 3,750 of June 30, 2009. These transactions are carried out at amounts, terms and average rates in accordance with normal market practices during the period, as well as under reciprocal conditions.

Transactions between companies included in consolidation were eliminated from the consolidated financial statements and take into consideration the lack of risk.

The unconsolidated related parties are the following:

- Itaú Unibanco Participações S.A. (IUPAR) and ITAÚSA, parent companies of ITAÚ UNIBANCO HOLDING;
- The non-financial subsidiaries of ITAÚSA, specially: Itaotec S.A., Duratex S.A., Elekeiroz S.A. and Itaúsa Empreendimentos S.A.;
- Fundação Itaúbanco, FUNBEP – Fundo de Pensão Multipatrocinado, Caixa de Previdência dos Funcionários do BEG (PREBEG), Fundação Bemgeprev, Itaúbank Sociedade de Previdência Privada, UBB – Previdência Complementar, and Fundação Banorte Manuel Baptista da Silva de Seguridade Social, closed-end private pension entities that administer supplementary retirement plans sponsored by ITAÚ UNIBANCO HOLDING and/or its subsidiaries; and
- Fundação Itaú Social, Instituto Itaú Cultural, Instituto Unibanco, Instituto Assistencial Pedro Di Perna, Instituto Unibanco de Cinema, and Associação Clube A, entities sponsored by ITAÚ UNIBANCO and subsidiaries to act in their respective areas of interest, as described in Notes 22e and 22j.
- Investments in Porto Seguro Itaú Unibanco Participações S.A., SERASA S.A. and BSF Holding S.A..

Additionally, there are operations with jointly controlled entities, particularly Banco Investcred Unibanco S.A., Financeira Itaú CBD S.A. Crédito, Financiamento e Investimento, Luizacred S.A. Soc. Créd. Financiamento Investimento, FAI Financeira Americanas Itaú S.A. Crédito, Financiamento e Investimento, FIC Promotora de Vendas Ltda. and Ponto Frio Leasing S.A. Arrendamento Mercantil.

The transactions with these related parties are basically characterized by:

|   | ITAÚ UNIBANCO HOLDING |                    |                     |                     | ITAÚ UNIBANCO HOLDING CONSOLIDATED                |                      |                  |                     |                     |
|---|-----------------------|--------------------|---------------------|---------------------|---|----------------------|------------------|---------------------|---------------------|
|   | ASSETS/(LIABILITIES)  |                    | REVENUE/(EXPENSE)   |                     | Annual rate                                       | ASSETS/(LIABILITIES) |                  | REVENUE/(EXPENSE)   |                     |
|   | 09/30/2012            | 09/30/2011         | 01/01 to 09/30/2012 | 01/01 to 09/30/2011 |   | 09/30/2012           | 09/30/2011       | 01/01 to 09/30/2012 | 01/01 to 09/30/2011 |
| <b>Interbank investments</b>  | <b>38,557,254</b>     | <b>30,954,821</b>  | <b>2,233,198</b>    | <b>1,853,756</b>    |   | <b>1,137,373</b>     | <b>1,705,356</b> | <b>77,335</b>       | <b>141,921</b>      |
| Itaú Unibanco S.A.  | 32,299,984            | 25,197,755         | 1,949,795           | 1,632,733           |   | -                    | -                | -                   | -                   |
| Agência Grand Cayman  | 6,257,270             | 5,757,066          | 283,403             | 221,023             |   | -                    | -                | -                   | -                   |
| Financiadora Itaú CBD S.A. Crédito, Financiamento e Investimento          | -                     | -                  | -                   | -                   | 103% of CDI                                       | 171,221              | 531,189          | 11,475              | 40,426              |
| FAI Financeira Americanas Itaú S.A. Crédito, Financiamento e Investimento | -                     | -                  | -                   | -                   | 7.52% to 13.16% pre-fixed average 8.31% pre-fixed | -                    | 246,103          | -                   | 24,717              |
| Luizacred S.A. Sociedade de Crédito, Financiamento e Investimento         | -                     | -                  | -                   | -                   | 103% of CDI                                       | 966,152              | 928,064          | 65,860              | 76,778              |
| Other   | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | -                   |
| <b>Securities and Derivative financial instruments</b>                    | <b>6,485,581</b>      | -                  | <b>144,258</b>      | <b>(183)</b>        |   | -                    | -                | -                   | -                   |
| Agência Grand Cayman  | 6,485,581             | -                  | 144,258             | -                   |   | -                    | -                | -                   | -                   |
| Itaú Unibanco S.A.  | -                     | -                  | -                   | (183)               |   | -                    | -                | -                   | -                   |
| <b>Deposits</b>   | <b>(5,154,518)</b>    | <b>(4,705,826)</b> | <b>(322,075)</b>    | <b>(319,318)</b>    |   | <b>(1,271)</b>       | <b>(67,686)</b>  | <b>(1,724)</b>      | -                   |
| Depósitos   | (5,154,518)           | (4,705,826)        | (322,075)           | (319,318)           |   | -                    | -                | -                   | -                   |
| Itaú Unibanco S.A.  | -                     | -                  | -                   | -                   |   | (1,016)              | (55,604)         | (1,327)             | -                   |
| Duratex S.A.  | -                     | -                  | -                   | -                   |   | -                    | (8,818)          | (303)               | -                   |
| Elekeiroz S.A.  | -                     | -                  | -                   | -                   |   | -                    | (2,084)          | -                   | -                   |
| Itautec S.A.  | -                     | -                  | -                   | -                   |   | -                    | (625)            | -                   | -                   |
| Porto Seguro S.A.   | -                     | -                  | -                   | -                   |   | -                    | (244)            | -                   | -                   |
| Financiadora Itaú CBD S.A. Crédito, Financiamento e Investimento          | -                     | -                  | -                   | -                   |   | (255)                | (296)            | (75)                | -                   |
| Ponto Frio Leasing S.A. Arrendamento Mercantil                            | -                     | -                  | -                   | -                   |   | -                    | (15)             | -                   | -                   |
| Other   | -                     | -                  | -                   | -                   |   | -                    | -                | (19)                | -                   |
| <b>Securities sold under repurchase agreements</b>                        | -                     | -                  | -                   | -                   |   | <b>(291,145)</b>     | <b>(194,441)</b> | <b>(6,787)</b>      | <b>(10,953)</b>     |
| Captações no Mercado Aberto   | -                     | -                  | -                   | -                   |   | (5,273)              | (58,357)         | -                   | -                   |
| Itaúsa Empreendimentos S.A.   | -                     | -                  | -                   | -                   |   | (199,725)            | (24,544)         | (1,497)             | (1,024)             |
| Duratex S.A.  | -                     | -                  | -                   | -                   |   | -                    | -                | (543)               | (144)               |
| Elekeiroz S.A.  | -                     | -                  | -                   | -                   |   | (12,417)             | (13,763)         | -                   | -                   |
| Itautec S.A.  | -                     | -                  | -                   | -                   |   | -                    | (10,239)         | -                   | (604)               |
| FIC Promotora de Venda Ltda.  | -                     | -                  | -                   | -                   | 100% of SELIC                                     | (3,797)              | (7,918)          | (130)               | (513)               |
| Facilita Promotora S.A.   | -                     | -                  | -                   | -                   | 100% of SELIC                                     | (1,906)              | (3,756)          | (88)                | (372)               |
| Olimpia Promoção e Serviços S.A.  | -                     | -                  | -                   | -                   |   | -                    | (13,782)         | -                   | (1,034)             |
| Banco Investred Unibanco S.A.   | -                     | -                  | -                   | -                   | 100% of SELIC                                     | (68,010)             | (62,082)         | (4,257)             | (4,992)             |
| Maxfácil Participações S.A.   | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | -                   |
| Other   | -                     | -                  | -                   | -                   |   | (17)                 | -                | (272)               | (2,270)             |
| <b>Amounts receivable from (payable to) related companies</b>             | -                     | <b>(3,984)</b>     | -                   | -                   |   | <b>(121,415)</b>     | <b>(111,261)</b> | -                   | -                   |
| Valores a Receber (Pagar) Sociedades Ligadas                              | -                     | (3,557)            | -                   | -                   |   | -                    | -                | -                   | -                   |
| Itaú Unibanco S.A.  | -                     | (427)              | -                   | -                   |   | -                    | -                | -                   | -                   |
| Itaú Corretora de Valores S. A.   | -                     | -                  | -                   | -                   |   | 56                   | 58               | -                   | -                   |
| Itaúsa Investimentos Itaú S.A.  | -                     | -                  | -                   | -                   |   | 8,940                | 7,400            | -                   | -                   |
| Porto Seguro S.A.   | -                     | -                  | -                   | -                   |   | -                    | (539)            | -                   | -                   |
| Financiadora Itaú CBD S.A. Crédito, Financiamento e Investimento          | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | -                   |
| FIC Promotora de Venda Ltda.  | -                     | -                  | -                   | -                   |   | (1,574)              | (1,063)          | -                   | -                   |
| FAI Financeira Americanas Itaú S.A. Crédito, Financiamento e Investimento | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | -                   |
| Facilita Promotora S.A.   | -                     | -                  | -                   | -                   |   | (1,108)              | (144)            | -                   | -                   |
| Olimpia Promoção e Serviços S.A.  | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | -                   |
| Banco Investred Unibanco S.A.   | -                     | -                  | -                   | -                   |   | (1,578)              | (3,710)          | -                   | -                   |
| Luizacred S.A. Sociedade de Crédito, Financiamento e Investimento         | -                     | -                  | -                   | -                   |   | (1,484)              | -                | -                   | -                   |
| Maxfácil Participações S.A.   | -                     | -                  | -                   | -                   |   | 1,308                | 1,176            | -                   | -                   |
| Fundação Itaúbanco  | -                     | -                  | -                   | -                   |   | 259                  | 275              | -                   | -                   |
| FUNBEP - Fundo de Pensão Multipatrocinado                                 | -                     | -                  | -                   | -                   |   | (6,913)              | (9,042)          | -                   | -                   |
| Caixa de Prev.dos Func. do Banco Beg - PREBEG                             | -                     | -                  | -                   | -                   |   | (8,321)              | (3,267)          | -                   | -                   |
| Fundação BEMGEPREV  | -                     | -                  | -                   | -                   |   | (24,825)             | (19,577)         | -                   | -                   |
| UBB Prev Previdência Complementar   | -                     | -                  | -                   | -                   |   | (87,266)             | (82,841)         | -                   | -                   |
| Other   | -                     | -                  | -                   | -                   |   | 1,091                | 13               | -                   | -                   |
| <b>Banking service fees (expenses)</b>                                    | -                     | -                  | <b>(2,438)</b>      | <b>(3,588)</b>      |   | -                    | -                | <b>42,389</b>       | <b>(104,221)</b>    |
| Receitas (Despesas) de Prestação de Serviços                              | -                     | -                  | (2,438)             | -                   |   | -                    | -                | -                   | -                   |
| Itaú Corretora de Valores S. A.   | -                     | -                  | -                   | -                   |   | -                    | -                | 18,387              | -                   |
| Fundação Itaúbanco  | -                     | -                  | -                   | -                   |   | -                    | -                | 3,822               | -                   |
| FUNBEP - Fundo de Pensão Multipatrocinado                                 | -                     | -                  | -                   | -                   |   | -                    | -                | 1,107               | -                   |
| UBB Prev Previdência Complementar   | -                     | -                  | -                   | -                   |   | -                    | -                | 1,401               | -                   |
| Caixa de Prev.dos Func. do Banco Beg - PREBEG                             | -                     | -                  | -                   | -                   |   | -                    | -                | 812                 | (7,924)             |
| Itaúsa Investimentos S.A.   | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | (79,774)            |
| Financiadora Itaú CBD S.A. Crédito, Financiamento e Investimento          | -                     | -                  | -                   | -                   |   | -                    | -                | 288                 | (32,725)            |
| FAI Financeira Americanas Itaú S.A. Crédito, Financiamento e Investimento | -                     | -                  | -                   | -                   |   | -                    | -                | 4                   | 36,000              |
| Luizacred S.A. Sociedade de Crédito, Financiamento e Investimento         | -                     | -                  | -                   | -                   |   | -                    | -                | (9,298)             | -                   |
| Olimpia Promoção e Serviços S.A.  | -                     | -                  | -                   | -                   |   | -                    | -                | 23,671              | (18,488)            |
| Other   | -                     | -                  | -                   | (3,588)             |   | -                    | -                | 2,215               | (1,310)             |
| <b>Rent revenues (expenses)</b>   | -                     | -                  | <b>(193)</b>        | <b>(160)</b>        |   | -                    | -                | <b>(24,882)</b>     | <b>(27,077)</b>     |
| Receitas (Despesas) com Aluguéis  | -                     | -                  | (45)                | -                   |   | -                    | -                | -                   | -                   |
| Itaúsa Investimentos S.A.   | -                     | -                  | (113)               | -                   |   | -                    | -                | -                   | -                   |
| Itaú Seguros S.A.   | -                     | -                  | -                   | -                   |   | -                    | -                | (16,293)            | (19,771)            |
| Fundação Itaúbanco  | -                     | -                  | -                   | -                   |   | -                    | -                | (7,445)             | (6,347)             |
| Other   | -                     | -                  | (35)                | (160)               |   | -                    | -                | (1,144)             | (959)               |
| <b>Donation expenses</b>  | -                     | -                  | -                   | -                   |   | -                    | -                | <b>(48,200)</b>     | <b>(47,295)</b>     |
| Despesas com Doações  | -                     | -                  | -                   | -                   |   | -                    | -                | (47,400)            | (43,000)            |
| Instituto Itaú Cultural   | -                     | -                  | -                   | -                   |   | -                    | -                | (800)               | -                   |
| Associação Clube A  | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | (280)               |
| Fundação Itaú Social  | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | (4,015)             |
| <b>Data processing expenses</b>   | -                     | -                  | -                   | -                   |   | -                    | -                | <b>(207,462)</b>    | <b>(232,621)</b>    |
| Despesas de Processamento de Dados  | -                     | -                  | -                   | -                   |   | -                    | -                | (207,462)           | (232,621)           |
| <b>Non-Operating Income</b>   | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | <b>48,088</b>       |
| Resultado não Operacional   | -                     | -                  | -                   | -                   |   | -                    | -                | -                   | 48,088              |

In addition to the aforementioned operations, ITAÚ UNIBANCO HOLDING and non-consolidated related parties, as an integral part of the Agreement for Apportionment of Common Costs of Itaú Unibanco, recorded in Other Administrative Expenses in the amount of R\$ 3,784 (R\$ 6,147 from 01/01 to 09/30/2011) in view of the use of common structure.

In accordance with the rules in effect, the financial institutions cannot grant loans or advances to the following:

- a) any individual or company that control the Institution or any entity under common control with the institution, or any officer, director, fiscal council member or direct relative of such individuals;
- b) any entity controlled by the Institution; or
- c) any entity of which the bank directly or indirectly holds at least 10% of capital stock.

Therefore, no loans or advances are made to any subsidiaries, executive officers, Board of Directors members or their relatives.

Itaú Unibanco Holding made regular donations to Fundação Itaú Social, a philanthropic foundation which objectives are: to create "Programa Itaú Social", aimed at coordinating activities that are of the community's interest, support and develop social, scientific and cultural projects, mainly in the elementary education and health areas; support projects or initiatives in progress, maintained or sponsored by entities qualifying to work, according to "Programa Itaú Social". In addition, Itaú Unibanco is the founding partner and sponsor of Instituto Itaú Cultural - IIC, an entity which objective is to promote and preserve the Brazilian cultural heritage.

## b) Compensation of Management Key Personnel

The fees attributed in the period to ITAÚ UNIBANCO HOLDING management members are as follows:

|   | 09/30/2012     | 09/30/2011     |
|---|----------------|----------------|
| <b>Compensation</b>                           | <b>195,685</b> | <b>230,481</b> |
| Board of Directors                            | 6,291          | 3,196          |
| Management members                            | 189,394        | 227,285        |
| <b>Profit sharing</b>                         | <b>122,972</b> | <b>163,356</b> |
| Board of Directors                            | 1,500          | 1,000          |
| Management members                            | 121,472        | 162,356        |
| <b>Contributions to pension plans</b>         | <b>6,947</b>   | <b>4,416</b>   |
| Board of Directors                            | 3              | 122            |
| Management members                            | 6,944          | 4,294          |
| <b>Stock option plan – Management members</b> | <b>120,370</b> | <b>95,509</b>  |
| <b>Total</b>                                  | <b>445,974</b> | <b>493,762</b> |

Information related to the granting of the stock option plan, benefits to employees and post-employment is detailed in Notes 16f IV and 19, respectively.

## NOTE 18 - MARKET VALUE

The financial statements are prepared in accordance with accounting principles which assume the normal continuity of the operations of ITAÚ UNIBANCO HOLDING and its subsidiaries.

The book value of each financial instrument, whether included or not in the balance sheet (comprises investments in affiliates and other investments), when compared to the value that might be obtained in an active market, or in the absence of such market, using the net present value of future cash flows adjusted based on the current market interest, is approximately equal to the market value, or does not have a market quotation available, except for the instruments in the table below:

|   | BOOK VALUE  |             | MARKET      |             | Unrealized income (loss) (1) |                  |                      |                  |
|---|-------------|-------------|-------------|-------------|------------------------------|------------------|----------------------|------------------|
|   |             |             |             |             | Results                      |                  | Stockholders' equity |                  |
|   | 09/30/2012  | 09/30/2011  | 09/30/2012  | 09/30/2011  | 09/30/2012                   | 09/30/2011       | 09/30/2012           | 09/30/2011       |
| Interbank deposits                                | 18,160,320  | 21,830,736  | 18,198,058  | 21,861,106  | 37,738                       | 30,370           | 37,738               | 30,370           |
| Securities and derivative financial instruments   | 234,556,390 | 185,584,204 | 235,749,162 | 186,178,883 | 3,634,199                    | 1,134,810        | 1,192,772            | 594,679          |
| Adjustment of available-for-sale securities       |             |             |             |             | 2,431,385                    | 529,114          | -                    | -                |
| Adjustment of held-to-maturity securities         |             |             |             |             | 1,202,814                    | 605,696          | 1,192,772            | 594,679          |
| Loan, lease and other credit operations           | 332,127,865 | 310,560,158 | 334,134,110 | 310,790,972 | 2,006,245                    | 230,814          | 2,006,245            | 230,814          |
| Investments (2)                                   |             |             |             |             |                              |                  |                      |                  |
| BM&FBovespa                                       | 24,755      | 58,107      | 227,533     | 395,734     | 202,778                      | 337,627          | 202,778              | 337,627          |
| BPI (3)   | -           | 317,775     | -           | 317,775     | -                            | -                | -                    | -                |
| Cetip S.A.  | 291         | 17,188      | 12,076      | 202,229     | 11,785                       | 185,041          | 11,785               | 185,041          |
| Porto Seguro Itaú Unibanco Participações S.A. (4) | 1,254,314   | 1,172,525   | 2,004,186   | 1,720,119   | 749,872                      | 547,594          | 749,872              | 547,594          |
| Serasa S.A.                                       | 244,642     | 268,122     | 1,648,278   | 1,150,487   | 1,403,636                    | 882,365          | 1,403,636            | 882,365          |
| Parent company                                    | 161,843     | 177,377     | 1,565,479   | 1,059,742   | 1,403,636                    | 882,365          | 1,403,636            | 882,365          |
| Minority stockholders (5)                         | 82,799      | 90,745      | 82,799      | 90,745      | -                            | -                | -                    | -                |
| Fundings and borrowings (6)                       | 203,725,561 | 194,036,103 | 204,069,729 | 194,239,512 | (344,168)                    | (203,409)        | (344,168)            | (203,409)        |
| Subordinated debt (Note 10f)                      | 49,342,036  | 38,366,648  | 50,097,691  | 38,511,494  | (755,655)                    | (144,846)        | (755,655)            | (144,846)        |
| Treasury shares                                   | 1,527,334   | 1,704,137   | 1,611,842   | 1,705,387   | -                            | -                | 84,508               | 1,250            |
| <b>Total unrealized</b>                           |             |             |             |             | <b>6,946,430</b>             | <b>3,000,366</b> | <b>4,589,511</b>     | <b>2,461,485</b> |

(1) This does not consider the corresponding tax effects.

(2) Starting December 2011, Redecard is no longer disclosed since it is an investment in subsidiary.

(3) Unrealized result, considers adjustments to market value of available-for-sale securities.

(4) Parent company of Porto Seguro S.A.

(5) The investment held by minority stockholders does not affect the result of ITAÚ UNIBANCO HOLDING.

(6) Funding is represented by interbank and time deposits, funds from acceptance and issuance of securities and borrowings.

To obtain the market values for these financial instruments, the following criteria were adopted:

- Interbank investments were determined based on their nominal amounts, monetarily restated to maturity dates and discounted to present value using future market interest rates and swap market rates for fixed-rate securities and using market interest rates for fixed-rate securities, achieved at the closing of BM&FBOVESPA at the balance sheet date, for floating-rate securities;
- Securities and derivative financial instruments, according to the rules established by Circulars No. 3,068 and 3,082 of November 8, 2001 and January 30, 2002, respectively, issued by the Central Bank of Brazil (BACEN), are recorded at their market value, except for those classified as Held to Maturity. Government securities allocated in this category have their market value calculated based on the rates obtained in the market, and validated through the comparison with information provided by the National Association of Financial Market Institutions (ANBIMA). Private securities included in this category have their market value calculated using a criterion similar to the one adopted for Investments in Interbank Deposits, as described above;
- Loans with maturity over 90 days, when available, were calculated based on the net present value of future cash flows discounted at market interest rates effective on the balance sheet date, taking into account the effects of *hedges* as well (swap contracts);
- Investments - in companies BPI, BM&FBOVESPA, CETIP and Porto Seguro at the share value in stock exchanges and Serasa S.A. based on the historical average of Price/Income ratio of its parent company.
- Time and interbank deposits and funds from acceptance and issuance of securities and foreign borrowings through securities, when available, were calculated based on their present value determined by future cash flows discounted at market rates obtained at the closing of BM&FBOVESPA on the balance sheet date;
- Subordinated debt, based on the net present value of future fixed or floating cash flows in foreign currency, net of the market interest rates effective on the balance sheet date and considering the credit risk of the issuer. The floating cash flows are estimated as from the interest curves of the indexation market places;
- Treasury shares are valued according to the average quotation available on the last trading day of the month or, if this is not available, according to the most recent quotation on prior trading days, published in the daily bulletin of each Stock Exchange.



## NOTE 19 – BENEFITS TO EMPLOYEES

Pursuant to CVM Resolution No. 600, dated October 7, 2009, we present the policies adopted by ITAÚ UNIBANCO HOLDING and its subsidiaries regarding benefits to employees, as well as the accounting procedures adopted:

ITAÚ UNIBANCO HOLDING and some of its subsidiaries sponsor defined benefit and variable contribution plans, which basic purpose is granting benefits that, in general, provide a life annuity benefit, and may be converted into survivorship annuities, according to the plan's regulation. They also sponsor defined contribution plans, the benefit of which is calculated based on the accumulated balance at the eligibility date, according to the plan's regulation, which does not require actuarial calculation.

Employees hired until July 31, 2002, who come from Itaú, and until February 27, 2009, who come from Unibanco, are beneficiaries of the above-mentioned plans. As regards the employees hired after these dates, they have the option to voluntarily participate in a defined contribution plan (PGBL), managed by Itaú Vida e Previdência S.A.

### a) Description of the Plans

The plans' assets are invested in separate funds, with the exclusive purpose of providing benefits to eligible employees, and they are maintained independently from ITAÚ UNIBANCO HOLDING. These funds are maintained by closed-end private pension entities with independent legal structures, as detailed below:

| Entity   | Benefit plan   |
|--|--|
| Fundação Itaubanco   | Supplementary retirement plan – PAC (1)<br>Franprev benefit plan - PBF (1)<br>002 benefit plan - PB002 (1)<br>Itaulam basic plan - PBI (1)<br>Itaulam Supplementary Plan - PSI (2)<br>Itaubanco Plan (3)<br>Itaubank Retirement Plan (3) |
| Fundação Bemgeprev   | Supplementary Retirement Plan – Flexible Premium Annuity (ACMV) (1)  |
| Funbep Fundo de Pensão Multipatrocinado                        | Funbep I Benefit Plan (1)<br>Funbep II Benefit Plan (2)  |
| Caixa de Previdência dos Funcionários do Banco Beg - Prebeg    | Prebeg Benefit Plan (1)  |
| Itaú Fundo Multipatrocinado                                    | Itaú Defined Benefit Plan (1)<br>Itaú Defined Contribution Plan (2)  |
| Múltipla - Multiempresas de Previdência Complementar           | Redecard Basic Retirement Plan (1)<br>Redecard Supplementary Retirement Plan (2)<br>Redecard Supplementary Plan (3)  |
| UBB-PREV - Previdência Complementar                            | Unibanco Pension Plan (3)<br>Basic Plan (1)<br>IJMS Plan (1)   |
| Banorte Fundação Manoel Baptista da Silva de Seguridade Social | Benefit Plan II (1)  |

(1) Defined benefit plan;

(2) Variable contribution plan;

(3) Defined contribution plan.

## b) Defined benefit plan

### I - Main assumptions used in actuarial valuation of Retirement Plans

|   | 2012                  | 2011                  |
|---|-----------------------|-----------------------|
| Discount rate   | 9.72% p.a.            | 9.72% p.a.            |
| Expected return rate on assets                          | 11.32 % p.a.          | 12.32% p.a.           |
| Mortality table (1)                                     | AT-2000               | AT-2000               |
| Turnover (2)  | Itaú Exp. 2008/2010   | Itaú Exp. 2003/2004   |
| Future salary growth                                    | 7.12 % p.a.           | 7.12% p.a.            |
| Growth of the pension fund and social security benefits | 4.00 % p.a.           | 4.00% p.a.            |
| Inflation   | 4.00 % p.a.           | 4.00% p.a.            |
| Actuarial method (3)                                    | Projected Unit Credit | Projected Unit Credit |

(1) The mortality tables adopted correspond to those disclosed by SOA – Society of Actuaries, the North-American Entity which corresponds to IBA – Brazilian Institute of Actuarial Science, which reflects a 10% increase in the probabilities of survival as compared to the respective basic tables;

The life expectancy in years by the AT-2000 mortality table for participants of 55 years of age is 27 and 31 years for men and women, respectively.

(2) The turnover assumption is based on the effective experience of ITAÚ UNIBANCO HOLDING, resulting in the average of 2.4% p.a. based on the 2008/2010 experience;

(3) Using the Projected Unit Credit, the mathematical reserve is determined by the current projected benefit amount multiplied by the ratio between the length of service in the company at the assessment date and the length of service that will be reached at the date when the benefit is granted. The cost is determined taking into account the current projected benefit amount distributed over the years that each participant is employed.

The basic difference between the assumptions above and those adopted upon determination of the actuarial liability of defined benefit plans, for purposes of recording in the balance sheet of the closed-end private pension entities that manage them, is the actuarial method. For this purpose, the Bank adopts the aggregate method, by which the mathematical reserve is defined based on the difference between the present value of the projected benefit and the present value of future contributions, subject to the methodology defined in the respective actuarial technical note.

### II –Management of defined benefit plan assets

The purpose of the management of the funds from the closed-end private pension entities is the long-term balance between social security assets and liabilities by exceeding the actuarial goals.

As regards the assets guaranteeing mathematical reserves, management should ensure the payment capacity of benefits in the long-term by preventing the risk of mismatching assets and liabilities by pension plan.

At September 30, 2012 the allocation of plan assets and the allocation target for 2012, by type of asset, are as follows:

| Types                      | At 09/30/2012     | At 09/30/2011     | % Allocation   |                |             |
|----------------------------|-------------------|-------------------|----------------|----------------|-------------|
|                            |                   |                   | 09/30/2012     | 09/30/2011     | 2012 Target |
| Fixed income securities    | 11,380,887        | 10,269,626        | 91.37%         | 88.20%         | 53% a 100%  |
| Variable income securities | 694,127           | 992,687           | 5.57%          | 8.53%          | 0% a 25%    |
| Structured investments     | 14,757            | 12,751            | 0.12%          | 0.11%          | 0% a 10%    |
| Real estate                | 340,965           | 345,363           | 2.74%          | 2.97%          | 0% a 6%     |
| Loans to participants      | 24,525            | 23,014            | 0.20%          | 0.20%          | 0% a 5%     |
| <b>Total</b>               | <b>12,455,261</b> | <b>11,643,441</b> | <b>100.00%</b> | <b>100.00%</b> |             |

The defined benefit plan assets include shares of ITAÚ UNIBANCO HOLDING, its main parent company (ITAÚSA) and of subsidiaries of the latter, with a fair value of R\$ 527,629 (R\$ 505,297 at 09/30/2011), and real estate rented to Group companies, with a fair value of R\$ 293,192 (R\$ 296,931 at 09/30/2011).

The expected income from defined benefit plan assets is based on projections of returns for each of the segments detailed above. For the fixed-income segment, the adopted interest rates were taken from long-term securities included in the portfolios, and the interest rates practiced in the market at the closing of the balance sheet. For the variable-income segment, conservative expectations of annual returns were adopted. For the real estate segment, the cash inflows of expected rental payments for the following 12 months were adopted. For all segments, the basis adopted was the portfolio positions at the balance sheet date.

### III- Net amount recognized in the balance sheet

We present below the calculation of the net amount recognized in the balance sheet:

|   | 09/30/2012       | 09/30/2011       |
|---|------------------|------------------|
| 1 - Net assets of the plans                                 | 12,455,261       | 11,643,441       |
| 2 - Actuarial liabilities                                   | (10,623,100)     | (10,106,711)     |
| <b>3- Surplus (1-2)</b>                                     | <b>1,832,161</b> | <b>1,536,730</b> |
| 4- Asset restriction (*)                                    | (1,400,700)      | (1,215,740)      |
| <b>5 - Net amount recognized in the balance sheet (3-4)</b> | <b>431,461</b>   | <b>320,990</b>   |
| Amount recognized in Assets                                 | 655,350          | 443,570          |
| Amount recognized in Liabilities                            | (223,889)        | (122,580)        |

(\*) Corresponds to the excess of present value of the available economic benefit, in conformity with item 58 of CVM Resolution No. 600.

In conformity with the exemption set forth in CVM Resolution No. 647, gains and losses accumulated to 01/01/2010 were recognized in Stockholders' equity, net of tax effects and, taking into account the subsidiary company's adjustments. The actuarial gains and losses for the period from 01/01 to 09/30/2012 were recognized in Results under "Personnel expenses".

#### IV - Change in net assets, actuarial liabilities, and surplus

|  | 09/30/2012        |                       |                  | 09/30/2011        |                       |                  |
|--|-------------------|-----------------------|------------------|-------------------|-----------------------|------------------|
|  | Net assets        | Actuarial liabilities | Surplus          | Net assets        | Actuarial liabilities | Surplus          |
| <b>Present value – beginning of the period</b> | <b>11,772,927</b> | <b>(10,413,448)</b>   | <b>1,359,479</b> | <b>11,167,828</b> | <b>(9,815,180)</b>    | <b>1,352,648</b> |
| Inclusion of Redecard Plan                     |                   |                       | -                | 60,817            | (55,897)              | 4,920            |
| Expected return on assets (2)                  | 976,864           |                       | 976,864          | 771,356           | -                     | 771,356          |
| Cost of current service                        | -                 | (63,321)              | (63,321)         | -                 | (70,729)              | (70,729)         |
| Cost of interest                               | -                 | (738,716)             | (738,716)        | -                 | (700,627)             | (700,627)        |
| Benefits paid                                  | (504,592)         | 504,592               | -                | (421,701)         | 421,701               | -                |
| Contributions of sponsor                       | 33,676            |                       | 33,676           | 22,713            | -                     | 22,713           |
| Contributions of participants                  | 11,451            |                       | 11,451           | 6,645             | -                     | 6,645            |
| Actuarial gain/(loss) (1) (2)                  | 164,935           | 87,793                | 252,728          | 35,783            | 114,021               | 149,804          |
| <b>Present value – end of the period</b>       | <b>12,455,261</b> | <b>(10,623,100)</b>   | <b>1,832,161</b> | <b>11,643,441</b> | <b>(10,106,711)</b>   | <b>1,536,730</b> |

(1) Gains/losses recorded in Net Assets correspond to the income earned above/below the expected return rate of assets.

(2) The actual return on assets amounted to R\$ 1,141,799 (R\$ 807,132 at 09/30/2011)

The history of actuarial gains and losses is as follows:

|   | 09/30/2012       | 09/30/2011       |
|---|------------------|------------------|
| Net assets of the plans                         | 12,455,261       | 11,643,441       |
| Actuarial liabilities                           | (10,623,100)     | (10,106,711)     |
| <b>Surplus</b>                                  | <b>1,832,161</b> | <b>1,536,730</b> |
| Experience adjustments in net assets            | 164,935          | 35,783           |
| Experience adjustments in actuarial liabilities | 87,793           | 114,021          |

#### V- Total revenue (expenses) recognized in income for the period

Total expenses recognized in defined benefit plans include components, as follows:

|   | 09/30/2012     | 09/30/2011    |
|---|----------------|---------------|
| Cost of current service   | (63,321)       | (70,729)      |
| Cost of interest  | (738,716)      | (700,627)     |
| Expected return on the plan assets                                  | 976,864        | 771,356       |
| Effect on asset restriction   | (138,090)      | (107,062)     |
| Gain/(loss) for the period  | 252,728        | 149,804       |
| Contributions of participants                                       | 11,451         | 6,645         |
| <b>Total revenue (expenses) recognized in income for the period</b> | <b>300,916</b> | <b>49,387</b> |

During the period, contributions made totaled R\$ 33,676 (R\$ 22,713 at September 30, 2011). The contribution rate increases based on the beneficiary's salary.

In 2012, the expected contribution to retirement plans sponsored by ITAÚ UNIBANCO HOLDING is R\$ 38,870.

We present below the estimated benefit payments for the next 10 years:

| Period       | Estimated payment |
|--------------|-------------------|
| 2012         | 645,780           |
| 2013         | 673,231           |
| 2014         | 697,244           |
| 2015         | 721,382           |
| 2016         | 746,311           |
| 2017 to 2021 | 4,118,739         |

#### c) Defined contribution plans

The defined contribution plans have pension funds set up by the portion of sponsors' contributions not included in the participant's accounts balance and by the loss of eligibility to a plan benefit, as well as by resources from the migration from the defined benefit plans. The fund will be used for future contributions to the individual participants' accounts, according to the rules of the respective benefit plan regulation.

At September 30, 2012 the amount recognized in assets is R\$ 1,485,828 (R\$ 1,171,809 at 09/30/2011).

Total revenue recognized in defined contribution plans includes the following components:

|  | 09/30/2012    | 09/30/2011   |
|--|---------------|--------------|
| Contributions  | (102,680)     | (99,837)     |
| Actuarial gain/(loss)                                    | 146,318       | 20,220       |
| Effect on asset restriction                              | (996)         | 82,259       |
| <b>Total revenue recognized in income for the period</b> | <b>42,642</b> | <b>2,642</b> |

In conformity with the exemption set forth in CVM Resolution No. 647, gains and losses accumulated until 01/01/2010 were recognized in Stockholders' equity, net of tax effects and, taking into account the subsidiary company's adjustments. The actuarial gains and losses for the period from 01/01 to 09/30/2012 were recognized in Results under "Personnel expenses".

In the period, contributions to the defined contribution plans, including PGBL, totaled R\$ 133,805 (R\$ 128,033 at 09/30/2011), of which R\$ 102,680 (R\$ 108,177 at 09/30/2011) arises from pension funds.

#### d) Other post-employment benefits

ITAÚ UNIBANCO HOLDING and its subsidiaries do not offer other post-employment benefits, except in those cases arising from maintenance obligations according to the acquisition agreements signed by Itaú Unibanco Holding, under the terms and conditions established, in which health plans are totally or partially sponsored for retired workers and beneficiaries.

#### I- Changes

Based on the reported prepared by an independent actuary, the changes in obligations for these other projected benefits and the amounts recognized in the balance sheet, under liabilities, of Itaú Unibanco Holding are as follows:

|                                       | 09/30/2012       | 09/30/2011       |
|---------------------------------------|------------------|------------------|
| <b>At the beginning of the period</b> | (120,154)        | (105,335)        |
| Cost of interest                      | (8,533)          | (7,476)          |
| Benefits paid                         | 4,141            | 4,239            |
| Actuarial loss                        | -                | 1,147            |
| <b>At the end of the period</b>       | <b>(124,546)</b> | <b>(107,425)</b> |

In conformity with the exemption set forth in CVM Resolution No. 647, gains and losses accumulated until 01/01/2010 were recognized in Stockholders' equity, net of tax effects and, taking into account the subsidiary company's adjustments. The actuarial gains and losses for the period from 01/01 to 09/30/2012 were recognized in Results under "Personnel expenses".

We present below the estimated benefit payments for the next 10 years:

| Period       | Estimated payment |
|--------------|-------------------|
| 2012         | 6,366             |
| 2013         | 6,852             |
| 2014         | 7,362             |
| 2015         | 7,854             |
| 2016         | 8,363             |
| 2017 to 2021 | 50,248            |

#### II- Assumptions and sensitivities 1%

For calculation of benefits obligations projected beyond the assumptions used for the defined benefit plans (Note 19b I), the 8.16% p.a. increase in medical costs assumption is adopted.

Assumptions for rates related to medical assistance costs have a significant impact on the amounts recognized in income. A change of one percentage point in the medical assistance cost rates would have the effects as follows:

|  | 1.0% increase | 1.0% decrease |
|--|---------------|---------------|
| Effects on service cost and cost of interest | 1,609         | (1,321)       |
| Effects on present value of obligation       | 16,559        | (13,563)      |

NOTE 20 – INFORMATION ON FOREIGN SUBSIDIARIES

|  | Foreign branches (1) |                    | Latin America Consolidated (2) |                   | Itaú Europa Consolidated (3) |                   | Cayman Consolidated (4) |                   | Other foreign companies (5) |                  | Foreign consolidated (6) |                    |
|--|----------------------|--------------------|--------------------------------|-------------------|------------------------------|-------------------|-------------------------|-------------------|-----------------------------|------------------|--------------------------|--------------------|
|  | 09/30/2012           | 09/30/2011         | 09/30/2012                     | 09/30/2011        | 09/30/2012                   | 09/30/2011        | 09/30/2012              | 09/30/2011        | 09/30/2012                  | 09/30/2011       | 09/30/2012               | 09/30/2011         |
| <b>Assets</b>  |                      |                    |                                |                   |                              |                   |                         |                   |                             |                  |                          |                    |
| <b>Current assets and long-term receivables</b>          |                      |                    |                                |                   |                              |                   |                         |                   |                             |                  |                          |                    |
| Cash and cash equivalents                                | 2,450,306            | 2,318,241          | 2,715,234                      | 2,060,664         | 313,089                      | 1,964,259         | 1,249,698               | 3,637,635         | 1,471,707                   | 885,576          | 6,532,264                | 6,069,404          |
| Interbank investments                                    | 10,959,762           | 18,789,431         | 1,461,185                      | 1,147,309         | 2,297,957                    | 1,021,853         | 7,977,439               | 6,298,526         | 345,688                     | 839,647          | 8,155,451                | 19,074,741         |
| Securities   | 53,355,292           | 42,267,534         | 4,600,630                      | 2,782,325         | 2,036,083                    | 1,819,148         | 6,378,442               | 4,621,626         | 33,089                      | 9,452            | 65,733,185               | 50,765,259         |
| Loan, lease and other credit operations                  | 33,040,948           | 27,206,884         | 25,031,544                     | 17,360,367        | 7,482,490                    | 7,055,436         | 97,083                  | 283,689           | 828                         | 5,642            | 65,591,968               | 51,819,464         |
| Foreign exchange portfolio                               | 32,030,420           | 32,692,272         | 420,265                        | 483,590           | 3,636,363                    | 2,404,693         | 494,140                 | 693,007           | -                           | -                | 35,995,919               | 34,958,843         |
| Other assets   | 1,765,532            | 1,628,381          | 3,198,994                      | 2,061,963         | 286,393                      | 220,920           | 1,037,628               | 1,141,761         | 230,452                     | 114,937          | 6,387,946                | 4,905,838          |
| <b>Permanent assets</b>                                  |                      |                    |                                |                   |                              |                   |                         |                   |                             |                  |                          |                    |
| Investments  | 23,798               | 21,733             | 7,489                          | 6,752             | 4,074                        | 159,581           | 57,563                  | 45,288            | 22,727                      | 168,359          | 40,826                   | 354,974            |
| BPI (Note 15a II)  | -                    | -                  | -                              | -                 | -                            | 155,709           | -                       | -                 | -                           | 162,065          | -                        | 317,774            |
| Other investments  | 23,798               | 21,733             | 7,489                          | 6,752             | 4,074                        | 3,872             | 57,563                  | 45,288            | 22,727                      | 6,294            | 40,826                   | 37,200             |
| Fixed and intangible assets                              | 23,914               | 17,608             | 550,293                        | 447,373           | 176,129                      | 179,755           | 1,370                   | 2,618             | 17,749                      | 39,178           | 769,456                  | 660,940            |
| <b>Total</b>   | <b>133,649,972</b>   | <b>124,942,084</b> | <b>37,985,634</b>              | <b>26,350,343</b> | <b>16,232,578</b>            | <b>14,825,645</b> | <b>17,293,363</b>       | <b>16,724,150</b> | <b>2,122,240</b>            | <b>2,062,791</b> | <b>189,207,015</b>       | <b>168,609,463</b> |
| <b>LIABILITIES</b>                                       |                      |                    |                                |                   |                              |                   |                         |                   |                             |                  |                          |                    |
| <b>Current and long-term liabilities</b>                 |                      |                    |                                |                   |                              |                   |                         |                   |                             |                  |                          |                    |
| Deposits   | 38,283,618           | 41,544,416         | 25,823,927                     | 17,600,111        | 5,884,682                    | 6,070,018         | 4,966,378               | 2,372,347         | -                           | -                | 63,271,408               | 54,812,872         |
| Demand deposits  | 7,907,647            | 6,679,898          | 6,716,836                      | 5,156,894         | 2,937,874                    | 2,721,819         | 361,107                 | 1,048,074         | -                           | -                | 16,250,499               | 10,849,027         |
| Savings deposits   | -                    | -                  | 3,508,265                      | 3,079,732         | -                            | -                 | -                       | -                 | -                           | -                | 3,508,265                | 3,079,732          |
| Interbank deposits                                       | 12,871,885           | 2,214              | 167,716                        | 86,007            | 936,607                      | 1,667,839         | 779,557                 | -                 | -                           | -                | 9,022,676                | 1,139,679          |
| Time deposits  | 17,504,086           | 34,862,304         | 15,431,110                     | 9,277,478         | 2,010,201                    | 1,680,360         | 3,825,714               | 1,324,273         | -                           | -                | 34,489,968               | 39,744,434         |
| Deposits received under securities repurchase agreements | 13,164,317           | 8,414,344          | 414,112                        | 189,657           | -                            | -                 | 3,730,410               | 1,676,686         | -                           | -                | 12,411,251               | 9,206,434          |
| Funds from acceptance and issuance of securities         | 4,818,423            | 6,812,903          | 2,118,348                      | 1,227,095         | 3,993,093                    | 3,017,885         | 2,683,632               | 2,950,553         | -                           | -                | 13,585,496               | 14,004,426         |
| Borrowings   | 18,573,524           | 14,270,037         | 2,129,221                      | 1,631,000         | 1,597                        | 574,433           | 6,018                   | 53,227            | -                           | 31,691           | 20,710,360               | 16,529,753         |
| Derivative financial instruments                         | 2,366,444            | 2,368,038          | 293,228                        | 308,231           | 660,145                      | 846,187           | 715,338                 | 831,821           | -                           | -                | 3,423,230                | 3,698,694          |
| Foreign exchange portfolio                               | 32,016,427           | 32,777,979         | 420,750                        | 479,163           | 3,667,559                    | 2,409,869         | 487,556                 | 675,542           | -                           | -                | 36,007,023               | 35,027,835         |
| Other liabilities  | 14,736,854           | 6,425,303          | 2,293,056                      | 1,810,323         | 574,993                      | 468,990           | 1,961,936               | 332,463           | 196,228                     | 112,092          | 19,570,136               | 8,827,365          |
| <b>Deferred income</b>                                   | <b>60,886</b>        | <b>49,936</b>      | <b>5,780</b>                   | <b>10,371</b>     | <b>19,773</b>                | <b>23,809</b>     | <b>-</b>                | <b>132</b>        | <b>1,224</b>                | <b>2,045</b>     | <b>87,663</b>            | <b>86,294</b>      |
| <b>Minority interest in subsidiaries</b>                 | <b>-</b>             | <b>-</b>           | <b>9,327</b>                   | <b>45,333</b>     | <b>67</b>                    | <b>63</b>         | <b>798,296</b>          | <b>728,949</b>    | <b>3</b>                    | <b>4</b>         | <b>798,607</b>           | <b>729,209</b>     |
| <b>Stockholders' equity</b>                              |                      |                    |                                |                   |                              |                   |                         |                   |                             |                  |                          |                    |
| Capital and reserves                                     | 8,487,285            | 10,858,053         | 4,106,341                      | 2,787,718         | 1,628,543                    | 1,499,562         | 1,952,279               | 7,078,513         | 2,141,852                   | 2,064,990        | 18,253,492               | 24,195,475         |
| Net income for the period                                | 1,142,194            | 1,421,075          | 371,544                        | 261,341           | (197,874)                    | (85,171)          | (8,480)                 | 23,917            | (217,067)                   | (148,031)        | 1,088,349                | 1,491,106          |
| <b>Total</b>   | <b>133,649,972</b>   | <b>124,942,084</b> | <b>37,985,634</b>              | <b>26,350,343</b> | <b>16,232,578</b>            | <b>14,825,645</b> | <b>17,293,363</b>       | <b>16,724,150</b> | <b>2,122,240</b>            | <b>2,062,791</b> | <b>189,207,015</b>       | <b>168,609,463</b> |
| <b>Statement of Income</b>                               |                      |                    |                                |                   |                              |                   |                         |                   |                             |                  |                          |                    |
| Income from financial operations                         | 2,667,124            | 1,656,803          | 1,909,121                      | 1,183,958         | 205,313                      | 203,177           | 299,210                 | 229,588           | 9,326                       | 21,216           | 4,913,384                | 3,196,069          |
| Expenses of financial operations                         | (1,289,733)          | (391,303)          | (751,087)                      | (429,806)         | (111,748)                    | (80,477)          | (205,841)               | (153,172)         | (225)                       | (2,627)          | (2,192,351)              | (970,138)          |
| Result of loan losses                                    | (156,230)            | 164,185            | (135,009)                      | (109,544)         | 2,546                        | 2,717             | -                       | -                 | (65)                        | (2,879)          | (288,758)                | 56,224             |
| <b>Gross income from financial operations</b>            | <b>1,221,161</b>     | <b>1,429,685</b>   | <b>1,023,025</b>               | <b>644,608</b>    | <b>96,111</b>                | <b>125,417</b>    | <b>93,369</b>           | <b>76,416</b>     | <b>9,036</b>                | <b>15,710</b>    | <b>2,432,275</b>         | <b>2,282,155</b>   |
| Other operating revenues (expenses)                      | (78,764)             | (1,023)            | (538,257)                      | (355,175)         | (126,565)                    | (173,746)         | (101,849)               | (51,170)          | (58,579)                    | (145,256)        | (895,055)                | (705,641)          |
| <b>Operating income</b>                                  | <b>1,142,397</b>     | <b>1,428,662</b>   | <b>484,768</b>                 | <b>289,433</b>    | <b>(30,454)</b>              | <b>(48,329)</b>   | <b>(8,480)</b>          | <b>25,246</b>     | <b>(49,543)</b>             | <b>(129,546)</b> | <b>1,537,220</b>         | <b>1,576,514</b>   |
| Non-operating income                                     | (48)                 | (7,499)            | 1,898                          | 39,252            | (148,502)                    | 3,432             | -                       | 239               | (153,023)                   | 1,128            | (300,576)                | 35,420             |
| <b>Income before taxes on income and profit sharing</b>  | <b>1,142,349</b>     | <b>1,421,163</b>   | <b>486,666</b>                 | <b>328,685</b>    | <b>(178,956)</b>             | <b>(44,897)</b>   | <b>(8,480)</b>          | <b>25,485</b>     | <b>(202,566)</b>            | <b>(128,418)</b> | <b>1,236,644</b>         | <b>1,611,934</b>   |
| Income tax   | (155)                | (88)               | (114,559)                      | (59,430)          | (15,826)                     | (36,845)          | -                       | -                 | (14,501)                    | (19,615)         | (145,040)                | (115,806)          |
| Statutory participation in income                        | -                    | -                  | (135)                          | -                 | (3,095)                      | (3,429)           | -                       | (1,568)           | -                           | -                | (3,230)                  | (4,997)            |
| Minority interest in subsidiaries                        | -                    | -                  | (428)                          | (7,914)           | 3                            | -                 | -                       | -                 | -                           | 2                | (25)                     | (25)               |
| <b>Net income (loss)</b>                                 | <b>1,142,194</b>     | <b>1,421,075</b>   | <b>371,544</b>                 | <b>261,341</b>    | <b>(197,874)</b>             | <b>(85,171)</b>   | <b>(8,480)</b>          | <b>23,917</b>     | <b>(217,067)</b>            | <b>(148,031)</b> | <b>1,088,349</b>         | <b>1,491,106</b>   |

(1) Itaú Unibanco S.A. - Grand Cayman, New York and Tokyo, ITAU UNIBANCO HOLDING S.A. - Grand Cayman Branch, Banco Itaú-BBA S.A. - Nassau Branch, only 9/30/2011, Banco Itaú BBA S.A. Sucursal Uruguay, Unibanco Grand Cayman Branch and Itaú Unibanco S.A. - Nassau Branch.  
(2) Banco Itaú Argentina S.A. Itaú Asset Management S.A. Sociedad Gerente de Fondos Comunes de Inversión, Itrust Servicios Inmobiliarios S.A.C.I, Itaú Sociedad de Bolsa S.A., Itaú Chile Holdings Inc., BICSA Holdings LTD., Banco Itaú Chile S.A., Itaú Chile Inversiones, Servicios Y Administración S.A., Itaú Chile Corredor de Bolsa Ltda., Itaú Chile Corredora de Seguros Ltda., Itaú Chile Administradora General de Fondos S.A., Itaú Chile Securitizadora S.A., Recuperadora de Créditos Ltda, Itaú Chile Compañía de Seguros de Vida S.A., ACO Ltda., Banco Itaú Uruguay S.A., OCA Casa Financiera S.A., OCA S.A., Unión Capital AFAP S.A., Banco Itaú Paraguay, Tarjetas Unisoluciones S. A. de Capital Variable y Proserv - Promociones Y Servicios S.A. de C. V., MCC Asesorías Limitada (50%), MCC Securities INC. (50%) and Itaú BBA SAS; only at 9/30/2012, Itaú BBA Colombia and MCC Corredora de Bolsa (50,0489%).

(3) IPI - Itaúsa Portugal Investimentos, SGPS Lda. (49%), Itaúsa Europa - Investimentos, SGPS, Lda., Itaú Europa, SGPS, Lda., Itaúsa Portugal - SGPS, S.A., Banco Itaú BBA International, S.A., Itaú BBA International (Cayman) Ltd., Banco Itaú Europa Luxembourg S.A., BIE Cayman, Ltd., Banco Itaú Europa International, Itaú Bank & Trust Bahamas Ltd., Itaú Europa Securities Inc., Federal Director International Services, S.A., Bay State Corporation Limited and Banco Itaú Suisse S.A.; only at 09/30/2011, Itaú Madeira Investimentos SGPS Ltda., Kennedy Director International Services S.A., Cape Ann Corporation Limited., BIE Directors Ltd and BIE Nominees Ltd; only at 9/30/2012, Itaú BBA International Limited.

(4) Itaú Bank Ltd., ITB Holding Ltd., Jasper International Investment LLC, Unibanco Cayman Bank Ltd., Itaú Bank & Trust Cayman Ltd., Uni-Investments Inter. Corp., Unipart Partic. Internac. Ltd., Rosefield Finance Ltd. (50%) and UBT Finance S.A.; only at 9/30/2011, Unibanco Securities Inc. and Itaú USA Asset Management.

(5) Afincos Americas Madeira, SGPS, Soc. Unipessoal Ltda., Zux Cayman Company Ltd., Topaz Holding Ltd., United Corporate Services Inc (new company name of Itaú USA Inc), Itaú International Investment LLC, Albarus S.A., Banco Del Paraná S.A., Garnet Corporation, Itaú Global Asset Management, Mundostar S.A., Karen International Ltd., Nevada Woods S.A., Itaú Asia Securities Ltd., Libero Trading International Ltd., IPI - Itaúsa Portugal Investimentos, SGPS Lda. (51%), Itaú BBA USA Securities Inc., Itaú Middle East Limited, Unipart B2B Investments, S.L., Itaú BBA UK Securities Limited, Itaú Japan Asset Management Ltd. and Itaú (Beijing) Investment Consultancy Limited, Itaú UK Asset Management Limited; only at 09/30/2012: Itaú Asia Asset Management Limited and Itaú USA Asset Management.

(6) Foreign consolidated information presents balances net of eliminations from consolidation.

## NOTE 21 – RISK MANAGEMENT

The purpose of risk identification is to map the risk events of internal and external nature that may affect the strategies of support and business units and the fulfillment of their objectives, with possibility of impact on ITAÚ UNIBANCO HOLDING's income, capital and liquidity.

Risk management is considered by ITAÚ UNIBANCO HOLDING an essential tool for optimizing the use of resources and selecting the best business opportunities, in order to maximize shareholder value.

At ITAÚ UNIBANCO HOLDING, Risk Management is the process in which:

- The existing and potential risks in ITAÚ UNIBANCO HOLDING's operations are identified and measured;
- Norms, procedures and methodologies for risk management and control consistent with the Board of Directors' guidelines and ITAÚ UNIBANCO HOLDING's strategies are approved;
- The ITAÚ UNIBANCO HOLDING's risk portfolio is managed considering the best risk-return ratio;

Risk management processes are spread throughout the whole institution, aligned with the guidelines of the Board of Directors and Executives that, through Committees of the Board of Directors and Senior Commissions, define the global objectives that are measured as goals and limits to the risk management units. Control units, in turn, support the ITAÚ UNIBANCO HOLDING's management by monitoring and analyzing risk.

ITAÚ UNIBANCO HOLDING's risk management organizational structure is compliant with the regulations in Brazil and abroad and in line with market best practices. The Market, Credit, Liquidity, Operational and Underwriting risks control is performed in a centralized way by an independent unit, aiming at assuring that the ITAÚ UNIBANCO HOLDING's risks are being managed in accordance with established policies, norms and procedures. The purpose of centralizing control is to provide the Executives and the Board of Directors with an overview of ITAÚ UNIBANCO HOLDING's risk exposure, so as to optimize and speed up corporate decision-making.

ITAÚ UNIBANCO HOLDING manages proprietary IT systems to fully meet the applicable rules on capital reserve, pursuant to determinations and models issued by the Central Bank (BACEN). It also coordinates actions to check for adherence to qualitative and quantitative requirements established by the relevant authorities for compliance with the minimum mandatory capital requirement.

In compliance with Resolution No. 3,988 of June 30, 2011 of the National Monetary Council (CMN), ITAÚ UNIBANCO HOLDING's capital management structure is been adapted and implemented. In January 2012 the Board of Directors has approved the appointment of an officer in charge and establishment of the structure, applicable to ITAÚ UNIBANCO HOLDING. In June 2012, the institutional norm has also been approved by the Board of Directors, and processes, procedures and systems required for the effective implementation of the capital management structure have been established.

Further information on risk management can be found on the website [www.itaunibanco.com.br/ri](http://www.itaunibanco.com.br/ri), under section Corporate Governance/Risk Management – Circular 3.477.

### I – Market Risk

Market risk is the possibility of incurring losses arising from the variations in the market values of positions held by a financial institution, including the risks of transactions subject to the variations in foreign exchange and interest rates, and equities and commodity prices.

The process for managing market risks of ITAÚ UNIBANCO HOLDING occurs within the governance and hierarchy of committees and limits approved specifically for this purpose, and that covers from the monitoring of aggregate indicators of risk to granular limits, assuring effectiveness and coverage of control. These limits are dimensioned considering the projected results of the balance sheet, the level of equity and the profile of risk of each legal entity, which are defined in terms of risk measures used by management. Limits are monitored daily and excesses are reported and discussed in the corresponding committees.

The structure of limits and alerts follows the guidelines of the Board of Directors and is designed and approved by the Superior Risk Committee (CSRisc), after discussions and deliberations by the Superior Institutional Treasury Committee (CSTI) about metrics and market risk limits. The review of this structure is performed at least annually.

The market risk control and management process is submitted to periodic reviews aimed at keeping it aligned with the best market practices and adhering to the continuous improvement processes at ITAÚ UNIBANCO HOLDING.

The market risk management is the process through which the institution plans, monitors and controls the risks of variations in financial instruments market values, aiming at optimizing the risk-return ratio, by using an appropriate structure of Adequate management limits, models and tools.

The scope of the market risk control carried out by ITAÚ UNIBANCO HOLDING is extended to all the financial instruments included in the portfolios of companies under its responsibility. In this sense, the corporate guidelines the ITAÚ UNIBANCO HOLDING's Market Risk Management Policy is in line with the principles of Resolution No. 3,464 of June 26, 2007, issued by the National Monetary Council (CMN) (as amended), being a set of principles that drive the ITAÚ UNIBANCO HOLDING strategy towards control and management of market risk of all business units and legal entities of the ITAÚ UNIBANCO HOLDING.

The document that details the guidelines set out by by the corporate guidelines on market risk control can be read on the website [www.itaunibanco.com.br/ri](http://www.itaunibanco.com.br/ri), in the section Corporate Governance, Rules and Policies, Public Access Report – Market Risk.

The control of market risk is carried out by an area independent from the business ones, and is responsible for carrying out daily measurement, assessment, analysis and report activities to the areas and people in charge, pursuant to governance established and monitoring the actions required to adjust the position and/or risk level. For this purpose, the ITAÚ UNIBANCO HOLDING relies on a structured communication and information process, aiming at providing feedback for the follow-up of the superior committees and compliance with the regulatory bodies in Brazil and abroad.

The market risk analyses are conducted based on the following metrics:

- Value at Risk (VaR): statistical measure that estimates the expected maximum potential economic loss under normal market conditions, considering a certain time horizon and confidence level;
- Losses in Stress Scenarios: simulation technique to assess the behavior of assets and liabilities and derivatives of a portfolio when several risk factors are taken to extreme market situations (based on prospective scenarios);
- Stop Loss: effective losses added to the maximum potential loss in bullish and bearish scenarios;
- Earnings at Risk (EaR): Measure that quantifies the P&L impact of a given portfolio, considering regular market conditions, time horizon related to the longest transaction in the banking portfolio and a predetermined confidence interval.

In addition to the aforementioned risk measures, sensitivity and loss control measures are also analyzed. They comprise:

- Mismatching (gap) analysis (GAPS): graphic representation by risk factor of cash flows expressed at market value, allocated at the maturity dates;
- Sensitivity (DV1- Delta Variation): impact on the market value of cash flows, when submitted to an one annual basis point increase in the current interest rates. Applied to risk factors;
- Sensitivity to Several Risk Factors (Greeks): partial derivatives of an option portfolio in relation to the prices of underlying assets, implied volatilities, interest rates and time;
- Stop Loss: maximum loss that a certain portfolio classified in the trading portfolio is authorized to reach.

The consolidated ITAÚ UNIBANCO HOLDING S.A., maintaining its conservative management and portfolio diversification, continued with its policy of operating within low limits in relation to its capital.

In September 2012, Itaú Unibanco recorded a Total Global VaR of R\$ 218 million (R\$ 402 million in June/2012).



## II – Credit Risk

Credit risk is the possibility of incurring losses in connection with: (i) the breach by the borrower or counterparty of the respective agreed-upon financial obligations, (ii) the devaluation of loan agreement due to downgrading of the borrower's risk rating, (iii) the reduction in gains or compensation, (iv) the advantages given upon renegotiation and (v) the recovery costs.

In line with the principles of CMN Resolution No. 3,721 of April 30, 2009, ITAÚ UNIBANCO HOLDING has a structure for and institutional norm on credit risk management, approved by its Board of Directors, applicable to the companies and subsidiaries in Brazil and abroad.

The document that outlines the guidelines set out by this internal policy on credit risk control can be read on the website [www.itaunibanco.com.br/ri](http://www.itaunibanco.com.br/ri), in the section Corporate Governance, Rules and Policies, Public Access Report – Credit Risk.

The objective of ITAÚ UNIBANCO HOLDING's credit risk management aims at creating value to stockholders, through the analysis of the risk-adjusted return, focusing on maintaining the quality of credit portfolio in levels adequate to each market segment in which it operates.

ITAÚ UNIBANCO HOLDING establishes its credit policy based on internal factors, such as the client rating criteria and portfolio development analysis, the registered default levels, the incurred return rates, and the allocated economic capital; and external factors, related to the economic environment in Brazil and abroad, including market share, interest rates, market default indicators, inflation, and consumption increase/decrease. ITAÚ UNIBANCO HOLDING's centralized process for making decisions and establishing a credit policy guarantees the synchrony of credit actions and optimization of business opportunities.

To protect the institution against losses arising from loan operations, ITAÚ UNIBANCO HOLDING considers all aspects that determine the client's credit risk to define the provision level commensurate with the risk incurred in each operation. For each operation, the assessment and rating of the client or economic group, the operation rating, and the possible existence of past-due amounts are taken into account and the volume of the regulatory provision is determined.

ITAÚ UNIBANCO HOLDING recognizes a provision additional to that required by BACEN, aiming at ensuring a provision level compatible with the expected loss model adopted by the institution's credit risk management, based on internal models. This allowance is usually quantified in view of the past performance of loan portfolios, based on exposure, probabilities of default and expected recovery of transactions.

## III – Operational Risk

The operational risk is the possibility of incurring losses arising from failure, deficiency or inadequacy of internal processes, personnel and systems, or external events. It includes the legal risk, associated with the inadequacy or deficiency in agreements signed by the institution, as well as sanctions for failing to meet legal provisions and compensation for damages to third parties arising from activities performed by ITAÚ UNIBANCO HOLDING.

The purposes of operational risk management is to identify, evaluate, measure and respond to the ITAÚ UNIBANCO HOLDING's operational risks and monitor them for the purpose of maintaining losses and risks within the limits established by ITAÚ UNIBANCO HOLDING and to ensure adherence to the internal guidelines and current regulation. The managers of the business and support areas use corporate methodologies that are built and made available by the operational risk and internal control areas to support the management process.

The operational risk control is the process of measurement, monitoring and reporting of the organization's risk aimed at ensuring that ITAÚ UNIBANCO HOLDING's risk profile is within the limits established by Senior Management and that Senior Management is informed of the main risks of the institution in a timely manner. This control is carried out by the operational risk and internal control areas, which, in turn, use control methodologies and risk information generated by the business areas. Within the governance of the operational risk management process, there are specific operational risk and control forums conducted by the control areas where the consolidated reports on risk monitoring, controls, action plans and operational losses are presented to the business areas executives.

The set of principles, governance, roles and responsibilities, methodologies and procedures that support the operational risk management process applied to products, services, activities, processes and systems is described and published in an operational risk management institutional norm. A summarized version of such policy is available on the website [www.itaú-unibanco.com.br/ri](http://www.itaú-unibanco.com.br/ri) in the section Corporate Governance, Rules and Policies, Public Access Report – Operational Risk.

On April 30, 2008, BACEN published Circular No. 3.383 and Circular Letters Nos. 3,315 and No. 3,316, which establish the criteria for calculation of PRE related to the operational risk (POPR), addressed by Resolution No. 3,490. Therefore, since July 1, 2008, ITAÚ UNIBANCO HOLDING has allocated capital to Operational Risk using the Alternative Standardized Approach.

#### **IV – Liquidity Risk**

Liquidity risk is the occurrence of imbalances between tradable assets and falling due liabilities - mismatching between payments and receipts - which may affect the ITAÚ UNIBANCO HOLDING's payment capacity, taking into consideration the different currencies and payment terms and their rights and obligations.

Management of liquidity risk seeks to guarantee liquidity sufficient to support possible outflows in market stress situations, as well as the compatibility between funding, and terms and liquidity of assets.

ITAÚ UNIBANCO HOLDING has a structure dedicated to monitoring, controlling and analyzing liquidity risk, through models of variables projections that affect cash flows and the level of reserves in local and foreign currencies.

Additionally, ITAÚ UNIBANCO HOLDING establishes guidelines and limits whose compliance is periodically analyzed in technical committees and whose purpose is providing safety margin in addition to the minimum projected needs. Liquidity management policies and associated limits are established based on prospective scenarios that are regularly reviewed and on top management definitions.

#### **V - Underwriting Risk**

Underwriting risk is the possibility of incurring losses arising from insurance, pension plan and capitalization operations that are contrary to the organization's expectations and that are directly or indirectly associated with the technical and actuarial bases used to calculate premiums, contributions and technical reserves.

The insurance risk management process is supported by roles and responsibilities determined by the business and risk control areas so as to reinforce the separation of the management and control activities and, therefore, ensure the independence between the areas. Additionally, there is a governance process that ensures an independent validation of the products and negotiations in question, ensuring compliance with the many internal and regulatory demands.

In accordance with the Resolution No. 228 of December 6, 2010 of National Council of Private Insurance (CNSP), ITAÚ UNIBANCO HOLDING establishes limits for borderline risks between underwriting and credit. Itaú Unibanco defines the credit risk quality of reinsurance companies and the concentration limits in accordance with CNSP Resolution No. 168, of December 17th, 2007, following the same credit governance of Itaú Unibanco.

## NOTE 22 – ADDITIONAL INFORMATION

a) **Insurance policy** - ITAÚ UNIBANCO HOLDING and its subsidiaries, despite the low risk exposure due to a physical non-concentration of their assets, have the policy to guarantee their valuables and assets at amounts considered sufficient to cover possible claims.

b) **Foreign currency** – The balances in Reais linked to the foreign currency were:

|   | 09/30/2012          | 09/30/2011          |
|---|---------------------|---------------------|
| Permanent foreign investments   | 19,341,841          | 25,686,581          |
| Net amount of other assets and liabilities indexed to foreign currency, including derivatives | (31,369,739)        | (45,630,403)        |
| <b>Net foreign exchange position</b>  | <b>(12,027,898)</b> | <b>(19,943,822)</b> |

The net foreign exchange position, considering the tax effects on the net balance of other assets and liabilities indexed to foreign currency, reflects the low exposure to exchange variations.

c) **Investment funds and managed portfolios** - ITAÚ UNIBANCO HOLDING, through its subsidiaries, manages the following types of funds: privatization, fixed income, shares, open portfolio shares, investment clubs, customer portfolios and group portfolios, domestic and foreign, classified in memorandum accounts, distributed as follows:

|                           | Amount             |                    | Amount (*)         |                    | Number of funds |               |
|---------------------------|--------------------|--------------------|--------------------|--------------------|-----------------|---------------|
|                           | 09/30/2012         | 09/30/2011         | 09/30/2012         | 09/30/2011         | 09/30/2012      | 09/30/2011    |
| <b>Investment funds</b>   | <b>352,208,281</b> | <b>299,943,197</b> | <b>352,208,281</b> | <b>299,943,197</b> | <b>3,448</b>    | <b>3,146</b>  |
| Fixed income              | 327,469,868        | 272,337,080        | 327,469,868        | 272,337,080        | 2,775           | 2,278         |
| Shares                    | 24,738,413         | 27,606,117         | 24,738,413         | 27,606,117         | 673             | 868           |
| <b>Managed portfolios</b> | <b>200,530,402</b> | <b>154,154,281</b> | <b>80,082,220</b>  | <b>90,867,869</b>  | <b>15,583</b>   | <b>15,235</b> |
| Customers                 | 100,017,400        | 92,862,662         | 79,672,242         | 79,309,333         | 15,512          | 15,166        |
| Itaú Group                | 100,513,002        | 61,291,619         | 409,978            | 11,558,536         | 71              | 69            |
| <b>TOTAL</b>              | <b>552,738,683</b> | <b>454,097,478</b> | <b>432,290,501</b> | <b>390,811,066</b> | <b>19,031</b>   | <b>18,381</b> |

(\*) It refers to the distribution after elimination of double-counting of managed portfolios in investment funds.

d) **Funds of consortia**

|   | 09/30/2012 | 09/30/2011 |
|---|------------|------------|
| Monthly estimate of installments receivable from participants | 86,203     | 68,664     |
| Group liabilities by installments                             | 6,410,714  | 5,384,859  |
| Participants – assets to be delivered                         | 5,949,944  | 5,061,196  |
| Funds available for participants                              | 554,504    | 424,627    |
| <b>(In units)</b>   |            |            |
| Number of managed groups                                      | 806        | 720        |
| Number of current participants                                | 264,503    | 195,043    |
| Number of assets to be delivered to participants              | 153,320    | 118,696    |

e) **Fundação Itaú Social** - ITAÚ UNIBANCO HOLDING and its subsidiaries are the main sponsors of Fundação Itaú Social, the objectives of which are: 1) managing the “Itaú Social Program”, which aims at coordinating the organization’s role in projects of interest to the community by supporting or developing social, scientific and cultural projects, mainly in the elementary education and health areas; 2) supporting projects or initiatives in progress, supported or sponsored by entities qualified to work in the “Programa Itaú Social” (Itaú Social Program); and 3) providing food and other similar benefits to the employees of ITAÚ UNIBANCO HOLDING and other companies of the group.

During the period from January 1 to September 30, 2012 the consolidated companies made no donations (R\$ 280 at September 30, 2011) and the Foundation’s social net assets totaled R\$ 3,005,736 (R\$ 2,914,369 at September 30, 2011). The income arising from its investments will be used to achieve the Foundation’s social purposes.

f) **Instituto Itaú Cultural – IIC** - ITAÚ UNIBANCO HOLDING and its subsidiaries are supporters of Instituto Itaú Cultural - IIC, an entity formed to grant incentives, promote and preserve Brazil’s cultural heritage. During the period, the consolidated companies donated the amount of R\$ 47,400 (R\$ 43,000 from January 1 to September 30, 2011).

g) **Instituto Unibanco** - ITAÚ UNIBANCO HOLDING and its subsidiaries sponsor Instituto Unibanco, an entity whose objective is to support projects on social assistance, particularly education, culture, promotion of integration to labor market, and environmental protection, directly and/or supplementarily, through the civil society’s institutions.

h) **Instituto Unibanco de Cinema** - ITAÚ UNIBANCO HOLDING and its subsidiaries sponsor Instituto Unibanco de Cinema, an entity whose objective is (i) the fostering of culture in general; and (ii) providing access of low-income population to cinematography, videography and similar productions, for which it shall maintain movie theaters owned or managed by itself, and theaters to screen films, videos, video-laser discs and other related activities, as well as to screen and divulge films of great importance, especially those produced in Brazil.

i) **Associação Clube “A”** - ITAÚ UNIBANCO HOLDING and its subsidiaries sponsor Associação Clube “A”, an entity whose objective is the provision of social services for the welfare of beneficiaries, in the way and conditions established by its Internal Rules, and according to the funds available. These services may include, among others, the promotion of cultural, educational, sports, entertainment and health care activities. During the period from January 1 to September 30, 2012, the consolidated companies made donations to Clube “A” in the amount of R\$ 800.

j) **Instituto Assistencial Pedro di Perna** - ITAÚ UNIBANCO HOLDING and its subsidiaries sponsor Instituto Assistencial Pedro di Perna, an entity whose objective is the provision of social services, stimulate sport activities, and promote recreation, aimed at the welfare of its members, in the way and conditions established by its Internal Rules, and according to the funds available.

**k) Exclusions of nonrecurring effects net of tax effects – Holding and Holding Consolidated**

|   | 01/01 to<br>09/30/2012 | 01/01 to<br>09/30/2011 |
|---|------------------------|------------------------|
| Program for Settlement or Installment Payment of Federal - Law No. 11,941/09 (Notes 12b and 14) | -                      | 508,993                |
| Provision for contingencies – economic plans (Note 12)  | (133,385)              | (230,435)              |
| Market value based on the share price – BPI (Note 15a II)                                       | (305,447)              | (233,295)              |
| <b>Total</b>  | <b>(438,832)</b>       | <b>45,263</b>          |

- l) Reclassifications for comparison purposes** – The Company carried out reclassifications in the balances of September 30, 2011, for financial statements comparison purposes, in view of the regrouping of the following headings: In the Balance Sheet, the reclassification related to Investment Funds from Minority Interest in Subsidiaries to Other Liabilities – Sundry. In Statement of Income, the reclassification of Provision for Tax and Social Security from Other Operating Expenses to Other Operating Revenues and the reclassification from Minority Interest in Subsidiaries to Expenses of Financial Operations.

|  | Prior disclosure    | Reclassification/d reconsolidation | Adjusted balances   |
|--|---------------------|------------------------------------|---------------------|
| <b>CURRENT AND LONG-TERM LIABILITIES</b>                   | <b>765,922,344</b>  | <b>462,718</b>                     | <b>766,385,062</b>  |
| <b>OTHER LIABILITIES</b>                                   | <b>160,836,498</b>  | <b>462,718</b>                     | <b>161,299,216</b>  |
| Sundry   | 19,872,533          | 462,718                            | 20,335,251          |
| <b>MINORITY INTEREST IN SUBSIDIARIES</b>                   | <b>2,004,192</b>    | <b>(462,718)</b>                   | <b>1,541,474</b>    |
| <b>TOTAL LIABILITIES</b>                                   | <b>836,994,304</b>  | <b>-</b>                           | <b>836,994,304</b>  |
| <b>EXPENSES OF FINANCIAL OPERATIONS</b>                    | <b>(40,658,540)</b> | <b>(37,716)</b>                    | <b>(40,696,256)</b> |
| Money market   | (35,165,276)        | (37,716)                           | (35,202,992)        |
| <b>INCOME FROM FINANCIAL OPERATIONS BEFORE LOAN LOSSES</b> | <b>34,495,253</b>   | <b>(37,716)</b>                    | <b>34,457,537</b>   |
| <b>GROSS INCOME FROM FINANCIAL OPERATIONS</b>              | <b>23,951,122</b>   | <b>(37,716)</b>                    | <b>23,913,406</b>   |
| <b>OTHER OPERATING REVENUES (EXPENSES)</b>                 | <b>(11,041,987)</b> | <b>244</b>                         | <b>(11,041,743)</b> |
| Despesas de Pessoal  | (10,048,610)        | 244                                | (10,048,366)        |
| Outras Receitas Operacionais                               | 303,769             | (231)                              | 303,538             |
| Outras Despesas Operacionais                               | (3,844,468)         | 231                                | (3,844,237)         |
| <b>OPERATING INCOME</b>                                    | <b>12,909,135</b>   | <b>(37,472)</b>                    | <b>12,871,663</b>   |
| <b>RESULTADO NÃO OPERACIONAL</b>                           | <b>189,378</b>      | <b>(244)</b>                       | <b>189,134</b>      |
| <b>INCOME BEFORE TAXES ON INCOME AND PROFIT SHARING</b>    | <b>13,098,513</b>   | <b>(37,716)</b>                    | <b>13,060,797</b>   |
| <b>IMPOSTO DE RENDA E CONTRIBUIÇÃO SOCIAL</b>              | <b>(1,416,624)</b>  | <b>-</b>                           | <b>(1,416,624)</b>  |
| Devidos sobre Operações do Período                         | (5,383,745)         | 149,368                            | (5,234,377)         |
| Referentes a Diferenças Temporárias                        | 3,967,121           | (149,368)                          | 3,817,753           |
| <b>MINORITY INTEREST IN SUBSIDIARIES</b>                   | <b>(578,652)</b>    | <b>37,716</b>                      | <b>(540,936)</b>    |
| <b>NET INCOME</b>  | <b>10,939,881</b>   | <b>-</b>                           | <b>10,939,881</b>   |

- m) Agreements for offset and settlement of liabilities in the scope of the National Financial System** – Offset agreements were entered into in the scope of derivative contracts, as well as agreements for offset and settlement of receivables and payables pursuant to CMN Resolution No. 3.263, of February 24, 2005, which purpose is to enable the offset of credits and debits maintained with the same counterparty, and in which the maturity dates of receivables and payables can be advanced to the date an event of default by one of the parties occurs or in case of the bankruptcy of the debtor

**n) Subsequents Events**

**Redecard**

In October 2012, ITAÚ UNIBANCO HOLDING purchased, through its subsidiary Banestado Participações, Administração e Serviços Ltda., 23,987,343 common shares of Redecard for the amount offered in the OPA of September 24, 2012, of R\$ 35.00 plus SELIC variation for the period, thus increasing its participation from 94.4% to 98.0%. ITAÚ UNIBANCO HOLDING expects to complete the purchase of the remaining minority interest by the end of 2012.

On October 18, 2012, the Securities and Exchange Commission (CVM) cancelled Redecard's register as a publicly-held company.

**Serasa**

We inform the sale to Experian of our total interest in Serasa S.A. Experian shall pay R\$ 1.7 billion to Itaú Unibanco, in cash, for 601,403 SERASA's shares, representing 16.14% of the company's capital. The result before taxes for the bank, arising from this sale, is estimated at R\$ 1.5 billion in the fourth quarter of 2012.

## Report on review of interim financial statements

To the Directors and Stockholders  
Itaú Unibanco Holding S.A.

### Introduction

We have reviewed the accompanying interim financial statements of Itaú Unibanco Holding S.A. (the "Bank") stand alone, which comprise the balance sheet as at September 30, 2012 and the related statements of income, changes in stockholders equity's and cash flows for the nine-month period then ended, as well as the accompanying consolidated interim financial statements of Itaú Unibanco Holding S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at September 30, 2012 and the related consolidated statements of income and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express a conclusion on these interim financial statements based on our review.

### Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion on the stand alone interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the stand alone interim financial statements referred to above do not present fairly, in all material respects, the financial position of Itaú Unibanco Holding S.A. as at September 30, 2012, and the financial performance and cash flows, for the nine-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

### Conclusion on the consolidated interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the Consolidated interim financial statements referred to in the first paragraph do not presented fairly, in all material respects, the financial position of Itaú Unibanco Holding S.A. as at September 30, 2012, and the financial performance and cash flows, for the nine-month period then ended, in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Brazilian Central Bank (BACEN).

## **Other matters**

### **Statement of value added**

We also have reviewed the interim statements of value added of Itaú Unibanco Holding S.A. and Itaú Unibanco Holding S.A. and its subsidiaries for the nine-month period ended September 30, 2012, presented as supplementary information. These statements have been submitted to the same review procedures described in the second paragraph above and, based on our review, nothing has come to our attention that causes us to believe that these statements are not prepared consistently, in all material respects, with the interim financial statements taken as a whole.

São Paulo, October 22, 2012

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

Paulo Sergio Miron  
Contador CRC 1SP173647/O-5

# ITAÚ UNIBANCO HOLDING S.A.

CNPJ. 60.872.504/0001-23

Listed Company

NIRE. 35300010230

## **OPINION OF THE FISCAL COUNCIL**

The effective members of the Fiscal Council of ITAÚ UNIBANCO HOLDING S.A., having reviewed the financial statements for the period from January to September 2012, have verified the accuracy of all items examined and, in view of the unqualified opinion of PricewaterhouseCoopers Auditores Independentes, understand that they adequately reflect the company's capital structure, financial position and the activities conducted during the period.

São Paulo (SP), October 22, 2012.

IRAN SIQUEIRA LIMA  
President

ALBERTO SOZIN FURUGUEM  
Member

LUIZ ALBERTO DE CASTRO FALLEIROS  
Member